

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 are presented on the same basis as data in Statement 5 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' (ABS) accrual Government Finance Statistics (GFS) 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 (AAS), 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				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Agriculture, Water and the Environment					
Bureau of Meteorology	518	533	511	519	520
Department of Agriculture, Water and the Environment	1,794	1,790	1,594	1,538	1,439
Total	2,312	2,322	2,104	2,057	1,958
Attorney-General's					
Attorney-General's Department	410	383	369	368	362
Comcare	259	294	294	293	293
High Court of Australia	27	27	27	27	28
National Archives of Australia	100	101	100	100	92
Total	797	806	789	789	775
Defence					
Australian Signals Directorate	1,076	1,418	1,800	2,070	2,239
Australian War Memorial	57	59	59	62	64
Defence Housing Australia	794	828	847	790	818
Department of Defence	38,023	40,043	41,216	42,940	45,607
Department of Veterans' Affairs	489	499	387	381	385
Total	40,438	42,846	44,308	46,242	49,113
Education, Skills and Employment					
Australian Research Council	26	27	25	25	24
Department of Education, Skills and Employment	1,051	1,011	884	873	859
Total	1,077	1,038	909	897	882
Finance					
Department of Finance	634	660	635	655	659
Future Fund Management Agency	151	180	192	200	206
Total	785	840	827	855	865
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	2,050	2,145	1,966	1,954	1,983
Total	2,050	2,145	1,966	1,954	1,983

Table 3.1: Departmental Expenses Table (continued)

	Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Health					
Department of Health	1,324	1,198	995	970	957
National Blood Authority	10	10	11	11	11
National Health and Medical Research Council	57	60	59	59	59
Total	1,391	1,268	1,065	1,040	1,027
Home Affairs					
Australian Federal Police	1,727	1,748	1,686	1,658	1,666
Australian Security Intelligence Organisation	620	649	642	644	646
Department of Home Affairs	3,367	3,414	3,097	3,198	3,180
Total	5,714	5,812	5,425	5,500	5,491
Industry, Science, Energy and Resources					
Australian Nuclear Science and Technology Organisation	400	414	413	421	427
Clean Energy Finance Corporation	134	157	173	164	191
Commonwealth Scientific and Industrial Research Organisation	1,506	1,540	1,577	1,524	1,537
Department of Industry, Science, Energy and Resources	833	841	705	653	615
Geoscience Australia	348	431	374	330	316
Total	3,220	3,383	3,242	3,091	3,086
Infrastructure, Transport, Regional Development and Communications					
Australian Broadcasting Corporation	1,139	1,152	1,176	1,195	1,201
Australian Communications and Media Authority	132	136	105	105	106
Department of Infrastructure, Transport, Regional Development and Communications	445	511	435	371	364
National Capital Authority	14	14	15	14	14
National Gallery of Australia	79	80	81	83	84
National Library of Australia	82	84	67	65	64
Total	1,891	1,977	1,879	1,833	1,832
Parliament					
Department of Parliamentary Services	191	186	187	189	190
Total	191	186	187	189	190
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	301	310	287	267	246
Indigenous Business Australia	259	268	270	265	271
Indigenous Land and Sea Corporation	140	95	87	89	90
National Indigenous Australians Agency	301	355	301	296	298
Total	1,001	1,029	945	918	906

Table 3.1: Departmental Expenses Table (continued)

	Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Social Services					
Department of Social Services	527	514	462	450	441
National Disability Insurance Scheme Launch					
Transition Agency (NDIA)(c)	30,972	35,559	39,260	42,719	45,928
NDIA administered in nature	29,304	33,886	37,973	41,373	44,551
NDIA departmental in nature	1,669	1,672	1,287	1,347	1,377
Services Australia	6,175	4,618	4,128	3,999	3,964
Total	37,675	40,691	43,850	47,168	50,332
Treasury					
Australian Bureau of Statistics	673	463	419	434	476
Australian Office of Financial Management	16	17	17	15	15
Australian Prudential Regulation Authority	222	228	228	230	233
Australian Securities and Investments Commission	468	462	448	450	453
Australian Taxation Office	4,063	4,069	3,677	3,649	3,362
Department of the Treasury	352	348	295	274	267
Total	5,793	5,587	5,085	5,052	4,806
Small agencies	9,431	9,186	8,491	8,396	7,932
Whole of government and inter-agency amounts(a)	-2,620	-1,863	-1,805	-1,717	-1,597
Agency expenses considered other economic flows(b)	-1,248	-1,264	-1,281	-1,353	-1,389
Total departmental expenses	109,898	115,989	117,986	122,912	128,192
Less: NDIA administered in nature(c)	29,304	33,886	37,973	41,373	44,551
Total excluding NDIA administered in nature	80,595	82,103	80,013	81,539	83,641

(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 Scheme Launch Transition Agency (also known as the National Disability Insurance Agency, NDIA) is a corporate Commonwealth entity and as such is not required to report expenses separately as *administered* or *departmental*. However, the NDIA's expenses incurred in the provision of reasonable and necessary support to clients (*administered* 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 *departmental* or *administered* in nature and provides a total excluding NDIA that are *administered* 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				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Agriculture, Water and the Environment					
Bureau of Meteorology	124	111	7	-7	-11
Department of Agriculture, Water and the Environment	160	75	26	-5	-27
Total	284	186	33	-11	-37
Attorney-General's					
Attorney-General's Department	24	-32	-44	-48	-36
Comcare	33	1	-1	-2	-5
High Court of Australia	-3	-1	-1	-4	-5
National Archives of Australia	-7	-10	-11	-10	-17
Total	47	-42	-56	-64	-62
Defence					
Australian Signals Directorate	57	243	444	180	-213
Australian War Memorial	150	198	60	31	10
Defence Housing Australia	240	28	71	12	-65
Department of Defence	8,115	7,909	9,774	9,856	9,554
Department of Veterans' Affairs	-26	13	-29	-26	-18
Total	8,536	8,391	10,321	10,054	9,268
Education, Skills and Employment					
Australian Research Council	-3	-4	-4	-3	-2
Department of Education, Skills and Employment	78	3	-42	-99	-99
Total	75	-1	-46	-103	-101
Finance					
Department of Finance	1,314	-103	-102	-112	-112
Future Fund Management Agency	-4	-8	-8	-8	-8
Total	1,309	-111	-110	-120	-120
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	158	144	88	63	-14
Total	158	144	88	63	-14
Health					
Department of Health	448	235	-93	-66	-76
National Blood Authority	-1	3	-1	-1	-1
National Health and Medical Research Council	-4	-8	-7	-7	-7
Total	443	231	-102	-75	-84

Table 3.2: Net Capital Investment Table (continued)

	Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Home Affairs					
Australian Federal Police	34	34	18	15	12
Australian Security Intelligence Organisation	-45	-14	-13	-23	0
Department of Home Affairs	1,102	-351	-479	-560	-552
Total	1,091	-332	-474	-569	-540
Industry, Science, Energy and Resources					
Australian Nuclear Science and Technology Organisation	50	86	60	-7	-15
Clean Energy Finance Corporation	-2	7	-3	-3	2
Commonwealth Scientific and Industrial Research Organisation	-56	-15	-19	43	-88
Department of Industry, Science, Energy and Resources	-89	132	-18	-19	-33
Geoscience Australia	-25	-20	-17	-29	-22
Total	-122	189	3	-17	-155
Infrastructure, Transport, Regional Development and Communications					
Australian Broadcasting Corporation	-83	-79	-33	-70	-60
Australian Communications and Media Authority	0	-10	-11	-11	-9
Department of Infrastructure, Transport, Regional Development and Communications	-281	28	7	-35	-56
National Capital Authority	20	40	62	1	-10
National Gallery of Australia	36	38	8	7	6
National Library of Australia	2	3	2	2	2
Total	-305	21	36	-104	-127
Parliament					
Department of Parliamentary Services	-7	-5	0	-11	-12
Total	-7	-5	0	-11	-12
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	-1	-8	-12	-12	-11
Indigenous Business Australia	25	8	-10	-9	-9
Indigenous Land and Sea Corporation	-61	-1	-2	-2	-2
National Indigenous Australians Agency	-15	-15	-18	-20	-20
Total	-51	-16	-43	-42	-42
Social Services					
Department of Social Services	-32	-28	-20	-16	-11
National Disability Insurance Scheme Launch Transition Agency (NDIA)	10	0	5	7	8
Services Australia	-111	341	-70	-63	-382
Total	-133	312	-86	-72	-386

Table 3.2: Net Capital Investment Table (continued)

	Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$m	\$m	\$m	\$m	\$m
Treasury					
Australian Bureau of Statistics	-6	-26	-27	-2	-27
Australian Prudential Regulation Authority	-1	-14	-6	32	-14
Australian Securities and Investments Commission	-9	-32	-34	-33	-33
Australian Taxation Office	-167	357	-107	-264	-254
Department of the Treasury	-4	-5	-6	-5	-5
Total	-188	280	-179	-273	-334
Small agencies	249	101	-17	-241	-242
Whole of government and inter-agency amounts(a)	278	520	928	885	1,007
Adjustments to agency movements in non-financial assets(b)	-573	1,450	284	-1,857	154
Total net capital investment	11,092	11,319	10,580	7,443	8,172

(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.