

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 forward 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	2023–24	2024–25	2025–26	2026–27
	\$m	\$m	\$m	\$m	\$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	1,304	1,237	1,249	1,208	1,182
Total	1,304	1,237	1,249	1,208	1,182
Attorney-General's					
Attorney-General's Department	430	465	430	375	386
Australian Federal Police	1,799	1,819	1,800	1,780	1,789
High Court of Australia	28	29	29	29	30
Total	2,257	2,313	2,259	2,185	2,204
Climate Change, Energy, the Environment and Water					
Bureau of Meteorology	537	528	527	530	547
Clean Energy Finance Corporation	206	931	5,076	802	2,493
Clean Energy Regulator	117	122	107	92	92
Department of Climate Change, Energy, the Environment and Water	943	1,106	1,018	854	810
Total	1,803	2,687	6,728	2,279	3,942
Defence					
Australian Signals Directorate	1,484	1,818	2,092	2,276	2,404
Australian War Memorial	59	59	63	65	66
Defence Housing Australia	752	818	1,001	916	941
Department of Defence	42,281	44,709	46,252	51,077	50,375
Department of Veterans' Affairs	600	637	532	531	540
Total	45,176	48,041	49,941	54,864	54,326
Education					
Australian Research Council	29	25	25	26	26
Department of Education	298	344	324	320	314
Total	328	369	350	346	340
Employment and Workplace Relations					
Comcare	284	306	301	294	289
Department of Employment and Workplace Relations	866	838	801	790	822
Total	1,151	1,144	1,102	1,084	1,110
Finance					
Department of Finance	727	780	743	751	763
Future Fund Management Agency	159	178	193	207	217
Total	885	958	936	957	980

Table 3.1: Departmental Expenses Table (continued)

	Estimates				
	2022–23	2023–24	2024–25	2025–26	2026–27
	\$m	\$m	\$m	\$m	\$m
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	2,284	2,304	2,271	2,257	2,369
Total	2,284	2,304	2,271	2,257	2,369
Health and Aged Care					
Department of Health and Aged Care	1,360	1,499	1,235	1,096	1,091
National Blood Authority	10	11	11	11	12
National Health and Medical Research Council	59	57	58	58	59
Total	1,429	1,567	1,304	1,166	1,161
Home Affairs					
Australian Security Intelligence Organisation	672	656	657	659	677
Department of Home Affairs	3,635	3,579	3,303	3,298	3,322
Total	4,306	4,234	3,960	3,957	3,999
Industry, Science and Resources					
Australian Nuclear Science and Technology Organisation	438	489	488	510	502
Commonwealth Scientific and Industrial Research Organisation	1,559	1,680	1,602	1,622	1,633
Department of Industry, Science and Resources	718	722	644	627	583
Geoscience Australia	436	400	340	341	310
Total	3,151	3,292	3,073	3,100	3,027
Infrastructure, Transport, Regional Development, Communications and the Arts					
Australian Broadcasting Corporation	1,203	1,226	1,283	1,315	1,306
Australian Communications and Media Authority	135	144	145	147	142
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	459	488	433	408	387
National Archives of Australia	101	108	108	101	103
National Capital Authority	14	17	15	15	15
National Gallery of Australia	83	102	107	108	112
National Library of Australia	89	98	96	94	95
Total	2,084	2,183	2,187	2,188	2,159
Parliament					
Department of Parliamentary Services	197	210	216	218	219
Total	197	210	216	218	219
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	279	337	228	205	208
Indigenous Business Australia	262	286	303	317	327
National Indigenous Australians Agency	372	372	323	316	301
Total	913	995	853	839	836

Table 3.1: Departmental Expenses Table (continued)

	Estimates				
	2022–23	2023–24	2024–25	2025–26	2026–27
	\$m	\$m	\$m	\$m	\$m
Social Services					
Department of Social Services	545	581	479	465	457
National Disability Insurance Agency (NDIA)(c)	36,932	42,133	46,995	52,029	56,076
NDIA administered in nature	35,100	39,977	45,315	50,348	54,376
NDIA departmental in nature	1,832	2,156	1,680	1,682	1,701
Services Australia	5,327	4,957	4,345	4,224	4,257
Total	42,803	47,670	51,819	56,719	60,790
Treasury					
Australian Bureau of Statistics	478	511	506	547	625
Australian Office of Financial Management	15	19	17	17	17
Australian Prudential Regulation Authority	229	239	240	243	243
Australian Securities and Investments Commission	470	499	484	481	489
Australian Taxation Office	4,292	4,360	4,344	4,397	3,849
Department of the Treasury	369	364	325	298	301
National Housing Finance and Investment Corporation	26	92	115	102	97
Total	5,878	6,084	6,031	6,086	5,620
Small agencies	9,613	10,521	10,217	9,616	9,518
Whole of government and inter-agency amounts(a)	-2,816	-2,089	-1,134	-1,011	-1,207
Agency expenses considered other economic flows(b)	-1,467	-1,605	-1,937	-1,581	-2,028
Total departmental expenses	121,280	132,114	141,424	146,475	150,547
Less: NDIA administered in nature(c)	35,100	39,977	45,315	50,348	54,376
Total excluding NDIA administered in nature	86,179	92,137	96,109	96,128	96,171

- 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 *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				
	2022–23	2023–24	2024–25	2025–26	2026–27
	\$m	\$m	\$m	\$m	\$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	-5,609	38	23	-8	-19
Total	-5,609	38	23	-8	-19
Attorney-General's					
Attorney-General's Department	-50	-13	-22	-12	-30
Australian Federal Police	36	14	0	-12	-4
High Court of Australia	-3	1	-1	-4	-4
Total	-16	1	-23	-28	-38
Climate Change, Energy, the Environment and Water					
Bureau of Meteorology	121	119	30	23	17
Clean Energy Finance Corporation	8	-3	-3	5	-3
Clean Energy Regulator	1	5	-6	-9	-9
Department of Climate Change, Energy, the Environment and Water	6,001	366	-3	-31	-28
Total	6,131	487	19	-11	-23
Defence					
Australian Signals Directorate	203	621	383	-18	-214
Australian War Memorial	117	136	113	65	14
Defence Housing Australia	231	283	79	122	92
Department of Defence	7,125	7,654	7,846	5,815	9,690
Department of Veterans' Affairs	35	-18	-26	-20	-19
Total	7,710	8,677	8,396	5,964	9,564
Education					
Australian Research Council	-5	-1	-3	-2	-1
Department of Education	-614	39	46	44	15
Total	-619	38	43	43	14
Employment and Workplace Relations					
Comcare	-4	-8	-7	0	-7
Department of Employment and Workplace Relations	548	35	-81	-2	-106
Total	544	27	-88	-3	-113
Finance					
Department of Finance	116	49	148	202	493
Future Fund Management Agency	-8	-8	-8	-4	-4
Total	109	42	140	198	489

Table 3.2: Net Capital Investment Table (continued)

	Estimates				
	2022–23	2023–24	2024–25	2025–26	2026–27
	\$m	\$m	\$m	\$m	\$m
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	180	139	129	36	-4
Total	180	139	129	36	-4
Health and Aged Care					
Department of Health and Aged Care	-514	-456	-52	-71	-74
National Blood Authority	7	-1	-1	-1	-2
National Health and Medical Research Council	-7	-5	-5	-5	-5
Total	-513	-463	-59	-78	-81
Home Affairs					
Australian Security Intelligence Organisation	-40	17	-17	2	-19
Department of Home Affairs	-283	-333	-437	-402	-490
Total	-324	-316	-455	-400	-509
Industry, Science and Resources					
Australian Nuclear Science and Technology Organisation	70	105	91	56	-37
Commonwealth Scientific and Industrial Research Organisation	30	28	45	-172	40
Department of Industry, Science and Resources	-59	9	-2	-21	-24
Geoscience Australia	-21	-17	-29	-22	-29
Total	21	125	106	-158	-51
Infrastructure, Transport, Regional Development, Communications and the Arts					
Australian Broadcasting Corporation	-61	-23	-65	-59	-59
Australian Communications and Media Authority	-7	2	-1	-3	-4
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-5	38	-1	-7	-53
National Archives of Australia	-2	-11	-10	-16	-16
National Capital Authority	16	114	-1	-13	-11
National Gallery of Australia	24	48	40	19	7
National Library of Australia	13	14	27	5	5
Total	-22	183	-11	-75	-130
Parliament					
Department of Parliamentary Services	24	62	-15	-16	-15
Total	24	62	-15	-16	-15
Prime Minister and Cabinet					
Department of the Prime Minister and Cabinet	-2	-6	-12	-11	-11
Indigenous Business Australia	-7	-3	-8	-8	-9
National Indigenous Australians Agency	-15	-18	-18	-18	-18
Total	-24	-26	-38	-37	-38

Table 3.2: Net Capital Investment Table (continued)

	Estimates				
	2022–23	2023–24	2024–25	2025–26	2026–27
	\$m	\$m	\$m	\$m	\$m
Social Services					
Department of Social Services	-59	-22	-15	-12	-74
National Disability Insurance Agency	8	5	7	8	7
Services Australia	241	-44	-117	-429	-399
Total	191	-61	-125	-434	-466
Treasury					
Australian Bureau of Statistics	-23	-22	-11	-1	-17
Australian Office of Financial Management	0	0	0	0	0
Australian Prudential Regulation Authority	-10	-6	32	-15	-15
Australian Securities and Investments Commission	1	-38	-43	-34	-39
Australian Taxation Office	38	-144	248	-263	-45
Department of the Treasury	-11	-18	-18	-17	-16
National Housing Finance and Investment Corporation	0	0	0	0	0
Total	-5	-228	208	-329	-132
Small agencies	175	375	180	-25	-44
Whole of government and inter-agency amounts(a)	903	969	581	609	593
Adjustments to agency movements in non-financial assets(b)	1,586	363	-1,782	201	273
Total net capital investment	10,441	10,431	7,229	5,449	9,271

- 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.