

Part 3: Expenses and Net Capital Investment

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This part reports on departmental expenses and net capital investment, by agency. The data is presented on the same basis as data in Statement 6 of Budget Paper No. 1. Both sets of data are presented on the basis of external accounting and financial reporting standards. These standards present information in terms of accrued expenses and accrued revenue.

The external standards used for budget reporting purposes are:

- the Australian Bureau of Statistics' Government Finance Statistics (GFS) accrual publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat no. 5514.0), which is based on the International Monetary Fund (IMF) accrual GFS framework
- the Australian Accounting Standards, issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards as adopted in Australia for use by the not-for-profit sector, and specific standards such as AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049).

Machinery of government changes have implications for how information is presented in the tables in this part. For example, if an agency was abolished in a particular year, it will have estimated expenses reflecting expenditure in part of that year. If an agency was created in a particular year, it will have estimated expenses for both that year and the out years.

Departmental Expenses Table

Table 3.1 presents departmental expenses by agency. Departmental expenses reduce the net worth of agencies. It includes expenses controlled by agencies such as payment of wages and purchases of goods and services. It excludes administered expenses – not controlled by agencies – paid on behalf of government such as social benefits and grants to the States. It also excludes net capital investment, which does not reduce net worth.

Table 3.1: Departmental Expenses Table

	Estimates			
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Agriculture, Fisheries and Forestry				
Department of Agriculture, Fisheries and Forestry	1,151	1,036	981	901
Total	1,151	1,036	981	901
Attorney-General's				
Attorney-General's Department	404	368	369	338
Australian Federal Police	1,802	1,743	1,739	1,741
High Court of Australia	28	29	29	29
Total	2,235	2,139	2,137	2,108
Climate Change, Energy, the Environment and Water				
Bureau of Meteorology	537	496	506	511
Clean Energy Finance Corporation	213	384	4,409	441
Department of Climate Change, Energy, the Environment and Water	948	969	896	776
Total	1,698	1,849	5,811	1,728
Defence				
Australian Signals Directorate	1,430	1,807	2,071	2,240
Australian War Memorial	61	62	63	65
Defence Housing Australia	775	818	1,001	916
Department of Defence	40,341	41,151	42,761	45,404
Department of Veterans' Affairs	605	508	455	460
Total	43,212	44,346	46,351	49,085
Education				
Australian Research Council	28	25	25	24
Department of Education	310	320	316	311
Total	338	345	341	335
Employment and Workplace Relations				
Comcare	294	294	293	293
Department of Employment and Workplace Relations	788	724	704	698
Total	1,082	1,018	997	991
Finance				
Department of Finance	742	701	702	706
Future Fund Management Agency	166	175	188	198
Total	908	877	890	904
Foreign Affairs and Trade				
Department of Foreign Affairs and Trade	2,119	2,016	2,014	2,059
Total	2,119	2,016	2,014	2,059

Table 3.1: Departmental Expenses Table (continued)

	Estimates			
	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m
Health and Aged Care				
Department of Health and Aged Care	1,290	1,198	1,106	1,034
National Blood Authority	10	11	11	11
National Health and Medical Research Council	59	60	60	60
Total	1,359	1,268	1,178	1,105
Home Affairs				
Australian Security Intelligence Organisation	655	655	650	654
Department of Home Affairs	3,377	3,163	3,270	3,248
Total	4,033	3,818	3,921	3,902
Industry, Science and Resources				
Australian Nuclear Science and Technology Organisation	426	433	441	449
Commonwealth Scientific and Industrial Research Organisation	1,543	1,597	1,544	1,561
Department of Industry, Science and Resources	720	636	566	544
Geoscience Australia	417	384	341	329
Total	3,106	3,050	2,892	2,883
Infrastructure, Transport, Regional Development, Communications and the Arts				
Australian Broadcasting Corporation	1,190	1,214	1,266	1,277
Australian Communications and Media Authority	137	108	109	110
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	436	421	395	382
National Archives of Australia	101	102	104	95
National Capital Authority	14	15	15	14
National Gallery of Australia	80	83	88	88
National Library of Australia	87	67	65	64
Total	2,045	2,011	2,040	2,031
Parliament				
Department of Parliamentary Services	193	197	199	201
Total	193	197	199	201
Prime Minister and Cabinet				
Department of the Prime Minister and Cabinet	279	227	206	201
Indigenous Business Australia	277	272	271	273
Indigenous Land and Sea Corporation	95	87	89	90
National Indigenous Australians Agency	418	318	311	312
Total	1,069	905	877	877

Table 3.1: Departmental Expenses Table (continued)

	Estimates			
	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m
Social Services				
Department of Social Services	531	480	460	450
National Disability Insurance Agency (NDIA)(c)	35,752	39,967	45,637	51,908
NDIA administered in nature	33,977	38,133	44,116	50,344
NDIA departmental in nature	1,775	1,833	1,521	1,563
Services Australia	5,290	4,406	4,185	4,075
Total	41,573	44,853	50,282	56,432
Treasury				
Australian Bureau of Statistics	469	453	443	492
Australian Office of Financial Management	16	16	15	16
Australian Prudential Regulation Authority	233	234	236	239
Australian Securities and Investments Commission	479	464	466	471
Australian Taxation Office	4,304	4,120	4,100	4,120
Department of the Treasury	367	318	294	288
Total	5,868	5,604	5,556	5,626
Small agencies	9,429	8,850	8,831	8,526
Whole of government and inter-agency amounts(a)	-2,688	-845	319	1,251
Agency expenses considered other economic flows(b)	-1,351	-1,431	-1,788	-1,922
Total departmental expenses	117,376	121,906	133,828	139,023
Less: NDIA administered in nature(c)	33,977	38,133	44,116	50,344
Total excluding NDIA administered in nature	83,400	83,773	89,712	88,678
a) Estimates of inter-agency transactions are included in the whole-of-government and inter-agency amounts. The entry for each portfolio does not include eliminations for inter-agency transactions within that portfolio.				
b) Agency estimates include net write down and impairment of assets and fair value losses. For Australian government reporting these are considered other economic flows.				
c) The National Disability Insurance Agency, (NDIA) is a corporate Commonwealth entity and as such is not required to report expenses separately as <i>administered</i> or <i>departmental</i> . However, the NDIA's expenses incurred in the provision of reasonable and necessary support to clients (<i>administered</i> in nature) will be significant over the forward estimates compared to other corporate Commonwealth entities. Additionally, these expenses are jointly funded by the Commonwealth and participating states and territories. To provide a better view of these NDIA expenses, Table 3.1 shows the split between expenses that are <i>departmental</i> or <i>administered</i> in nature and provides a total excluding NDIA that are <i>administered</i> in nature.				

Net Capital Investment Table

Table 3.2 presents net capital investment by agency. Net capital investment represents net expenditure by agencies on non-financial assets. It includes expenditure on assets such as defence equipment. It excludes any investment in financial assets such as loans.

Table 3.2: Net Capital Investment Table

	Estimates			
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Agriculture, Fisheries and Forestry				
Department of Agriculture, Fisheries and Forestry	-5,601	40	22	-2
Total	-5,601	40	22	-2
Attorney-General's				
Attorney-General's Department	-42	-40	-39	-32
Australian Federal Police	36	-13	-15	-13
High Court of Australia	-1	-1	-4	-5
Total	-7	-53	-58	-49
Climate Change, Energy, the Environment and Water				
Bureau of Meteorology	174	59	18	11
Clean Energy Finance Corporation	8	-3	-3	2
Department of Climate Change, Energy, the Environment and Water	5,836	-5	-27	-34
Total	6,018	51	-12	-21
Defence				
Australian Signals Directorate	254	480	207	-203
Australian War Memorial	148	186	91	7
Defence Housing Australia	334	283	79	122
Department of Defence	7,647	10,369	10,827	10,855
Department of Veterans' Affairs	20	-25	-19	-11
Total	8,403	11,293	11,185	10,770
Education				
Australian Research Council	-4	-2	-2	-1
Department of Education	-452	47	3	3
Total	-456	44	0	2
Employment and Workplace Relations				
Comcare	1	-1	-2	-5
Department of Employment and Workplace Relations	525	-79	-104	-103
Total	526	-79	-105	-108
Finance				
Department of Finance	141	-8	103	156
Future Fund Management Agency	-8	-8	-8	-8
Total	133	-15	95	148
Foreign Affairs and Trade				
Department of Foreign Affairs and Trade	180	59	96	12
Total	180	59	96	12

Table 3.2: Net Capital Investment Table (continued)

	Estimates			
	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m
Health and Aged Care				
Department of Health and Aged Care	-347	-65	-59	-72
National Blood Authority	7	-1	-1	-1
National Health and Medical Research Council	-7	-7	-7	-7
Total	-347	-74	-68	-80
Home Affairs				
Australian Security Intelligence Organisation	-12	-3	-21	1
Department of Home Affairs	-248	-434	-490	-430
Total	-259	-437	-512	-429
Industry, Science and Resources				
Australian Nuclear Science and Technology Organisation	86	60	-7	-15
Commonwealth Scientific and Industrial Research Organisation	85	-10	110	-165
Department of Industry, Science and Resources	-36	-1	-13	-16
Geoscience Australia	-20	-17	-29	-22
Total	115	32	60	-218
Infrastructure, Transport, Regional Development, Communications and the Arts				
Australian Broadcasting Corporation	-113	-32	-49	-48
Australian Communications and Media Authority	-7	-2	-3	-4
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	31	19	-23	-28
National Archives of Australia	-10	-11	-10	-16
National Capital Authority	16	117	2	-10
National Gallery of Australia	27	27	21	13
National Library of Australia	2	3	3	3
Total	-53	122	-59	-91
Parliament				
Department of Parliamentary Services	33	3	-10	-11
Total	33	3	-10	-11
Prime Minister and Cabinet				
Department of the Prime Minister and Cabinet	-2	-9	-12	-11
Indigenous Business Australia	-7	-10	-9	-9
Indigenous Land and Sea Corporation	-1	-2	-2	-2
National Indigenous Australians Agency	-15	-17	-19	-19
Total	-25	-38	-41	-41
Social Services				
Department of Social Services	-28	-20	-16	-11
National Disability Insurance Agency	8	5	7	8
Services Australia	330	-82	-44	-351
Total	311	-98	-52	-354

Table 3.2: Net Capital Investment Table (continued)

	Estimates			
	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m
Treasury				
Australian Bureau of Statistics	-23	-24	-1	-28
Australian Office of Financial Management	0	0	0	0
Australian Prudential Regulation Authority	-10	-6	32	-14
Australian Securities and Investments Commission	-14	-32	-31	-30
Australian Taxation Office	77	-82	-263	-251
Department of the Treasury	-5	-6	-5	-5
Total	25	-150	-269	-329
Small agencies	207	26	-214	-215
Whole of government and inter-agency amounts(a)	901	593	514	511
Adjustments to agency movements in non-financial assets(b)	2,677	564	-1,597	443
Total net capital investment	12,781	11,883	8,976	9,939

- a) Estimates of inter-agency transactions are included in the whole-of-government and inter-agency amounts. The entry for each portfolio does not include eliminations for inter-agency transactions within that portfolio.
- b) Agency estimates include net write-down and impairment of non-financial assets and assets recognised for the first time. For Australian Government reporting these are considered other economic flows.