

PORTFOLIO BUDGET STATEMENTS 2025-26
BUDGET RELATED PAPER NO. 1.5

EDUCATION PORTFOLIO

Budget Initiatives and Explanations of Appropriations
Specified by Outcomes and Programs by Entity

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THE HON JASON CLARE MP
MINISTER FOR EDUCATION

THE HON DR ANNE ALY MP
MINISTER FOR EARLY CHILDHOOD EDUCATION
MINISTER FOR YOUTH
MINISTER ASSISTING THE MINISTER FOR THE
NATIONAL DISABILITY INSURANCE SCHEME

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear President
Dear Mr Speaker

We hereby submit the Portfolio Budget Statements in support of the 2025-26 Budget for the Department of Education portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

We present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jason Clare', with a large, sweeping loop at the bottom.

Jason Clare

A handwritten signature in black ink, appearing to read 'Anne Aly', with a large, sweeping loop at the bottom.

Anne Aly

Parliament House, Canberra ACT 2600

Abbreviations and conventions

The following notations may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication, please contact the Chief Financial Officer, Department of Education on 1300 566 046.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**User guide
to the
Portfolio Budget Statements**

User guide

The purpose of the *2025-26 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2025-26 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2025-26 for the parliamentary departments) and related Supply Bills where they exist applicable to the 2025-26 Budget. In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Commonwealth performance framework

The following diagram outlines the key components of the Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Commonwealth Performance Framework Key components of relevant publications

Portfolio Budget Statements (typically May) Portfolio based

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to government outcomes and programs.

Provides links to relevant programs undertaken by other Commonwealth entities.

Provides high-level performance information for current, ongoing programs.

Provides detailed performance information for proposed new budget measures that require a new program or significantly change an existing program.

Links to the corporate plan through reporting key activities.

Corporate Plan (31 August) Entity based

Primary planning document of a Commonwealth entity.

Sets out the purposes of the entity and the key activities it will undertake to achieve its purposes over a minimum 4-year period.

Describes the environment in which the entity operates, the capability it requires to undertake its activities, its risk oversight and management systems including key risks, and how it will cooperate with others, including any subsidiaries, to achieve its purposes.

Explains how the entity's performance will be measured and assessed.



Annual Performance Statement (October following year) Entity based

Included in the Commonwealth entity's Annual Report.

Reports on the actual performance results for the year as set out in the corporate plan and Portfolio Budget Statements.

Provides an analysis of the factors that contributed to the entity's performance results.

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Portfolio overview

Education Portfolio overview

Ministers and portfolio responsibilities

The Education portfolio's purpose is to create a better future for all Australians through education. The Education portfolio is comprised of the Department of Education (the department) and the following entities:

- Australian Curriculum, Assessment and Reporting Authority
- Australian Institute for Teaching and School Leadership
- Australian Research Council
- Tertiary Education Quality and Standards Agency
- Australian National University¹.

Agencies and statutory bodies within the Education portfolio are essential partners in meeting our policy, program and regulation responsibilities and delivering better outcomes for students, educators and teachers in Australia's early childhood education and care centres, schools, and higher education providers.

Our stakeholders are key partners in supporting the Government to deliver Education portfolio policies and programs. The department and portfolio entities work closely with other Australian Government agencies, international organisations, regulators, states and territories, business, education institutions, peak bodies, providers, industry, the non-government sector, First Nations people and the community. These partnerships are crucial to the delivery of outcomes and sharing the responsibility of improving Australia's education system.

We prioritise fostering strong engagement and working relationships with our stakeholders and the broader community. This ensures that our work in policy development, services and evaluation is grounded in, and reflects the needs and expectations of our sectors, stakeholders and the Australian public.

A close partnership with states and territories is key to delivering quality education. We work collaboratively with the states and territories to develop policy that responds to changing needs through transparent and effective national partnership agreements.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in the *Budget Paper No. 4: Agency Resourcing*.

¹ The Australian National University is not part of the general government sector included in the Commonwealth general government sector fiscal estimates and does not have a chapter in the Portfolio Budget Statements.

Figure 1: Education Portfolio structure and outcomes

<p>The Hon Jason Clare MP Minister for Education</p>	<p>The Hon Dr Anne Aly MP Minister for Early Childhood Education Minister for Youth Minister Assisting the Minister for the National Disability Insurance Scheme</p>	<p>Senator The Hon Anthony Chisholm Assistant Minister for Education Assistant Minister for Regional Development Assistant Minister for Agriculture, Fisheries and Forestry</p>
<p>Department of Education Tony Cook PSM — Secretary</p> <p>Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality early childhood education and care, support, parent engagement, quality teaching and learning environments.</p> <p>Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.</p>		
<p>Australian Curriculum, Assessment and Reporting Authority Stephen Gniel — Chief Executive Officer</p> <p>Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.</p>		
<p>Australian Institute for Teaching and School Leadership Tim Bullard — Chief Executive Officer</p> <p>Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.</p>		
<p>Australian Research Council ARC Board (Chaired by Prof Peter Shergold AC)</p> <p>Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</p>		
<p>Tertiary Education Quality and Standards Agency Adrienne Nieuwenhuis — Acting Chief Commissioner</p> <p>Outcome 1: Contribute to a high-quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.</p>		
<p>Australian National University Distinguished Professor Genevieve Bell AO FAHA FTSE— Vice-Chancellor, President and Chief Executive Officer</p>		

Entity resources and planned performance

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Department of Education

Entity resources and planned performance

Department of Education

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Department of Education

Section 1: Entity overview and resources

1.1 Strategic direction statement

Lifelong learning and equitable access to education through early years, school, higher education and research is critical to all Australians. The department's purpose is to create a better future for all Australians through education and support the Australian Government's vision for reforming the Australian education system.

The department provides advice to its Ministers and effectively implements the Government's policies and programs. To do this, the department draws on the best available research, evidence, and data, and works collaboratively and meaningfully across Government and stakeholders including industry, state and territory governments, and the non-government schooling sectors.

The department supports all Australians to access education and realise the benefits of lifelong learning through national policies and programs that:

- lift education outcomes for learners from all locations and backgrounds so they can achieve their ambitions and aspirations
- contribute to the development of a child's social, emotional, and cognitive abilities and wellbeing
- prepare children for school and help families, particularly women, to re-engage in work or learning during the early years
- support children through a positive and inclusive school experience with academic equity and wellbeing outcomes for all learners
- provide skilled and adaptable workers with higher education qualifications and opportunities for lifelong learning that boost workforce productivity, sovereign capability and innovation
- give young people a say on the issues, policies and programs that impact them
- empower underrepresented cohorts to be involved in decisions about their education and the broader education system
- support a strong and sustainable international education sector
- support research that drives innovation and economic growth.

Investing in Australians skills and education

This budget focuses on core priorities that build on the Government's positive agenda advanced over previous budgets, while continuing the Government's record of responsible economic and fiscal management.

Additional supports for families and early childhood education and care providers impacted by ex-Tropical Cyclone Alfred

The Government has provided additional early childhood education and care (ECEC) supports for those affected by ex-Tropical Cyclone Alfred. This support will provide relief to Child Care Subsidy (CCS) approved services, attended by more than 200,000 families and more than 300,000 children. This includes \$2.5 million in 2024-25 and 2025-26 to enable ECEC services that closed or partially closed for 8 days or longer, and waived families' gap fee payments, access to an ex-Tropical Cyclone Alfred support payment of \$10,000.

This builds on existing supports provided to Australians residing in cyclone affected regions under CCS period of emergency arrangements, including:

- Enabling services to continue to receive CCS even if they are closed
- Enabling services to waive families' gap fee payments
- Providing families with unlimited additional paid absences.

Better and Fairer Schools Agreement – Fully and fairly funding Australian schools

The Government is delivering better and fairer public schools through an updated school funding and reform agreement. The new agreement will see public schools put on a path to full and fair funding.

The Government will provide an additional \$407.5 million over four years from 2025-26 (and \$7.2 billion from 2029-30 to 2035-36) to jurisdictions which have signed the Better and Fairer Schools Agreement 2025-2034 - Full and Fair Funding Bilateral Agreements. The agreement sees the Commonwealth increase its share of the Schooling Resource Standard to 25 per cent by 2034, putting schools on a path to full and fair funding.

The 10-year Better and Fairer Schools Agreement ties new Commonwealth Government funding for public schools to reforms to help lift education standards across the country. This includes mandating evidence-based teaching practices, Year 1 phonics and early years of schooling numeracy checks to identify students who need additional help, more individualised and intensive supports for students, more mental health support in schools and more support for teachers. Under this agreement jurisdictions will also end their use of the 4 per cent provision which allowed them to claim things like capital depreciation.

The Government has provisioned funding for these reforms and negotiations with jurisdictions who are yet to sign the heads of agreement or bilateral agreements, with funding being held in the Contingency Reserve pending finalisation of negotiations.

Extending support for proven STEM programs in early years and schools

The Government will provide \$7 million to continue delivery of six proven, established early years and schools programs that support educators and teachers to provide quality Science Technology, Engineering and Mathematics (STEM) education across preschools and schools nationally. This includes:

- \$2.1 million to extend into 2025-26 the Australian Academy of Science’s school programs to boost the confidence and capability of STEM teachers and support students studying STEM
- \$1.5 million to extend into 2025-26 the Let’s Count Program delivered by The Smith Family to build the capacity of educators and parents to improve the mathematical capabilities of preschool children and support their successful transition to school
- \$1.1 million to extend into 2025-26 the Commonwealth Scientific and Industrial Research Organisation (CSIRO) STEM Professionals in Schools Program to support partnerships between schools and industry by connecting teachers with STEM professionals, and giving schools, teachers and students insights into contemporary experiences and advancements in STEM
- \$0.9 million to extend into 2025-26 the National Lending Library, delivered by the University of Adelaide, to continue access for teachers and schools to digital equipment for students’ digital technology learning and digital literacy
- \$0.7 million to extend into 2025-26 the Curious Minds program and continue support for female students’ participation in STEM, especially those whose access is limited by socio-economic circumstances
- \$0.7 million to extend into 2025-26 the Little Scientists program, delivered by Froebel Australia, to provide professional learning for early childhood educators to improve their confidence and ability to introduce STEM concepts in a fun and engaging way to children.

Extending Closing the Gap Programs

The Government will provide \$1.5 million in 2025-26 to extend the MultiLit (Making Up Lost Time in Literacy) program for a further year. This will allow MultiLit to continue to deliver its phonics-based programs in 42 regional and remote primary schools with a majority of Aboriginal and Torres Strait Islander students until the end of the 2026 school year.

The Australian Government has supported the Clontarf Foundation for more than 15 years, contributing about one-third of its funding. The Government will provide \$33.6 million in support to enable the Foundation to continue to support the engagement and education outcomes of 12,500 First Nations boys and young men over the 2026 school year, in addition to supporting their pathways to further education and employment.

150 new medical places and demand driven places for First Nations medical students

The Government will provide \$35.6 million over four years from 2025-26 for 100 new commencing Commonwealth supported places (CSPs) a year in medicine from 2026, increasing to 150 CSPs from 2028, with a focus on primary care outcomes. The existing First Nations demand-driven funding arrangements will also be expanded to ensure First Nations students will receive a CSP when accepted into eligible medical schools from 2026. This measure will improve healthcare outcomes for Australian communities through more doctors in regional areas, primary care settings and First Nations medical services.

1.2 Entity resource statement

Table 1.1 shows the total resourcing from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis. Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

Table 1.1: Department of Education resource statement – Budget estimates for 2025-26 as at Budget March 2025

	2024-25 <i>Estimated actual</i> \$'000	2025-26 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)(b)		
Prior year appropriations available	179,445	164,063
Departmental appropriation (c)	396,501	393,795
s74 External Revenue (d)	3,827	3,131
Departmental capital budget (e)	13,832	22,051
Annual appropriations - other services - non-operating (b)(f)		
Prior year appropriation available	21,727	-
Equity injection	37,346	32,186
Total departmental annual appropriations	<u>652,678</u>	<u>615,226</u>
Total departmental resourcing	652,678	615,226
Administered		
Annual appropriations - ordinary annual services (a)(b)		
Outcome 1	3,629,926	758,327
Outcome 2	566,127	518,651
Payments to corporate entities (g)	28,899	26,927
Annual appropriations - other services - specific payments to States, ACT, NT and local government (b)(f)		
Outcome 1 (h)	133,572	132,145
Total administered annual appropriations	<u>4,358,524</u>	<u>1,436,050</u>
Total administered special appropriations	<u>66,916,748</u>	<u>69,432,242</u>
Special accounts (i)		
Opening balance	104,733	2,996,750
Appropriation receipts (j)	2,895,782	-
Non-appropriated receipts	10,272	10,616
Total special accounts receipts	<u>3,010,787</u>	<u>3,007,366</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	2,895,782	-
<i>less payments to corporate entities from annual/special appropriations</i>	28,899	26,927
Total administered resourcing	71,361,378	73,848,731
Total resourcing for the Department of Education	72,014,056	74,463,957
	<u>2024-25</u>	<u>2025-26</u>
Average staffing levels (number)	1,639	1,613

Table 1.1: Department of Education resource statement – Budget estimates for 2025-26 as at Budget March 2025 (continued)**Third party payments from and on behalf of other entities**

	2024-25 <i>Estimated</i> <i>actual</i> \$'000	2025-26 Estimate \$'000
Payments made on behalf of Education		
Services Australia	16,207,496	18,329,108
Payments made to other entities for the provision of services		
Department of Social Services	4,984	6,549
Department of Employment and Workplace Relations	49,669	49,669
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	2,126	1,430
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority (annual appropriation - ordinary annual services)	18,117	17,224
Australian Institute for Teaching and School Leadership (annual appropriation - ordinary annual services)	10,782	9,703

Prepared on a resourcing (that is, appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2025-2026 and Supply Bill (No. 1) 2025–2026.
- (b) Excludes appropriation subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and Supply Bill (No. 1) 2025–2026 and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution to owner'.
- (f) Appropriation Bill (No. 2) 2025-2026 and Supply Bill (No. 2) 2025–2026.
- (g) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.
- (h) Relates to appropriations sought for payment to the States, ACT, NT and local governments in Appropriation Bill (No. 2) 2025-2026 and Supply Bill (No. 2) 2025–2026. This includes \$132.1 million for: Program 1.3 - Additional Support for Northern Territory Schools (\$4.7 million); Program 1.4 - Choice and Affordability Fund (\$124.4 million); and Program 1.5 - Literacy Support for Tasmanian Students (\$2.0 million) and Building Boarding Schools on Country – additional funding (\$1.0 million). Funding for the Additional Support for Northern Territory Schools is for Northern Territory only. Funding for the Literacy Support for Tasmanian Students is for Tasmania only. Funding for Building Boarding Schools on Country – additional funding is for Western Australia only.
- (i) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (j) Amounts credited to the special account(s) from Department of Education's annual and special appropriations.

1.3 Budget measures

Budget measures in Part 1 relating to the Department of Education are detailed in the Budget Paper No. 2 and are summarised below.

Table 1.2: Department of Education 2025-26 Budget measures

Part 1: Measures announced since the 2024-25 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
Receipt measures						
Strengthening Medicare – Health Workforce (a)	2.4					
Administered receipt		-	-	(5)	(19)	(40)
Departmental receipt		-	-	-	-	-
Total		-	-	(5)	(19)	(40)
Total receipt measures						
Administered		-	-	(5)	(19)	(40)
Departmental		-	-	-	-	-
Total		-	-	(5)	(19)	(40)
Payment measures						
Disaster Support (b)	1.2					
Administered payment		2,000	500	-	-	-
Departmental payment		-	-	-	-	-
Total		2,000	500	-	-	-
Building Australia's Future - Improving Outcomes in Australian Schools (c)	1.3,1.5					
Administered payment		-	nfp	nfp	nfp	nfp
Departmental payment		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Closing the Gap - further investments (b)	1.5					
Administered payment		-	17,980	16,876	-	-
Departmental payment		-	98	100	-	-
Total		-	18,078	16,976	-	-
Establishment of Additional University Study Hubs (d)	2.3					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	-
Total		-	-	-	-	-
Strengthening Medicare - Health Workforce (a)	2.4					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	-
Total		-	-	-	-	-

Table 1.2: Department of Education 2025-26 Budget measures (continued)**Part 1: Measures announced since the 2024-25 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
Education - savings	2.7					
Administered payment		(4,500)	1,500	-	-	-
Departmental payment		-	-	-	-	-
Total		(4,500)	1,500	-	-	-
Savings from External Labour – further extension (b)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	(4,802)
Total		-	-	-	-	(4,802)
Total payment measures						
Administered		(2,500)	19,980	16,876	-	-
Departmental		-	98	100	-	(4,802)
Total		(2,500)	20,078	16,976	-	(4,802)

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The lead entity for this measure is the Department of Health and Aged Care. The full measure description and package details appear in 2025-26 Budget Paper No. 2 under the Health Portfolio.
- (b) The full measure description and package details appear in 2025-26 Budget Paper No. 2 under Cross Portfolio.
- (c) Includes the impact of measures that are not for publication (nfp) due to sensitives.
- (d) The cost of this measure will be met from within existing resources of the Department of Education.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Department of Education can be found at: www.education.gov.au.

The most recent annual performance statement can be found at: www.education.gov.au.

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality early childhood education and care, support, parent engagement, quality teaching and learning environments.

Linked programs

Australian Bureau of Statistics
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Australian Bureau of Statistics
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Early Childhood Education and Care Worker Retention Payment is conditional on Providers agreeing to limit their fee growth to ensure ECEC remains affordable for families. This fee growth cap is 4.4 per cent from 8 August 2024 to 7 August 2025; and 4.2 per cent between 8 August 2025 and 7 August 2026.</p> <p><i>Program 1.1 – Australian Bureau of Statistics</i> currently maintains an index for the provision of childcare services to support a fee constraint for participating providers.</p>
Department of Health and Aged Care
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.3 – First Nations Health
<p>Contribution to Outcome 1 made by linked programs</p> <p>The linked program contributes to Outcome 1 by increasing First Nations children and families’ engagement with health and early childhood education and care through the Connected Beginnings program. It improves access to existing early childhood, maternal and child health, and family support services so children are safe, healthy and ready to thrive when they transition to school.</p>

Linked programs (continued)

<p>Department of Social Services</p>
<p>Programs</p> <ul style="list-style-type: none">• Program 2.1 – Families and Communities• Program 3.1 – Disability and Carers
<p>Contribution to Outcome 1 made by linked programs</p> <p>Linked program 2.1 contributes to Outcome 1 by providing supports and services to families under the Families and Children Activity to improve the safety and wellbeing of children and young people and enhance family functioning.</p> <p>Linked program 2.1 further contributes to Outcome 1 through the whole of Commonwealth Early Years Strategy 2024–2034, which supports better integration, coordination and collaboration of early years policies, programs and services for young children aged 0–5 years and their families.</p> <p>Further, Safe and Supported: the National Framework for Protecting Australia’s Children 2021–2031 contributes to Outcome 1, including through supports to strengthen parenting practices for priority groups.</p> <p>Linked program 3.1 contributes to Outcome 1 by providing key actions, under the Early Childhood Targeted Action Plan that supports Australia’s Disability Strategy 2021–2031, and the Early Years Strategy 2024–2034, which supports better integration, coordination and collaboration of early years policies, programs and services for young children aged 0–5 years and their families.</p> <p>Complementing this, the National Early Childhood program is intended to support young children (0–8 years) with disability or developmental concerns and their parents and carers by funding supported playgroups, parents’ workshops and accessible online information. Community-led initiatives supported by the Stronger Places, Stronger People initiative are engaging families, children and young people to elevate their voices on what works, and are using data and evidence to drive better outcomes through the service system, including the early childhood system.</p>

Linked programs (continued)

<p>Department of Social Services (continued)</p> <p>The linked programs also contribute to the implementation of the National Plan to End Violence against Women and Children 2022-2032 (National Plan) as well as the prevention domain under the National Plan, which highlights the role of respectful relationships and consent education in stopping violence before it starts.</p>
<p>Department of the Treasury</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.4 - Commonwealth-State Financial Relations
<p>Contribution to Outcome 1 made by linked program</p> <p>The linked program contributes to Outcome 1 by making National Partnership Payments to the states.</p>
<p>National Indigenous Australians Agency</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Jobs, Land and the Economy • Program 1.2 – Children and Schooling
<p>Contribution to Outcome 1 made by linked programs</p> <p>The linked programs contribute to Outcome 1 by supporting First Nations students’ school attendance, improved educational outcomes and access to further education, training and employment.</p>

Linked programs (continued)

Services Australia
Programs <ul style="list-style-type: none">• Program 1.1 – Strategy and Corporate Enabling• Program 1.2 – Customer Service Delivery• Program 1.3 – Technology and Transformation
Contribution to Outcome 1 made by linked programs <p>The linked programs contribute to Outcome 1 by administering child care payments to eligible families.</p> <p>The Australian Government has committed \$3.6 billion for the Early Childhood Education and Care (ECEC) Worker Retention Payment to support a 15 per cent wage increase for ECEC workers over two years. The Program commenced in December 2024. Payments are made to eligible services through the Child Care Subsidy System.</p> <p>In the 2024-25 Mid-Year Economic and Fiscal Update, the Australian Government announced key reforms to early childhood education and care:</p> <ul style="list-style-type: none">• \$1.0 billion will be invested to create a Building Early Education Fund to build and expand early childhood education and care centres in areas of need, including in the outer suburbs and regional Australia.• introducing a 3 Day Guarantee from January 2026 to replace the current Activity Test to provide eligibility for 3 days a week of subsidised early education for children who need it.• development of an Early Education Service Delivery Price to better understand the cost of delivering services around the country and underpin future reform.• \$11.4 million over 3 years from 1 July 2025–30 June 2028 to extend the Closing the Gap Early Childhood Care and Development Policy Partnership, that brings together all Australian Governments and First Nations representatives to make policy recommendations to improve early childhood outcomes for First Nations children and their families. The Partnership is co-chaired and operates a co-secretariat between the Department of Education and SNAICC – National Voice for Our Children.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality early childhood education and care, support, parent engagement, quality teaching and learning environments.					
Program 1.1: Support for the Child Care System					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))	462,941	547,171	529,229	522,061	323,002
Special appropriations					
<i>A New Tax System (Family Assistance)(Administration) Act 1999</i>	656,317	4,000	4,000	4,000	4,000
Special accounts					
<i>Wage Justice for Early Childhood Education and Care Workers (Special Account) Act 2024</i>	-	1,816,071	1,079,711	-	-
Total expenses for Program 1.1	1,119,258	2,367,242	1,612,940	526,061	327,002
Program 1.2: Child Care Subsidy					
Administered expenses					
Special appropriations					
<i>A New Tax System (Family Assistance)(Administration) Act 1999</i>	15,429,437	16,242,013	16,821,435	17,796,302	18,445,656
Total expenses for Program 1.2	15,429,437	16,242,013	16,821,435	17,796,302	18,445,656
Program 1.3: Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill (No. 2) and Supply Bill (No. 2))	7,536	4,745	1,637	-	-
Special appropriations					
<i>Australian Education Act 2013</i>	11,704,782	12,227,966	12,799,159	13,355,931	13,999,649
Total expenses for Program 1.3	11,712,318	12,232,711	12,800,796	13,355,931	13,999,649

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 1.4: Non-Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill (No. 2) and Supply Bill (No. 2))	121,349	124,400	128,132	131,976	136,526
Special appropriations <i>Australian Education Act 2013</i>	19,248,718	19,850,630	20,679,630	21,515,583	22,372,674
Total expenses for Program 1.4	19,370,067	19,975,030	20,807,762	21,647,559	22,509,200
Program 1.5: Early Learning and Schools Support					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))	289,539	228,566	167,025	135,058	109,314
Other services (Appropriation Bill (No. 2) and Supply Bill (No. 2))	4,687	3,000	2,000	1,000	-
Total expenses for Program 1.5	294,226	231,566	169,025	136,058	109,314
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))	752,480	775,737	696,254	657,119	432,316
Other services (Appropriation Bill (No. 2) and Supply Bill (No. 2))	133,572	132,145	131,769	132,976	136,526
Special appropriations	47,039,254	48,324,609	50,304,224	52,671,816	54,821,979
Special Accounts	-	1,816,071	1,079,711	-	-
Administered total	47,925,306	51,048,562	52,211,958	53,461,911	55,390,821
Departmental appropriation s74 External Revenue (a)	251,794	254,073	238,467	225,436	206,222
Expenses not requiring appropriation in the Budget year (b)	8,893	10,912	10,187	10,833	11,651
Departmental total	260,687	264,985	248,654	236,269	217,873
Total expenses for Outcome 1	48,185,993	51,313,547	52,460,612	53,698,180	55,608,694
	2024-25	2025-26			
Average staffing level (number)	1,066	1,049			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e. 2024–25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025–26 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality early childhood education and care, support, parent engagement, quality teaching and learning environments.		
Program 1.1 – Support for the Child Care System The program helps families to participate in the social and economic life of the community by promoting and supporting quality and affordable early childhood education and care and assisting services to improve access and inclusion for vulnerable or disadvantaged children and families, including children with disabilities and their families.		
Key Activities	Provide targeted support to families, children and early childhood education and care centres who need it.	
Year	Performance measures	Expected performance results
Current Year 2024–25	The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) in socio-economically vulnerable and disadvantaged communities.	Target: Increase on previous year. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) in socio-economically vulnerable and disadvantaged communities.	Target: Increase on previous year.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 1.1 resulting from 2025–26 Budget measures: Nil.		

Program expenses 1.1: Support for the Child Care System

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))					
Child Care Services Support	462,941	547,171	529,229	522,061	323,002
Special appropriations:					
<i>A New Tax System (Family Assistance)(Administration) Act 1999</i>	656,317	4,000	4,000	4,000	4,000
Special account expenses:					
<i>Wage Justice for Early Childhood Education and Care Workers (Special Account) Act 2024 (a)</i>	-	1,816,071	1,079,711	-	-
Total program expenses	1,119,258	2,367,242	1,612,940	526,061	327,002

(a) The Early Childhood Education and Care Worker Retention Payment Program forms part of the Special Appropriation expense line in 2024-25, and from 1 July 2025 onwards, the program is shown in the Special Account expense line.

Program 1.2 – Child Care Subsidy		
The Child Care Subsidy (CCS) aims to improve access to quality early childhood education and care by providing assistance to meet the cost of early childhood education and care for families engaged in work, training, study or other recognised activity.		
Key Activities	Support to families who rely on subsidised early childhood education and care to work, train, study or volunteer.	
Year	Performance measures	Expected performance results
Current Year 2024–25	Proportion of accurate Child Care Subsidy payments to all services.	Target: 90% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy.	Target: Equal to or higher than the average early childhood education and care hours attended by children that are supported by Child Care Subsidy. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	Proportion of accurate Child Care Subsidy payments to all services.	Target: 90% or higher.
	Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy.	Target: Equal to or higher than the average early childhood education and care hours attended by children that are supported by Child Care Subsidy.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 1.2 resulting from 2025–26 Budget measures:		
<ul style="list-style-type: none"> Disaster Support. 		

Program expenses 1.2: Child Care Subsidy

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>A New Tax System (Family Assistance)(Administration) Act 1999</i> (a)(b)	15,429,437	16,242,013	16,821,435	17,796,302	18,445,656
Total program expenses	15,429,437	16,242,013	16,821,435	17,796,302	18,445,656

- (a) From 1 July 2021, the Additional Child Care Subsidy (ACCS) is reported under the Child Care Subsidy (CCS) following administrative changes to improve the way ACCS is administered, resulting from the 2021–22 Budget measure: Commonwealth’s Deregulation Agenda.
- (b) Legacy programs Child Care Benefit and Child Care Rebate are reported under the CCS.

Program 1.3 – Government Schools National Support		
The program provides supplementary financial assistance to state and territory governments to facilitate the delivery of a quality education within government schools.		
Key Activities	Provide consistent, transparent and needs-based funding to government schools.	
Year	Performance measures	Expected performance results
Current Year 2024–25	Increase the proportion of students attending school 90% or more of the time.	Target: Increase on previous year. Not achieved (nationally, 59.8% in 2024 down from 61.6% in 2023). The 2024 decline in the percentage of students attending school 90% or more of the time is consistent with the long-term trend. There has been a consistent downward trend in student attendance levels since 2018 (with the exception of 2023). The 2024 result suggests a return to the historic steadily declining trend.
	Recurrent funding payments to approved authorities for government schools under the Australian Education Act 2013 are made in a timely manner ² .	Target: 100%. Achieved (100% of payments made in a timely manner).
	Lower the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally).	Target: Decrease on previous year. Not achieved (nationally, 11.3% in 2024 increase from 9.1% in 2023). The increase in the Needs additional support cohort should be interpreted with caution as it was not statistically significant. It is also important to note that this is only the second cycle where proficiency levels have been used to measure student achievement in NAPLAN, thus, the data is insufficient to provide any indication of trends.
	Lower the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally).	Target: Decrease on previous year. Achieved (nationally, 9.7% in 2024 decrease from 10% in 2023).
Year	Performance measures	Planned performance results
Budget Year 2025–26	Increase the proportion of students attending school 90% or more of the time.	Target: ³ (a) Nationally: Increase on previous year (b) In government schools: Increase on previous year (c) In non-government schools: Increase on previous year.

² This performance measure has been removed from Budget Year 2025–26 and Forward Estimates 2026–29. A new performance measure will be considered for publication in the 2025–26 Corporate Plan.

³ Performance measure target revised to report on disaggregated data by sector.

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Year	Performance measures	Planned performance results
Budget Year 2025–26 (continued)	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally) ⁴ .	Target: Decrease on previous year.
	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally) ⁴ .	Target: Decrease on previous year.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 1.3 resulting from 2025–26 Budget measures: <ul style="list-style-type: none"> • Building Australia's Future - Improving Outcomes in Australian Schools. 		

⁴ Performance measure title revised to align with one of the Improvement Measures in the Heads of Agreement (Better and Fairer Schools Agreement 2025–2034).

Program expenses 1.3: Government Schools National Support

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill (No. 2) and Supply Bill (No. 2))					
Additional Support for Northern Territory	7,536	4,745	1,637	-	-
Special appropriations:					
<i>Australian Education Act 2013</i>	11,704,782	12,227,966	12,799,159	13,355,931	13,999,649
Total program expenses	11,712,318	12,232,711	12,800,796	13,355,931	13,999,649

Program 1.4 – Non-Government Schools National Support		
The program provides financial assistance to approved authorities for non-government schools to facilitate the delivery of a quality education within non-government schools.		
Key Activities	Provide consistent, transparent and needs-based funding to non-government schools.	
Year	Performance measures	Expected performance results
Current Year 2024–25	Increase the proportion of students attending school 90% or more of the time.	Target: Increase on previous year. Not achieved (nationally, 59.8% in 2024 down from 61.6% in 2023). The 2024 decline in the percentage of students attending school 90% or more of the time is consistent with the long-term trend. There has been a consistent downward trend in student attendance levels since 2018 (with the exception of 2023). The 2024 result suggests a return to the historic steadily declining trend.
	Recurrent funding payments to approved authorities for non-government schools under the <i>Australian Education Act 2013</i> are made in a timely manner ⁵ .	Target: 100%. Achieved (100% of payments made in a timely manner).
	Lower the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally).	Target: Decrease on previous year Not achieved (nationally, 11.3% in 2024 increase from 9.1% in 2023). The increase in the Needs additional support cohort should be interpreted with caution as it was not statistically significant. It is also important to note that this is only the second cycle where proficiency levels have been used to measure student achievement in NAPLAN, thus, the data is insufficient to provide any indication of trends.
	Lower the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally).	Target: Decrease on previous year. Achieved (nationally, 9.7% in 2024 decrease from 10% in 2023).
Year	Performance measures	Planned performance results
Budget Year 2025–26	Increase the proportion of students attending school 90% or more of the time.	Target: ⁶ (a) Nationally: Increase on previous year (b) In government schools: Increase on previous year (c) In non-government schools: Increase on previous year.

⁵ This performance measure has been removed from Budget Year 2025–26 and Forward Estimates 2026–29. A new performance measure will be considered for publication in the 2025–26 Corporate Plan.

⁶ Performance measure target revised to report on disaggregated data by sector.

Year	Performance measures	Planned performance results
Budget Year 2025–26 (continued)	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally) ⁷ .	Target: Decrease on previous year.
	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally) ⁷ .	Target: Decrease on previous year.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 1.4 resulting from 2025–26 Budget measures: Nil.		

⁷ Performance measure title revised to align with one of the Improvement Measures in the Heads of Agreement (Better and Fairer Schools Agreement 2025–2034).

Program expenses 1.4: Non-Government Schools National Support

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill (No. 2) and Supply Bill (No. 2))					
Choice and Affordability Fund	121,349	124,400	128,132	131,976	136,526
Special appropriations:					
<i>Australian Education Act 2013</i>	19,248,718	19,850,630	20,679,630	21,515,583	22,372,674
Total program expenses	19,370,067	19,975,030	20,807,762	21,647,559	22,509,200

Program 1.5 – Early Learning and Schools Support		
This program supports initiatives that contribute to improved access to high-quality teaching and learning in early learning and school education for all Australian students.		
Key Activities	<ul style="list-style-type: none"> • Support children to have access to quality early learning, particularly in the year before reaching school • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform • Improve Australian Government engagement with young people on issues, programs and policies that impact them. 	
Early Learning Support		
Year	Performance measures	Expected performance results
Current Year 2024–25	Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year.	Targets: (a) Overall: 95% or higher (b) First Nations children: 95% or higher (c) Disadvantaged children: 95% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Percentage of program participants who felt they directly influenced a government policy or program.	No Target ⁸ .
	Percentage of Australian Government departments and agencies that worked with the Office for Youth and felt supported to engage with young people.	No Target ⁸ .
Year	Performance measures	Planned performance results
Budget Year 2025–26	Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year.	Targets: (a) Overall: 95% or higher (b) First Nations children: 95% or higher (c) Disadvantaged children: 95% or higher.
	Percentage of program participants who felt they influenced a government policy or program ⁹ .	No target ⁸ .
	Percentage of Australian Government departments and agencies that worked with the Office for Youth and felt supported to engage with young people.	No target ⁸ .

⁸ Target is expected to be introduced in the 2025–26 financial year following availability of 2024–25 data which will establish a baseline.

⁹ Performance measure title amended to remove 'directly', as 'directly' is subjective and not necessary to measuring the outcome of the program.

Year	Performance measures	Planned performance results
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 1.5 resulting from 2025–26 Budget measures: <ul style="list-style-type: none"> Building Australia's Future - Improving Outcomes in Australian Schools. 		

Schools Support		
Year	Performance measures	Expected performance results
Current Year 2024–25	Increase the proportion of students attending school 90% or more of the time.	<p>Target: Increase on previous year.</p> <p>Not achieved (nationally, 59.8% in 2024 down from 61.6% in 2023).</p> <p>The 2024 decline in the percentage of students attending school 90% or more of the time is consistent with the long-term trend. There has been a consistent downward trend in student attendance levels since 2018 (with the exception of 2023). The 2024 result suggests a return to the historic steadily declining trend.</p>
	Increase the proportion of people (age 20–24) attaining Year 12, or equivalent, or gaining a qualification at Certificate III or above.	<p>Targets:</p> <p>(a) 96% of all people in Australia by 2031¹⁰</p> <p>(b) 96% of Aboriginal and Torres Strait Islander people by 2031¹¹.</p> <p>a) Not on track (90% in 2024).</p> <p>The Year 12 or equivalent attainment rate for young people (aged 20-24) has increased over the last decade. However, rates have remained steady over the past four years.</p> <p>(b) Not on track (68.1% in 2021, updated data available every 5 years).</p> <p>There has been substantial improvement in the proportion of Aboriginal and Torres Strait Islander young people with Year 12 or equivalent qualifications since 2016. However, based on progress from 2016, the target is not on track to be met.</p>

¹⁰ This target reflects one of the Improvement Measures in the Heads of Agreement (Better and Fairer Schools Agreement 2025–2034) and was a national target in the National School Reform Agreement.

¹¹ This target reflects Outcome 5 of the National Agreement on Closing the Gap and one of the Improvement Measures in the Heads of Agreement (Better and Fairer Schools Agreement 2025–2034); and was also a national target in the National School Reform Agreement.

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)	The Australian Government will work to deliver the Better and Fairer Schools Agreement (the Agreement) with states and territories, focusing on driving real improvements in learning and wellbeing outcomes for students, with a focus on students from disadvantaged backgrounds. The Agreement will be operational from January 2025 ¹² .	<p>Target: The Better and Fairer Schools Agreement will be developed throughout the 2024 calendar year in consultation with states and territories, so that the Agreement is operational by January 2025.</p> <p>Achieved.</p> <p>The Better and Fairer Schools Agreement (2025–2034) has been developed in consultation with the states and territories, and became operational on 1 January 2025, noting that 2 states were operating under interim agreements at the end of January 2025.</p>
	Lower the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally).	<p>Target: Decrease on previous year.</p> <p>Not achieved (nationally, 11.3% in 2024 increase from 9.1% in 2023).</p> <p>The increase in the Needs additional support cohort should be interpreted with caution as it was not statistically significant. It is also important to note that this is only the second cycle where proficiency levels have been used to measure student achievement in NAPLAN, thus, the data is insufficient to provide any indication of trends.</p>
	Lower the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally).	<p>Target: Decrease on previous year.</p> <p>Achieved (nationally, 9.7% in 2024 decrease from 10% in 2023).</p>
Year	Performance measures	Planned performance results
Budget Year 2025–26	Increase the proportion of students attending school 90% or more of the time.	Targets: ¹³ (a) Nationally: Increase on previous year (b) In government schools: Increase on previous year (c) In non-government schools: Increase on previous year.
	Increase the proportion of people (age 20–24) attaining Year 12, or equivalent, or gaining a qualification at Certificate III or above.	Targets: a) 96% of all people in Australia by 2031 ¹⁴ b) 96% of Aboriginal and Torres Strait Islander people by 2031 ¹⁵ .

¹² This performance measure has been removed from Budget Year 2025–26 and Forward Estimates 2026–29.

¹³ The performance measure target has been revised to report on disaggregated data by sector.

¹⁴ This target reflects one of the Improvement Measures in the Heads of Agreement (Better and Fairer Schools Agreement 2025–2034) and was a national target in the National School Reform Agreement.

¹⁵ This target reflects Outcome 5 of the National Agreement on Closing the Gap and one of the Improvement Measures in the Heads of Agreement (Better and Fairer Schools Agreement 2025–2034); and was also a national target in the National School Reform Agreement.

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Year	Performance measures	Planned performance results
Budget Year 2025–26 (continued)	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally) ¹⁶ .	Target: Decrease on previous year.
	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally) ¹⁶ .	Target: Decrease on previous year.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 1.5 resulting from 2025–26 Budget measures: <ul style="list-style-type: none"> • Building Australia's Future - Improving Outcomes in Australian Schools • Closing the Gap – further investments. 		

¹⁶ Performance measure title revised to align with one of the Improvement Measures in the Heads of Agreement (Better and Fairer Schools Agreement 2025–2034).

Program expenses 1.5: Early Learning and Schools Support

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))					
Early Learning Support					
Australian Early Development Census	10,714	6,657	13,192	11,127	6,811
Preschools Data Framework	21,710	16,977	1,813	1,857	1,903
SNAICC – National Voice for Our Children	4,000	4,088	4,198	4,287	4,385
Total Early Learning Support	36,424	27,722	19,203	17,271	13,099
Schools Support					
Australian Education Research Organisation	10,000	10,000	10,000	10,000	10,000
First Nations Education	41,403	59,319	24,673	5,287	4,385
First Nations Languages in Schools	9,833	2,150	-	-	-
Grants and Awards	1,532	1,566	1,601	1,633	1,670
Helping Children with Autism	6,974	6,829	6,980	7,119	7,283
Life Education - Being Healthy, Being Active	1,700	1,700	-	-	-
National Assessment Reforms	5,979	6,348	2,200	2,200	2,200
National Consent Survey	1,000	-	-	-	-
National Schools Reform	8,958	4,250	2,600	-	-
National School Resourcing Board	1,059	1,082	1,111	1,134	1,161
National Teacher Workforce Action Plan	64,190	48,066	42,480	37,384	27,467

Program expenses 1.5: Early Learning and Schools Support (continued)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Quality Outcomes	46,249	38,056	40,460	36,064	36,631
School Education Support	19,565	5,855	-	-	-
Student Engagement and Wellbeing	2,021	4,037	1,053	1,059	-
Student Support Package	22,156	-	-	-	-
Student Wellbeing Boost	250	-	-	-	-
Supporting Australia's Teacher Workforce	2,286	2,583	1,738	2,651	2,689
Supporting Quality Boarding for Rural and Remote Students	1,700	1,700	1,700	1,700	1,700
Teacher Resource Hubs	5,230	6,157	10,049	10,356	-
Youth Support	1,030	1,146	1,177	1,200	1,029
Other services (Appropriation Bill (No. 2) and Supply Bill (No. 2))					
First Nation Education Literacy Support for Tasmania Students	2,687	1,000	-	-	-
	2,000	2,000	2,000	1,000	-
Total Schools Support	257,802	203,844	149,822	118,787	96,215
Total program expenses	294,226	231,566	169,025	136,058	109,314

2.2 Budgeted expenses and performance for Outcome 2

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.

Linked programs

Attorney-Generals Department
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Attorney-General’s Department
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by supporting an effective, trauma-informed escalated complaints pathway for all higher education students, contributing to a stronger focus on positive student experiences and improved educational outcomes.</p>
Australian Trade and Investment Commission (Austrade)
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Support Australian exporters to expand internationally, attract productive international investment, and grow the visitor economy
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by promoting Australian education and training internationally and by supporting the sustainable growth of Australian education providers in export markets.</p>

Linked programs (continued)

<p>Department of Employment and Workplace Relations</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 – Building Skills and Capability
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by building skills and capabilities through vocational education and training (VET) which can provide pathways to higher education, and by improving harmonisation of the VET and higher education sectors. Building these pathways will grow tertiary education participation and attainment for all Australians, particularly under-represented cohorts, which is critical to meeting skills needs.</p>
<p>Department of Defence</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.16 - Nuclear Powered Submarines
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 through the provision of expertise, advice and support in the delivery of Nuclear Powered Submarines capabilities.</p>
<p>Department of Foreign Affairs and Trade</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations • Program 1.5 – New Colombo Plan – Transforming Regional Relationships
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked programs contribute to Outcome 2 by promoting international education through advocacy and coordination roles at overseas missions.</p>

Linked programs (continued)

Department of Home Affairs
Programs <ul style="list-style-type: none"> • Program 2.2 – Visas
Contribution to Outcome 2 made by linked programs <p>The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas.</p>
Department of Social Services
Programs <ul style="list-style-type: none"> • Program 1.7 – Student Payments
Contribution to Outcome 2 made by linked program <p>The linked program contributes to Outcome 2 by providing financial support to students while undertaking further education. This also includes financial assistance enhancing access and participation in further education for First Nations students to improve educational outcomes.</p>
National Indigenous Australians Agency
Programs <ul style="list-style-type: none"> • Program 1.1 – Jobs, Land and the Economy • Program 1.2 – Children and Schooling
Contribution to Outcome 2 made by linked programs <p>The linked programs contribute to Outcome 2 by supporting First Nations students' school attendance, improved educational outcomes and access to further education and employment. The programs will strengthen and grow First Nations students' participation, representation and success in tertiary education.</p>

Linked programs (continued)

Services Australia
Programs <ul style="list-style-type: none">• Program 1.1 – Strategy and Corporate Enabling• Program 1.2 – Customer Service Delivery• Program 1.3 – Technology and Transformation
Contribution to Outcome 2 made by linked programs <p>The linked programs contribute to Outcome 2 by administering payments to support eligible students to access tertiary education and making payments to eligible job seekers.</p>

Budgeted expenses for Outcome 2

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.					
	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 2.1: Core Commonwealth Funding for Teaching and Learning in Higher Education (a)					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	8,039,107	8,630,527	9,194,082	9,616,660	10,056,140
Total expenses for Program 2.1	8,039,107	8,630,527	9,194,082	9,616,660	10,056,140
Program 2.2: Higher Education Superannuation Program					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	192,380	180,319	167,831	154,952	141,749
Total expenses for Program 2.2	192,380	180,319	167,831	154,952	141,749
Program 2.3: Higher Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1) Supply Bill (No. 1))	36,154	38,007	38,717	39,444	42,243
Special appropriations					
<i>Higher Education Support Act 2003</i>	905,607	889,367	705,166	680,610	702,013
Total expenses for Program 2.3	941,761	927,374	743,883	720,054	744,256
Program 2.4: Higher Education Loan Program					
Special appropriations					
<i>Higher Education Support Act 2003 (b)</i>	15,471,029	2,591,378	2,714,039	2,920,715	3,082,227
Special accounts					
Higher Education Tuition Protection Fund	3,609	3,890	4,151	4,413	4,713
Total expenses for Program 2.4	15,474,638	2,595,268	2,718,190	2,925,128	3,086,940

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 2.5: Investment in Higher Education Research					
Administered expenses					
Special appropriations <i>Higher Education Support Act 2003</i>	2,287,225	2,361,169	2,391,194	2,460,992	2,519,935
Total expenses for Program 2.5	2,287,225	2,361,169	2,391,194	2,460,992	2,519,935
Program 2.6: Research Capacity					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))	506,987	469,320	379,152	362,652	403,657
Special appropriations <i>Higher Education Support Act 2003</i>	314,862	294,451	215,573	222,938	220,024
Total expenses for Program 2.6	821,849	763,771	594,725	585,590	623,681
Program 2.7: International Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))	18,257	11,097	5,144	3,400	3,423
Special accounts					
Overseas Students Tuition Fund	8,788	3,602	3,692	3,784	3,879
SOETM - Cheung Kong	1,500	1,200	1,055	1,053	1,053
Total expenses for Program 2.7	28,545	15,899	9,891	8,237	8,355

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))	561,398	518,424	423,013	405,496	449,323
Special appropriations	27,210,210	14,947,211	15,387,885	16,056,867	16,722,088
Special Accounts	13,897	8,692	8,898	9,250	9,645
Administered total	27,785,505	15,474,327	15,819,796	16,471,613	17,181,056
Departmental expenses					
Departmental appropriation	143,636	139,148	132,254	131,670	142,880
s74 External Revenue (c)	3,827	3,131	3,131	3,131	3,131
Expenses not requiring appropriation in the Budget year (d)	10,448	13,392	12,552	13,513	14,612
Departmental total	157,911	155,671	147,937	148,314	160,623
Total expenses for Outcome 2	27,943,416	15,629,998	15,967,733	16,619,927	17,341,679

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Movement of administered funds between years (e)					
Outcome 2:					
Higher Education Support - Needs-based Funding (f)	-	(264,707)	(549,491)	(588,168)	(625,926)
Core Commonwealth Funding for Teaching and Learning in Higher Education - Needs-based Funding (f)	-	264,707	549,491	588,168	625,926
Total movement of administered	-	-	-	-	-

	2024-25	2025-26
Average staffing level (number)	573	564

- (a) This program was previously referred to as the Commonwealth Grant Scheme (CGS).
- (b) Increase in expenses in 2024-25 linked to the Building Australia's Future – A fairer deal for students measure announced in the 2024-25 MYEFO.
- (c) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (d) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.
- (e) Figures displayed as a negative (in brackets) represent a decrease in funds and those displayed as a positive represent an increase in funds.
- (f) Needs-based Funding was previously displayed in Higher Education Support and has been moved to the Core Commonwealth Funding (CCF) to reflect the Government's decision to establish an interim Australian Tertiary Education Commission (ATEC) pending the passage of legislation.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.2.3: Performance measure for Outcome 2

Table 2.2.3 details the performance measures for each program associated with Outcome 2. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e. 2024-25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025–26 Budget measures that have created new programs or materially changed existing programs are provided.

The Government has committed to establishing an Australian Tertiary Education Commission (ATEC) as steward of the higher education sector. The ATEC will begin operating in an interim capacity from 1 July 2025, and permanently from 1 January 2026, subject to the passage of legislation. Performance measures for the ATEC will be developed for the 2026–27 PBS, once the ATEC has been permanently established.

Outcome 2 – Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.		
<p>Program 2.1 Core Commonwealth Funding for Teaching and Learning in Higher Education¹⁷ A highly skilled workforce and educated community is important for economic productivity and social wellbeing. The Commonwealth Grant Scheme (CGS) and Needs-based Funding contribute to achieving this objective through:</p> <ul style="list-style-type: none"> • making a direct contribution to the cost of educating Commonwealth-supported students enrolled in undergraduate and postgraduate degrees • increasing the number of regional students participating in higher education by providing additional funding to regional universities to meet the higher costs associated with delivery of higher education in regional locations • increasing the number of educationally disadvantaged students participating in higher education by providing additional funding to support wrap-around services to help them succeed • supporting educationally disadvantaged students to prepare for and successfully complete higher education through funding for Fee-Free Uni Ready courses • meeting medical workforce training needs through the provision of targeted support for initial entry medical programs. 		
Key Activities	<ul style="list-style-type: none"> • Enhance the quality of the higher education system • Support students' access to higher education and transition to employment. 	
Year	Performance measures	Expected performance results
Current Year 2024–25	The proportion of the 25- to 34-year-old population with a tertiary qualification.	Target: Increase from previous year. Not achieved. The proportion of 25- to 34-year-old population with a tertiary qualification was 77.0% in 2024, the same as in 2023. The results are likely to have been affected by strong labour market conditions.

¹⁷ This program description, previously referred to as the Commonwealth Grant Scheme, has been updated to reflect the Government's decision to establish an interim Australian Tertiary Education Commission (ATEC) pending the passage of legislation.

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)	The rate of attrition for domestic bachelor students.	Target: Lower than 15%. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Proportion of domestic undergraduates who are employed within 4 to 6 months of completing a degree ¹⁸ .	Target: 85% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	The proportion of the 25- to 34-year-old population with a tertiary qualification.	Target: Increase from previous year.
	The rate of attrition for domestic bachelor students.	Target: Lower than 15%.
	Proportion of domestic undergraduates who are employed within 4 to 6 months of completing a degree.	Target: 85% or higher.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.1 resulting from 2025–26 Budget measures: Nil.		

¹⁸ Performance measure title has been revised to clarify the measure relates to domestic undergraduates and to align with the methodology. The title was revised after the 2024–25 Corporate Plan was published.

Program expenses 2.1: Core Commonwealth Funding for Teaching and Learning in Higher Education

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Commonwealth Grant Scheme	8,039,107	8,365,820	8,644,591	9,028,492	9,430,214
Needs-based Funding	-	264,707	549,491	588,168	625,926
Total program expenses	8,039,107	8,630,527	9,194,082	9,616,660	10,056,140

Program 2.2 Higher Education Superannuation Program		
The program provides supplementary funding to assist eligible universities to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes. Cost-share arrangements are in place with relevant state governments and a proportion of Higher Education Superannuation Program (HESP) funding is recovered from these states as a result of their historical responsibilities for funding higher education. These schemes have been closed to new members for some time but are still active for existing members.		
Key Activities	Support eligible current and former university employees for certain superannuation expenses.	
Year	Performance measures	Expected performance results
Current Year 2024–25	Proportion of eligible universities able to meet specified superannuation expenses.	Target: 100%. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	Proportion of eligible universities able to meet specified superannuation expenses.	Target: 100%.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.2 resulting from 2025–26 Budget measures: Nil.		

Program expenses 2.2: Higher Education Superannuation Program

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Superannuation Program	192,380	180,319	167,831	154,952	141,749
Total program expenses	192,380	180,319	167,831	154,952	141,749

Program 2.3 Higher Education Support		
The program aims to ensure the quality of our higher education system is maintained and improved, including improving the quality of training for teachers of mathematics and science. The program also aims to improve access to, and education outcomes for, students from disadvantaged backgrounds.		
Key Activities	<ul style="list-style-type: none"> Enhance the quality of the higher education system Support students' access to higher education and transition to employment. 	
Year	Performance measures	Expected performance results
Current Year 2024–25	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1).	Target: 16% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Proportion of higher education students who are First Nations.	Target: 2% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Proportion of domestic undergraduate students who rate the teaching quality at their institution positively.	Target: 80% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills).	Target: 85% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1).	Target: 16% or higher.
	Proportion of domestic undergraduates who identify as First Nations ¹⁹ .	2.2% or higher ²⁰ .
	Proportion of domestic undergraduate students who rate the teaching quality at their institution positively.	Target: 80% or higher.
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills).	Target: 85% or higher.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.3 resulting from 2025–26 Budget measures:		
<ul style="list-style-type: none"> Establishment of Additional University Study Hubs. 		

¹⁹ Performance measure title revised to clarify the measure relates to domestic undergraduates who identify as First Nations.

²⁰ Performance measure target raised to reflect the Australian Universities Accord and Closing the Gap targets.

Program expenses 2.3: Higher Education Support

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))					
Quality Indicators for Learning and Teaching	6,894	8,308	8,573	8,847	11,188
Tertiary Access Payment	29,260	29,699	30,144	30,597	31,055
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Commonwealth Practicum Support	2,375	102,945	120,593	139,411	142,396
Disability Support Program	35,961	54,158	55,824	57,489	58,862
Higher Education and Offshore Microcredentials	8,164	7,361	10,598	12,628	12,943
Higher Education Continuity Guarantee	9,197	-	-	-	-
Indigenous, Regional and Low SES Attainment Fund	273,939	153,951	9,103	8,443	8,445
Indigenous Student Success Program	-	85,773	88,352	91,038	93,268
National Institutes	267,507	276,155	284,459	293,108	300,287
National Priorities and Industry Linkage Fund	265,854	135,597	-	-	-
Outreach Fund	-	21,868	44,261	45,480	48,703
Regional University Study Hubs	23,838	30,138	25,180	25,669	27,275
Strong Beginnings Fund	-	1,560	1,300	1,000	1,000
Structural Adjustment Fund	-	-	50,000	-	-
Suburban University Study Hubs	11,772	14,100	10,500	6,344	8,834
Women in STEM	7,000	5,761	4,996	-	-
Total program expenses	941,761	927,374	743,883	720,054	744,256

Program 2.4 Higher Education Loan Program		
The program aims to remove the up-front cost barriers to tertiary education in order to increase access and participation. This is achieved through the provision of income contingent loans for students undertaking higher education courses.		
Key Activities	Support students' access to higher education and transition to employment.	
Year	Performance measures	Expected performance results
Current Year 2024–25	The proportion of HELP debt not expected to be repaid on new debt.	Target: Equal to or lower than previous year. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	The proportion of HELP debt not expected to be repaid on new debt.	Target: Equal to or lower than previous year.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.4 resulting from 2025–26 Budget measures:		
<ul style="list-style-type: none"> Strengthening Medicare - Health Workforce. 		

Program expenses 2.4: Higher Education Loan Program

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Special Appropriations					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program (a)	15,471,029	2,591,378	2,714,039	2,920,715	3,082,227
Special account expenses:					
Higher Education Tuition Protection Fund	3,609	3,890	4,151	4,413	4,713
Total program expenses	15,474,638	2,595,268	2,718,190	2,925,128	3,086,940

(a) Increase in expenses in 2024-25 linked to the Building Australia's Future – A fairer deal for students measure announced in the 2024-25 MYEFO.

Program 2.5 Investment in Higher Education Research		
The Australian Government is committed to a world-class research system, that encourages innovation and economic growth. Quality collaboration, engagement, diversity, impact and sustainability are the key priorities for the Government and drive its investment in Australian research and research capacity.		
Key Activities²¹	Support the research system through investment in research, research training and national research infrastructure.	
Year	Performance measures	Expected performance results
Current Year 2024–25	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications.	Target: Above the OECD average. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Proportion of domestic research postgraduates who are employed within 4 to 6 months of completing their degree ²² .	Target: 90% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	First Nations higher degree by research (HDR) completions.	Target: Increase from previous year. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications.	Target: Above the OECD average.
	Proportion of domestic research postgraduates who are employed within 4 to 6 months of completing their degree.	Target: 90% or higher.
	First Nations higher degree by research (HDR) completions.	Target: Increase from previous year.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.5 resulting from 2025–26 Budget measures: Nil.		

²¹ This key activity has been revised since the 2024–25 Corporate Plan to better reflect Program 2.5 and Program 2.6 activities.

²² Performance measure title has been revised to clarify the measure relates to domestic undergraduates and to align with the methodology. The title was revised after the 2024–25 Corporate Plan was published.

Program expenses 2.5: Investment in Higher Education Research

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Special Appropriations					
<i>Higher Education Support Act 2003</i>					
Research Support Program	1,064,398	1,098,809	1,131,852	1,166,263	1,194,829
Research Training Program	1,222,827	1,262,360	1,259,342	1,294,729	1,325,106
Total program expenses	2,287,225	2,361,169	2,391,194	2,460,992	2,519,935

Program 2.6 Research Capacity		
Research advances our knowledge and drives our potential for innovation, economic competitiveness, and social change. The program aims to increase the production, use and awareness of research knowledge and to improve collaboration between government, industry, and the research sector in the production of research knowledge.		
Key Activities ²³	Support the research system through investment in research, research training and national research infrastructure.	
Year	Performance measures	Expected performance results
Current Year 2024–25	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications.	Target: Above the OECD average. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications.	Target: Above the OECD average.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.6 resulting from 2025–26 Budget measures: Nil.		

²³ This key activity has been revised since the 2024–25 Corporate Plan to better reflect Program 2.5 and Program 2.6 activities.

Program expenses 2.6: Research Capacity

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))					
Increase Workforce Mobility (Training programs)	4,339	4,567	5,133	5,583	5,918
National Collaborative Research Infrastructure Strategy	502,648	464,753	374,019	357,069	397,739
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Enhance Research Capacity of Regional Universities	3,669	-	-	-	-
Higher Education Research Promotion	6,615	6,774	7,018	7,193	7,365
Increase Workforce Mobility	6,713	12,186	19,438	25,885	30,389
Launch Australia's Economic Accelerator Trailblazer Universities Program	189,148	188,870	189,117	189,860	182,270
	108,717	86,621	-	-	-
Total program expenses	821,849	763,771	594,725	585,590	623,681

Program 2.7 International Education Support		
International education is increasingly important to Australia's prosperity and our engagement with the world. The program aims to support the sustainable growth of Australia's high-quality international education, training and research through strong government-to-government engagement, international mobility, strategic policy, and legislation.		
Key Activities	Support a high-quality and sustainable international education sector.	
Year	Performance measures	Expected performance results
Current Year 2024–25	Proportion of international students employed after graduation.	Target: 70% or higher. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
	Number of students enrolled in offshore education and training delivered by Australian providers.	Target: Increase from previous year. Data not yet available. Data are not yet available to make an assessment. Further information will be published in the 2024–25 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2025–26	Proportion of international students employed within 4 to 6 months of completing a degree ²⁴ .	Target: 70% or higher.
	Number of students enrolled in offshore education and training delivered by Australian providers.	Target: Increase from previous year.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.7 resulting from 2025–26 Budget measures:		
<ul style="list-style-type: none"> Education – savings. 		

²⁴ Performance measure title updated for clarity and consistency with other measures that use the Quality Indicators for Learning and Teaching Graduate Outcomes Survey.

Program expenses 2.7: International Education Support

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1) and Supply Bill (No. 1))					
International Education Support	18,257	11,097	5,144	3,400	3,423
Special account expenses:					
Overseas Students Tuition Fund	8,788	3,602	3,692	3,784	3,879
SOETM - Cheung Kong	1,500	1,200	1,055	1,053	1,053
Total program expenses	28,545	15,899	9,891	8,237	8,355

Program 2.8 Nuclear Powered Submarine Program		
The program aims to support AUKUS initiatives and broader sovereign capabilities through strategic engagement across government, building education pipelines and delivering targeted measures to support the nuclear workforce and supporting sectors.		
Key Activities	Support sovereign workforce development through broader access to education pipelines.	
Year	Performance measures	Expected performance results
Current Year 2024–25	Accurate and timely allocation of Commonwealth Supported Places (CSP) funding, as set out with university Commonwealth funding agreements.	<p>Target: Allocations under the Nuclear Powered Submarine Program are accurately reflected in providers Commonwealth funding agreements, and at least 90% of payments which are included in the broader Commonwealth Grant Scheme Higher Education Course Advance payments through the UniPay system are made on time.</p> <p>Achieved.</p> <p>All funding allocations were accurately reflected in Commonwealth funding agreements and 100% of payments were made on time in 2024.</p>
Year	Performance measures	Planned performance results
Budget Year 2025–26	Accurate and timely allocation of Commonwealth Supported Places (CSP) funding, as set out with university Commonwealth funding agreements.	Target: Allocations under the Nuclear Powered Submarine Program are accurately reflected in providers Commonwealth funding agreements, and at least 90% of payments which are included in the broader Commonwealth Grant Scheme Higher Education Course Advance payments through the UniPay system are made on time.
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.8 resulting from 2025–26 Budget measures: Nil.		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2025-26 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

The difference between the entity resources table and the budgeted financial statements may arise because the entity resourcing table is presented on a resourcing basis, while the budgeted financial statements are based on Australian Accounting Standards.

3.1.2 Explanatory notes and analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, which consists of the budgeted departmental statements and administered schedules, is provided below.

Budgeted departmental comprehensive income statement

The department's income statement reflects a deficit across the forward estimates. These deficits are attributed to depreciation and amortisation expenses and lease principal repayments.

In 2025-26, total expenses are estimated to be \$420.7 million, an increase of \$2.1 million from \$418.6 million in 2024-25.

Budget departmental balance sheet

The estimated budgeted net asset position is \$211.5 million for 2025-26 this is an increase of \$33.0 million from \$178.5 million in 2024-25.

The structure of the balance sheet reflects the nature of the organisation. The key assets in 2025-26 are computer software including intangibles of \$142.3 million and appropriation receivables of \$186.7 million. The liabilities in 2025-26 predominantly relate to \$64.4 million in employees leave provisions and \$51.6 million in suppliers payables that are accrued.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule reflects the revenues/gains and expenses relating to the programs administered by the department on behalf of Government.

The 2024-25 administered revenue predominately relates to indexation on the Higher Education Loan Program (HELP) administered by the department.

Schedule of budgeted assets and liabilities administered on behalf of Government

Total administered assets are projected to increase by \$9.7 billion from \$45.3 billion to \$55.0 billion over the period 2024-25 to 2028-29, mainly attributable to HELP loans.

The total administered liabilities are projected to decrease by \$1.1 billion from \$5.5 billion to \$4.4 billion over the period 2024-25 to 2028-29 and predominantly relate to the unfunded superannuation provision for Australian Universities.

3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES					
Employee benefits	258,315	261,815	255,317	246,332	241,606
Suppliers	143,426	137,038	121,041	116,411	113,133
Depreciation and amortisation (a)	16,835	21,798	20,233	21,840	23,757
Finance costs	22	5	-	-	-
Total expenses	418,598	420,656	396,591	384,583	378,496
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,827	3,131	3,131	3,131	3,131
Other	2,506	2,506	2,506	2,506	2,506
Total own-source revenue	6,333	5,637	5,637	5,637	5,637
Total own-source income	6,333	5,637	5,637	5,637	5,637
Net (cost of)/contribution by services	(412,265)	(415,019)	(390,954)	(378,946)	(372,859)
Revenue from Government	396,501	393,795	370,951	357,106	349,102
Surplus/(deficit) attributable to the Australian Government	(15,764)	(21,224)	(20,003)	(21,840)	(23,757)
Total comprehensive income/(loss)	(15,764)	(21,224)	(20,003)	(21,840)	(23,757)
Total comprehensive income/(loss) attributable to the Australian Government	(15,764)	(21,224)	(20,003)	(21,840)	(23,757)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**Note: Impact of net cash appropriation arrangements**

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive income	(15,764)	(21,224)	(20,003)	(21,840)	(23,757)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	15,775	21,240	20,003	21,840	23,757
plus: depreciation/amortisation expenses for ROU assets	1,060	558	230	-	-
less: lease principal repayments (b)	(1,071)	(574)	(230)	-	-
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements that provided non-corporate Commonwealth entities with a separate Departmental Capital Budget (DCB) under Appropriation Bill (No. 1) and Supply Bill (No. 1). This replaced revenue appropriations provided under Appropriation Bill (No. 1) used for the depreciation/amortisation expenses. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies to leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,662	2,662	2,662	2,662	2,662
Trade and other receivables	190,956	191,819	184,421	185,775	185,717
Total financial assets	193,618	194,481	187,083	188,437	188,379
Non-financial assets					
Land and buildings	788	230	-	-	-
Intangibles	109,337	142,334	142,741	141,412	138,428
Other non-financial assets	893	893	893	893	893
Total non-financial assets	111,018	143,457	143,634	142,305	139,321
Total assets	304,636	337,938	330,717	330,742	327,700
LIABILITIES					
Payables					
Suppliers	51,597	51,597	51,597	51,597	51,597
Other payables	9,410	10,223	2,875	4,323	4,285
Total payables	61,007	61,820	54,472	55,920	55,882
Interest bearing liabilities					
Leases	804	230	-	-	-
Total interest bearing liabilities	804	230	-	-	-
Provisions					
Employee provisions	64,326	64,376	64,326	64,232	64,212
Total provisions	64,326	64,376	64,326	64,232	64,212
Total liabilities	126,137	126,426	118,798	120,152	120,094
Net assets	178,499	211,512	211,919	210,590	207,606
EQUITY*					
Parent entity interest					
Contributed equity	463,533	517,770	538,180	558,691	579,464
Retained surplus (accumulated deficit)	(285,034)	(306,258)	(326,261)	(348,101)	(371,858)
Total parent entity interest	178,499	211,512	211,919	210,590	207,606
Total equity	178,499	211,512	211,919	210,590	207,606

Prepared on Australian Accounting Standards basis.

* 'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2025-26)

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2025			
Balance carried forward from previous period	(285,034)	463,533	178,499
Adjusted opening balance	(285,034)	463,533	178,499
Comprehensive income			
Surplus/(deficit) for the period	(21,224)	-	(21,224)
Total comprehensive income	(21,224)	-	(21,224)
of which:			
Attributable to the Australian Government	(21,224)	-	(21,224)
Transactions with owners			
Contributions by owners			
Equity injection – Appropriation	-	32,186	32,186
Departmental Capital Budget (DCB)	-	22,051	22,051
Sub-total transactions with owners	-	54,237	54,237
Estimated closing balance as at 30 June 2026	(306,258)	517,770	211,512
Closing balance attributable to the Australian Government	(306,258)	517,770	211,512

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	409,220	392,932	378,349	355,752	349,160
Sale of goods and rendering of services	3,827	3,131	3,131	3,131	3,131
Net GST received	11,127	10,398	8,810	9,452	9,040
Total cash received	424,174	406,461	390,290	368,335	361,331
Cash used					
Employees	257,347	260,952	262,715	244,978	241,664
Suppliers	148,220	141,799	124,214	120,226	116,536
s74 External Revenue transferred to the OPA	3,827	3,131	3,131	3,131	3,131
Interest payments on lease liability	22	5	-	-	-
Total cash used	409,416	405,887	390,060	368,335	361,331
Net cash from/(used by) operating activities	14,758	574	230	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	64,865	54,237	20,410	20,511	20,773
Total cash used	64,865	54,237	20,410	20,511	20,773
Net cash from/(used by) investing activities	(64,865)	(54,237)	(20,410)	(20,511)	(20,773)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	51,178	54,237	20,410	20,511	20,773
Total cash received	51,178	54,237	20,410	20,511	20,773
Cash used					
Principal payments on lease liability	1,071	574	230	-	-
Total cash used	1,071	574	230	-	-
Net cash from/(used by) financing activities	50,107	53,663	20,180	20,511	20,773
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,662	2,662	2,662	2,662	2,662
Cash and cash equivalents at the end of the reporting period	2,662	2,662	2,662	2,662	2,662

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	13,832	22,051	20,410	20,511	20,773
Equity injections - Bill 2	37,346	32,186	-	-	-
Total new capital appropriations	51,178	54,237	20,410	20,511	20,773
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>51,178</i>	<i>54,237</i>	<i>20,410</i>	<i>20,511</i>	<i>20,773</i>
Total Items	51,178	54,237	20,410	20,511	20,773
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	43,647	32,186	-	-	-
Funded by capital appropriations – DCB (b)	21,218	22,051	20,410	20,511	20,773
TOTAL	64,865	54,237	20,410	20,511	20,773
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	64,865	54,237	20,410	20,511	20,773
Total cash used to acquire assets	64,865	54,237	20,410	20,511	20,773

Prepared on Australian Accounting Standards basis.

(a) Includes both current Appropriation Bill (No. 2), Supply Bill (No. 2) and prior Appropriation Act (No. 2/4/6) appropriations.

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2025-26)

	Buildings \$'000	Computer software and Intangibles \$'000	Total \$'000
As at 1 July 2025			
Gross book value	-	215,112	215,112
Gross book value - ROU assets	5,229	-	5,229
Accumulated depreciation/amortisation and impairment	-	(105,775)	(105,775)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,441)	-	(4,441)
Opening net book balance	788	109,337	110,125
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase – appropriation equity (a)	-	32,186	32,186
By purchase - appropriation ordinary annual services (b)	-	22,051	22,051
Total additions	-	54,237	54,237
Other movements			
Depreciation/amortisation expense	-	(21,240)	(21,240)
Depreciation/amortisation on ROU assets	(558)	-	(558)
Total other movements	(558)	(21,240)	(21,798)
As at 30 June 2026			
Gross book value	-	269,349	269,349
Gross book value - ROU assets	5,229	-	5,229
Accumulated depreciation/amortisation and impairment	-	(127,015)	(127,015)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,999)	-	(4,999)
Closing net book balance	230	142,334	142,564

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injection appropriations provided through Appropriation Bill (No. 2) 2025-26 and Supply Bill (No. 2) 2025–2026.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2025-26 and Supply Bill (No. 1) 2025–2026 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES					
Grants	43,506,533	45,252,739	46,910,918	48,738,777	50,601,382
Personal benefits	15,456,197	16,271,713	16,851,580	17,826,900	18,476,712
Suppliers	237,944	207,982	209,812	194,181	171,648
Subsidies	846,611	2,018,642	1,177,458	97,883	98,043
Interest	192,405	180,344	167,856	154,977	141,774
Finance Cost	854,068	1,243,359	1,305,451	1,379,622	1,460,192
Depreciation and amortisation	92	92	92	92	92
Fair Value Losses (a)	14,616,961	1,348,018	1,408,587	1,541,092	1,622,034
Total expenses administered on behalf of Government	75,710,811	66,522,889	68,031,754	69,933,524	72,571,877
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	10,272	10,616	11,072	11,478	10,852
Total taxation revenue	10,272	10,616	11,072	11,478	10,852
Non-taxation revenue					
Sale of goods and services	5,070	5,280	5,540	5,813	6,099
Interest	1,582,299	1,633,679	1,756,292	1,899,097	2,052,520
Other revenue	101,075	105,886	110,376	115,204	120,499
Total non-taxation revenue	1,688,444	1,744,845	1,872,208	2,020,114	2,179,118
Total own-source revenue administered on behalf of Government	1,698,716	1,755,461	1,883,280	2,031,592	2,189,970
Total own-sourced income administered on behalf of Government	1,698,716	1,755,461	1,883,280	2,031,592	2,189,970
Net (cost of)/ contribution by services	(74,012,095)	(64,767,428)	(66,148,474)	(67,901,932)	(70,381,907)
Surplus/(deficit) before income tax	(74,012,095)	(64,767,428)	(66,148,474)	(67,901,932)	(70,381,907)
Surplus/(deficit) after income tax	(74,012,095)	(64,767,428)	(66,148,474)	(67,901,932)	(70,381,907)
Total comprehensive income/(loss)	(74,012,095)	(64,767,428)	(66,148,474)	(67,901,932)	(70,381,907)

Prepared on Australian Accounting Standards basis.

(a) Increase in expenses linked to the Building Australia's Future – A fairer deal for students measure.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,973,553	1,159,619	82,192	84,475	85,750
Trade and other receivables	38,517,725	41,160,182	44,225,554	47,542,107	51,086,281
Other investments	3,844,057	3,844,057	3,844,057	3,844,057	3,844,057
Total financial assets	45,335,335	46,163,858	48,151,803	51,470,639	55,016,088
Non-financial assets					
Land and buildings	639	627	615	603	591
Total non-financial assets	639	627	615	603	591
Total assets administered on behalf of Government	45,335,974	46,164,485	48,152,418	51,471,242	55,016,679
LIABILITIES					
Payables					
Suppliers	41,485	41,485	41,485	41,485	41,485
Personal benefits	261,843	311,950	180,917	171,670	177,856
Grants	1,871	1,871	1,871	1,871	1,871
Other payables	994	494	494	494	494
Total payables	306,193	355,800	224,767	215,520	221,706
Interest bearing liabilities					
Leases	720	720	720	720	720
Total interest bearing liabilities	720	720	720	720	720
Provisions					
Personal benefit provisions	750,231	806,138	865,404	917,837	967,008
Grants provisions	4,429,495	4,137,751	3,836,174	3,525,846	3,208,886
Total provisions	5,179,726	4,943,889	4,701,578	4,443,683	4,175,894
Total liabilities administered on behalf of Government	5,486,639	5,300,409	4,927,065	4,659,923	4,398,320
Net assets/(liabilities)	39,849,335	40,864,076	43,225,353	46,811,319	50,618,359

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	1,926,914	1,988,073	2,067,297	2,151,189	2,231,364
Taxes	10,272	10,616	11,072	11,478	10,852
Other	32,850	33,173	33,433	33,706	33,992
Total cash received	1,970,036	2,031,862	2,111,802	2,196,373	2,276,208
Cash used					
Grant	45,917,494	47,722,404	49,461,103	51,368,814	53,311,012
Subsidies paid	846,111	2,019,142	1,177,458	97,883	98,043
Personal benefits	15,198,612	16,163,547	16,941,552	17,805,162	18,446,004
Suppliers	237,944	207,982	209,812	194,181	171,648
Interest payments on lease liability	25	25	25	25	25
Total cash used	62,200,186	66,113,100	67,789,950	69,466,065	72,026,732
Net cash from/(used by) operating activities	(60,230,150)	(64,081,238)	(65,678,148)	(67,269,692)	(69,750,524)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	5,138,672	4,678,719	4,651,789	4,822,961	5,064,799
Total cash received	5,138,672	4,678,719	4,651,789	4,822,961	5,064,799
Cash used					
Advances and loans made	7,745,268	8,203,033	8,574,219	9,052,372	9,521,424
Total cash used	7,745,268	8,203,033	8,574,219	9,052,372	9,521,424
Net cash from/(used by) investing activities	(2,606,596)	(3,524,314)	(3,922,430)	(4,229,411)	(4,456,625)

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash used					
Other	80	80	80	80	80
Total cash used	80	80	80	80	80
Net cash from/(used by) financing activities					
	(80)	(80)	(80)	(80)	(80)
Net increase/ (decrease) in cash held					
	(62,836,826)	(67,605,632)	(69,600,658)	(71,499,183)	(74,207,229)
Cash and cash equivalents at beginning of reporting period					
	107,590	2,973,553	1,159,619	82,192	84,475
Cash from Official Public Account for:					
- Appropriations	71,269,691	70,858,872	73,558,120	76,753,551	79,765,484
Total cash from Official Public Account	71,269,691	70,858,872	73,558,120	76,753,551	79,765,484
Cash to Official Public Account for:					
- Appropriations	(5,566,902)	(5,067,174)	(5,034,889)	(5,252,085)	(5,556,980)
Total cash to Official Public Account	(5,566,902)	(5,067,174)	(5,034,889)	(5,252,085)	(5,556,980)
Cash and cash equivalents at end of reporting period	2,973,553	1,159,619	82,192	84,475	85,750

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

The department has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2025-26)

The department has no administered asset movements therefore Table 3.11 is not presented.

**Australian Curriculum,
Assessment and Reporting
Authority**

**Entity resources and planned
performance**

Australian Curriculum, Assessment and Reporting Authority

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Australian Curriculum, Assessment and Reporting Authority

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Curriculum, Assessment and Reporting Authority (ACARA) was established under the *Australian Curriculum, Assessment and Reporting Authority Act 2008* of the Parliament of the Commonwealth of Australia. The legislation was assented to on 8 December 2008.

ACARA's vision is to inspire improvement in the learning of all young Australians through world-class curriculum, assessment, and reporting.

ACARA's strategic directions are set through its Charter, issued by all Education Ministers. The Charter reflects ACARA's role as an independent statutory authority and provides guidance about the nature of the activities ACARA is expected to undertake in fulfilling its functions and executing the policy directions set by Education Ministers.

ACARA's strategic directions outlined in the Charter, endorsed by Education Ministers in December 2022, are:

National Curriculum

- provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by all Education Ministers

National Assessment

- provide a quality, comprehensive and reliable national measurement framework

National Data and Reporting

- provide and apply a comprehensive and reliable national measurement framework
- facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols
- present detailed, accessible, timely and meaningful school education performance information

National Collaboration and leadership

- provide effective national leadership in curriculum development, educational assessment, and national reporting
- pursue the national education agenda with jurisdictions, the non-government education sector and relevant stakeholders' agenda and identify opportunities for reform.

ACARA's budget is agreed to by all Education Ministers and provided in accordance with an agreed national funding formula. Revisions to ACARA's 2024-25 to 2026-27 work plan and budget and its new fourth year out (2027-28) work plan and related annual budget was endorsed by Education Ministers in November 2024. The Australian Government has approved the 2027-28 budget in principle, with the Australian Government's contribution subject to future Federal Budget processes. Therefore, the 2027-28 year is not reflected in the budgeted expenses, resourcing and financial statements.

Priorities for ACARA during 2025-26 are ensuring directions agreed by all Education Ministers relating to ACARA's program of work are undertaken. ACARA will also progress key work relating to the National Assessment Program, such as activities towards a future operating model, and the Australian Curriculum Version 9. This includes collecting and annotating new work samples, and ensuring enhancements are made to the functionality of the new Australian Curriculum website. ACARA will also be focusing on work directed to ACARA by Education Ministers as part of the National Teacher Workforce Action Plan, and any required activities that may be directed to ACARA by Education Ministers arising from outcomes of the Better and Fairer Schools Agreement.

ACARA works collaboratively with a wide range of stakeholders including teachers, principals, government, state and territory education authorities, professional education associations, business and industry, community groups and the broader public in undertaking its work.

The management of risk is fundamental in supporting ACARA to achieve ACARA's strategic directions in a complex stakeholder environment. ACARA's Board, Audit, Risk and Finance Committee and executive, as well as staff, are actively involved in risk management for ACARA. This work is supported by an internal audit program that tests ACARA's compliance framework and controls.

1.2 Entity resource statement

Table 1.1 shows the total resourcing from all sources available to the ACARA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for ACARA's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis. Amounts presented below are consistent amounts presented in the Appropriation Bills themselves.

Table 1.1: ACARA resource statement – Budget estimates for 2025-26 as at Budget March 2025

	<i>2024-25 Estimated actual \$'000</i>	<i>2025-26 Estimate \$'000</i>
Opening balance/cash reserves at 1 July	10,195	10,673
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	18,117	17,224
Total amounts received from related entities	18,117	17,224
Total funds from Government	18,117	17,224
Funds from other sources		
Interest	260	260
Other	16,618	17,224
Total funds from other sources	16,878	17,484
Total net resourcing for Australian Curriculum, Assessment and Reporting Authority	45,190	45,381
	<i>2024-25</i>	<i>2025-26</i>
Average staffing level (number)	102	96

All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to the CCE (for example, a grant awarded to a CCE from one of its portfolio department's administered programs).

1.3 Budget measures

There are no 2025-26 Budget measures for ACARA.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for ACARA can be found at:
<https://www.acara.edu.au/about-us/acara-reports-and-publications>.

The most recent annual performance statement can be found at:
<https://www.acara.edu.au/about-us/acara-reports-and-publications>.

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1 – Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.

Budgeted expenses for Outcome 1

This table shows how much ACARA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 1.1: National Curriculum					
Revenue from Government					
Payment from related entities	4,070	3,190	3,324	-	-
Revenues from other independent sources	3,156	3,255	3,391	-	-
Total expenses for Program 1.1	7,226	6,445	6,715	-	-
Program 1.2: National Assessment					
Revenue from Government					
Payment from related entities	10,795	10,844	11,394	-	-
Revenues from other independent sources	10,396	10,910	11,458	-	-
Total expenses for Program 1.2	21,191	21,754	22,852	-	-
Program 1.3: National Data Collection and Reporting					
Revenue from Government					
Payment from related entities	2,003	2,154	2,245	-	-
Revenues from other independent sources	2,068	2,218	2,310	-	-
Total expenses for Program 1.3	4,071	4,372	4,555	-	-
Program 1.4: National Collaboration and Leadership					
Revenue from Government					
Payment from related entities	1,193	1,036	1,080	-	-
Revenues from other independent sources	1,258	1,101	1,145	-	-
Total expenses for Program 1.4	2,451	2,137	2,225	-	-

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	18,061	17,224	18,043	-	-
Revenues from other independent sources	16,878	17,484	18,304	-	-
Total expenses for Outcome 1	34,939	34,708	36,347	-	-

	2024-25	2025-26
Average staffing level (number)	102	96

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2 Performance measures for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e. 2024-25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025–26 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.		
Program 1.1- National Curriculum		
The program aims to improve the quality, equity, and transparency of Australia’s education system. A national curriculum ensures that every child in Australia, regardless of where they live or the school they attend, has access to a world-class curriculum.		
Key Activities	<ul style="list-style-type: none"> • Developing, updating, and maintaining the Australian Curriculum and supporting its implementation • Providing authoritative Australian Curriculum advice to stakeholders and facilitating information sharing, collaboration, and support for the Australian Curriculum • Monitoring the effectiveness of the Australian Curriculum and undertaking research to inform national policy and practice 	
Year	Performance measures	Expected performance results
Current Year 2024–25	A review cycle for the Australian Curriculum is developed	Education ministers agree to a review cycle for the Australian Curriculum in the reporting period, following extensive consultation Achieved
	The number of users accessing the Australian Curriculum, Version 9.0 support resources increases	The number of resources being accessed from the Australian Curriculum, Version 9.0 website to show annual growth Data not yet available
	Australian Curriculum, Version 9.0 implementation support resources (including professional learning) that meet the needs of teachers are available through the Australian Curriculum, Version 9.0 website	An initial survey to show at least 60% satisfaction level with support resources Data not yet available

Year	Performance measures	Planned performance results
Budget Year 2025–26	The number of users accessing the Australian Curriculum, Version 9.0 support resources increases	The number of resources being accessed from the Australian Curriculum, Version 9.0 website shows growth from 2024–25
	Work samples for learning areas/subjects are made available on the Australian Curriculum, Version 9.0 website	Work samples for all learning areas/subjects are published on the Australian Curriculum, Version 9.0 website
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.1 resulting from 2025–26 Budget Measures: Nil		

Program 1.2 – National Assessment		
<p>The program aims to provide school education leaders, teachers, and parents with the means to periodically assess students against previous performance, national benchmarks and their peers using an objective measure.</p>		
Key Activities	<ul style="list-style-type: none"> • Implementing National Assessment Program (NAP) reforms • Researching, developing, and supporting activities required for high-quality assessment, especially online testing • Managing the planning and development and overseeing the delivery and reporting for the National Assessment Program (NAP) – Literacy and Numeracy (NAPLAN) • Managing the development and overseeing the delivery of assessments and reporting for the National Assessment Program (NAP) sample assessments 	
Year	Performance measures	Expected performance results
Current Year 2024–25	National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers	National reports on results of NAPLAN published in August 2024, and NAP Civics and Citizenship sample assessment results to be published in early 2025 On track
	NAP opt-in tests are available for schools	All schools that participated in the NAP opt-in Science Literacy assessments in May 2024 could download reports from 31 July 2024. In May 2025, Science Literacy and Civics and Citizenship will be available for schools to opt-in On track
Year	Performance measures	Planned performance results
Budget Year 2025–26	National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers	National results for NAPLAN and NAP sample assessments are published
	NAP opt-in tests are available for schools	All schools that opt-in to NAP assessments receive related reports
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.2 resulting from 2025–26 Budget Measures: Nil		

Program 1.3 – National Data and Reporting		
The program aims to provide public reporting to promote accountability and engagement in school education. Provision of quality information on schooling is important for schools and their students, for parents and their families and for the community and governments.		
Key Activities	<ul style="list-style-type: none"> Monitoring and, where necessary, reviewing the existing national key performance measures for schools, and producing a comprehensive and authoritative national report Managing the collection and quality assurance of data, and providing national school information including through the My School website Managing the sharing and dissemination of data 	
Year	Performance measures	Expected performance results
Current Year 2024–25	Data relating to schooling in Australia is progressively published through the data portal	Data released on the data portal in December 2024 and February 2025, with planned releases for April 2025 and June 2025 On track
Year	Performance measures	Planned performance results
Budget Year 2025–26	Data relating to schooling in Australia is progressively published through the data portal	Data released on the data portal at least 3 times during the year, including a high-level commentary relating to the data being released
	Level of stakeholder satisfaction with the My School website is measured	Stakeholder satisfaction with the My School website is at least 60%
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.3 resulting from 2025–26 Budget Measures: Nil		

Program 1.4 – National Collaboration and Leadership		
<p>The program aims to ensure ACARA works in a transparent and collaborative manner with Commonwealth/state/territory departments of education and government and, non-government school authorities. ACARA will share its proposals and work with a range of advisory groups to enable all stakeholders to provide input.</p>		
Key Activities	<ul style="list-style-type: none"> Communicating information about ACARA's work and achievements to partners, stakeholders, and the broader community Providing national leadership in curriculum, assessment, data collection and reporting directly and in collaboration with the Commonwealth, states, territories, non-government sector, the Australian Institute for Teaching and School Leadership, Education Services Australia, Australian Education Research Organisation and other stakeholder groups, and ensure liaison with key stakeholders across all matters relating to curriculum, assessment, and reporting 	
Year	Performance measures	Expected performance results
Current Year 2024–25	A transparent reporting process and structure are maintained and timely provision of advice to jurisdictions	<p>Progress reports against the annual work plan submitted in advance of each meeting of the ACARA Board and ACARA's Audit, Risk and Finance Committee. The 2023–24 progress against the ACARA's Charter was submitted to the Education Ministers Meeting Secretariat before the end of September 2024</p> <p>Not on track</p> <p>The target of submitting at least 5 days in advance of each meeting was not met in November 2024.</p>
Year	Performance measures	Planned performance results
Budget Year 2025–26	A transparent reporting process and structure are maintained	Survey of advisory group members shows level of satisfaction is at least 60%
	An advisory structure that is fit for purpose is in place	Survey of stakeholders shows level of satisfaction is at least 60%
	ACARA maintains good quality stakeholder relationships	Progress reports against the annual work plan are submitted at least 5 days in advance of each meeting of the ACARA Board and ACARA's Audit, Risk and Finance Committee, and submitted to Education Ministers before the end of September
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.4 resulting from 2025–26 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2025-26 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the ACARA resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

ACARA's work is undertaken through agreement by all Education Ministers and set through its Charter, its rolling quadrennial plan, and any other written instructions from Education Ministers. ACARA's budget is agreed to by Education Ministers and provided in accordance with Ministers agreed funding formula.

Revisions to ACARA's 2024-25 to 2026-27 work plan and budget and its new fourth year out (2027-28) work plan and related annual budget was endorsed by Education Ministers in November 2024. The Australian Government has approved the 2027-28 budget in principle, with the Australian Government's contribution subject to future Federal Budget processes. Therefore, the 2027-28 year is not reflected in the budgeted expenses, resourcing and financial statements.

ACARA is forecast to report a breakeven result in 2024-25 and outer years.

3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES					
Employee benefits	19,829	19,546	20,133	-	-
Suppliers	13,376	13,452	15,331	-	-
Depreciation and amortisation	1,702	1,694	878	-	-
Finance costs	32	16	5	-	-
Total expenses	34,939	34,708	36,347	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	260	260	260	-	-
Other	16,618	17,224	18,044	-	-
Total own-source revenue	16,878	17,484	18,304	-	-
Total own-source income	16,878	17,484	18,304	-	-
Net (cost of)/contribution by services	(18,061)	(17,224)	(18,043)	-	-
Revenue from Government	18,117	17,224	18,043	-	-
Surplus/(deficit) attributable to the Australian Government	56	-	-	-	-
Total comprehensive income/(loss)	56	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	56	-	-	-	-

Note: Impact of Net Cash Appropriation Arrangements

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	56	-	-	-	-
plus: depreciation/amortisation expenses for ROU assets (a)	972	972	108	-	-
less: lease principal repayments (a)	(1,110)	(1,179)	(138)	-	-
Net Cash Operating Surplus/ (Deficit)	(82)	(207)	(30)	-	-

Prepared on Australian Accounting Standards basis.

(a) Applies to leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,673	10,789	10,814	-	-
Trade and other receivables	488	488	488	-	-
Other financial assets	39	39	39	-	-
Total financial assets	11,200	11,316	11,341	-	-
Non-financial assets					
Land and buildings	1,099	127	19	-	-
Property, plant and equipment	292	490	640	-	-
Intangibles	3,375	2,705	2,035	-	-
Other non-financial assets	890	1,044	1,044	-	-
Total non-financial assets	5,656	4,366	3,738	-	-
Total assets	16,856	15,682	15,079	-	-
LIABILITIES					
Payables					
Suppliers	4,373	4,473	4,473	-	-
Total payables	4,373	4,473	4,473	-	-
Interest bearing liabilities					
Leases	1,360	181	43	-	-
Total interest bearing liabilities	1,360	181	43	-	-
Provisions					
Employee provisions	3,394	3,294	3,294	-	-
Other provisions	471	476	11	-	-
Total provisions	3,865	3,770	3,305	-	-
Total liabilities	9,598	8,424	7,821	-	-
Net assets	7,258	7,258	7,258	-	-
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	7,258	7,258	7,258	-	-
Total parent entity interest	7,258	7,258	7,258	-	-
Total equity	7,258	7,258	7,258	-	-

Prepared on Australian Accounting Standards basis.

*Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2025-26)

	Retained earnings	Asset revaluation Reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2025					
Balance carried forward from previous period	7,258	-	-	-	7,258
Adjusted opening balance	7,258	-	-	-	7,258
Comprehensive income					
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Estimated closing balance as at 30 June 2026	7,258	-	-	-	7,258
Closing balance attributable to the Australian Government	7,258	-	-	-	7,258

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	34,735	34,448	36,087	-	-
Interest	260	260	260	-	-
Total cash received	34,995	34,708	36,347	-	-
Cash used					
Employees	19,779	19,646	20,133	-	-
Suppliers	13,351	13,506	15,331	-	-
Interest payments on lease liability	32	16	5	-	-
Total cash used	33,162	33,168	35,469	-	-
Net cash from/(used by) operating activities	1,833	1,540	878	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	245	245	715	-	-
Total cash used	245	245	715	-	-
Net cash from/(used by) investing activities	(245)	(245)	(715)	-	-
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,110	1,179	138	-	-
Total cash used	1,110	1,179	138	-	-
Net cash from/(used by) financing activities	(1,110)	(1,179)	(138)	-	-
Net increase/(decrease) in cash held	478	116	25	-	-
Cash and cash equivalents at the beginning of the reporting period	10,195	10,673	10,789	-	-
Cash and cash equivalents at the end of the reporting period	10,673	10,789	10,814	-	-

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

ACARA does not have a departmental capital budget therefore Table 3.5 is not presented.

Table 3.6: Statement of departmental asset movements (Budget year 2025-26)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2025				
Gross book value	-	2,926	5,555	8,481
Gross book value - ROU assets	6,729	-	-	6,729
Accumulated depreciation/ amortisation and impairment	-	(2,634)	(2,180)	(4,814)
Accumulated depreciation/amortisation and impairment - ROU assets	(5,630)	-	-	(5,630)
Opening net book balance	1,099	292	3,375	4,766
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	250	-	250
Total additions	-	250	-	250
Other movements				
Depreciation/amortisation expense	-	(52)	(670)	(722)
Depreciation/amortisation on ROU assets	(972)	-	-	(972)
Total other movements	(972)	(52)	(670)	(1,694)
As at 30 June 2026				
Gross book value	-	3,176	5,555	8,731
Gross book value - ROU assets	6,729	-	-	6,729
Accumulated depreciation/ amortisation and impairment	-	(2,686)	(2,850)	(5,536)
Accumulated depreciation/amortisation and impairment - ROU assets	(6,602)	-	-	(6,602)
Closing net book balance	127	490	2,705	3,322

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

ACARA has no budgeted income and expenses administered on behalf of Government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

ACARA has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

ACARA has no budgeted administered cash flows; therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ACARA has no administered capital budget; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2025-26)

ACARA has no administered asset movements; therefore Table 3.11 is not presented.

**Australian Institute for
Teaching and School
Leadership**

**Entity resources and planned
performance**

Australian Institute for Teaching and School Leadership

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Australian Institute for Teaching and School Leadership

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Institute for Teaching and School Leadership (AITSL) commenced operations on 1 January 2010.

AITSL is a public company limited by guarantee under the *Corporations Act 2001* and is subject to the *Public Governance, Performance and Accountability Act 2013*. The Commonwealth of Australia is the sole member of the company and is represented by the Minister for Education.

AITSL operates under its own constitution, with priorities set through instruction from the Minister. Its mission is to promote excellence so that teachers and leaders have the maximum impact on learning in all Australian schools. The eight-member Board, appointed by the Minister for Education for their educational expertise, includes a Chair and Deputy Chair and six further Directors.

AITSL plays a key role in leading significant national educational reform so that teachers and school leaders have the maximum impact on student learning in all Australian schools. It continues to lead significant reforms in initial teacher education, provide support to teachers and school leaders in their important work and promote national certification of highly accomplished and lead teachers.

In initial teacher education, AITSL will continue to support reform by working with the Initial Teacher Education Quality Assurance Oversight Board to publish data against transparent initial teacher education indicators, and to moderate graduate teaching performance assessments used across providers. In June 2024, AITSL received \$0.863 million to support the delivery of key aspects of the work of this Board.

AITSL will continue to provide support to teachers and school leaders across Australia. This will include delivering a new phase of the Indigenous Cultural Responsiveness Initiative. AITSL will receive an additional \$1.0 million in 2024-25 and will receive a further \$1.0 million in 2025-26 from the Australian Government to deliver the next phase of this initiative, which will focus on providing teachers with high-quality professional learning to improve their cultural responsiveness. AITSL will also support implementation of the recently agreed guidelines for the induction of beginning teachers and new school leaders. AITSL will also continue to promote the value of the profession, particularly through the celebration of World Teachers' Day in Australia and by promoting the certification of highly accomplished and lead teachers.

AITSL continues to play a lead role in delivering the Australian Teacher Workforce Data (ATWD) asset on behalf of all jurisdictions. The ATWD provides nationally consistent data to the teacher workforce to inform policy development and strategic workforce planning in the teaching profession. As part of the National Teacher Workforce Action Plan, AITSL is delivering on reform to address data gaps that will improve understanding of demand and supply in the teacher workforce.

AITSL's 2024–2028 Corporate Plan identifies the following strategic priorities for its work:

- **shaping expertise** – To lead a high-quality and nationally consistent approach to teaching and leadership in schools and education settings
- **influencing expertise** – To encourage the national adoption of practices and policies that help lift quality teaching and leadership in schools and education settings
- **enhancing expertise** – To provide solutions, informed by evidence and practice, to help the profession implement the national standards and frameworks
- **esteeming expertise** – To recognise and raise awareness of the lasting impact of teacher and leader expertise; and
- **supporting expertise** – To have a healthy, high-performing culture, and strong and adaptive operational foundations, that support our purpose.

1.2 Entity resource statement

Table 1.1 shows the total resourcing from all sources available to the AITSL for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for AITSL's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis. Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

Table 1.1: AITSL resource statement – Budget estimates for 2025-26 as at Budget March 2025

	2024-25 <i>Estimated actual</i> \$'000	2025-26 Estimate \$'000
Opening balance/cash reserves at 1 July	6,038	8,857
Funds from Government		
Amounts from portfolio department (a)	10,782	9,703
Total amounts received from related entities	10,782	9,703
Total funds from Government	10,782	9,703
Funds from other sources		
Interest	498	300
Sale of goods and services	7,059	3,599
Total funds from other sources	7,557	3,899
Total net resourcing for AITSL	24,377	22,459
	2024-25	2025-26
Average staffing level (number)	69	69

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to the CCE (for example, a grant awarded to a CCE from one of its portfolio department's administered programs).

1.3 Budget measures

There are no 2025-26 Budget measures for AITSL.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for AITSL can be found at: www.aitsl.edu.au.

The most recent annual performance statement can be found at: www.aitsl.edu.au.

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.

Budgeted expenses for Outcome 1

This table shows how much AITSL intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 1.1: Assistance for Quality Teaching and Learning					
Revenue from Government					
Payment from related entities	10,782	9,703	8,525	-	-
Revenues from other independent sources	11,412	8,103	3,046	-	-
Total expenses for Program 1.1	22,194	17,806	11,571	-	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	10,782	9,703	8,525	-	-
Revenues from other independent sources	11,412	8,103	3,046	-	-
Total expenses for Outcome 1	22,194	17,806	11,571	-	-

	2024-25	2025-26
Average staffing level (number)	69	69

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e 2024-25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025-26 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.		
Program 1.1 Assistance for Quality Teaching and Learning This program enables AITSL to work collaboratively with the eight state and territory education departments and their Ministers, the Catholic and independent school sectors, teacher educators, teacher regulatory authorities, teacher unions, professional and community organisations and teachers and principals throughout Australia to strengthen the profession.		
Key Activities	<ul style="list-style-type: none"> • Support the implementation of national policy frameworks and standards that influence, enhance, and sustain effective teaching and leadership across Australia • Develop high-quality, evidence-based tools, resources, and commissioned products to support and enhance quality teaching and leadership • Support implementation of the national initial teacher education (ITE) accreditation system • Lead and support national participation in certification across Australia and recognise the professional expertise of teachers certified at the Highly Accomplished and Lead teacher (HALT) career stages • Deliver skills assessments for migration on behalf of the Australian Government to ensure that teachers migrating to Australia are suitable to teach and improve policy outcomes for skilled migration • Provide nationally consistent data for an evidence-driven national approach to teacher workforce planning to improve the recruitment, resourcing, and retention of quality teachers through the Australian Teacher Workforce Data (ATWD) initiative 	
Year	Performance measures	Expected performance results
Current Year 2024–25	AITSL continues to promote excellence in the profession of teaching and school leadership	Initial Teacher Education Programs in Australia Implement Education Ministers' decisions on national quality assurance, consistency, and transparency of initial teacher education On track Quality Teaching <ul style="list-style-type: none"> • Develop and maintain high-quality resources to support teachers and school leaders to work with the <i>Australian Professional Standards for Teachers</i> and the <i>Australian Professional Standard for Principals</i>

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)		<ul style="list-style-type: none"> • Support and promote the national certification of Highly Accomplished and Lead Teachers • Support teachers and school leaders to improve their cultural responsiveness <p>On track</p> <p>School Leadership</p> <ul style="list-style-type: none"> • Support improvements to the quality of preparation and professional learning of school leaders aligned to the Australian Professional Standard for Principals • Promote access to key tools and resources <p>On track</p> <p>Undertake and engage with national and international research and innovation developments in best practice</p> <ul style="list-style-type: none"> • Strengthen the evidence base for AITSL’s work through enhanced research and involvement with national and international agencies and experts <p>On track</p> <p>Assessment for Migration</p> <ul style="list-style-type: none"> • Perform the role of assessing authority under the <i>Migration Regulations 1994</i> for the purpose of skilled migration to Australia, for relevant teaching occupations successfully fulfilled <p>On track</p>

Year	Performance measures	Planned performance results
Budget Year 2025–26 ²⁵	Stakeholder use of national policy frameworks and standards developed by AITSL	<ul style="list-style-type: none"> • Maintain use of the AITSL website (views and users) • 4% annual increase in AITSL Mail subscribers • 5% annual increase in social media viewers • AITSL's national standards and frameworks reflected in all (100%) websites of education systems, sectors and regulators
	Rate and quality of teacher inductions across Australia	<ul style="list-style-type: none"> • 5% annual increase in the percentage of early career teachers (ECT; 0-2 years) who receive a formal induction • Maintain or increase the use of AITSL's tools and resources which support teacher induction (<i>My Induction</i> app – 5% increase in cumulative users; <i>Supervising Preservice Teachers</i> online learning modules – maintain number of users) • Maintain availability of high-quality induction resources for Australian teachers and school leaders
	Availability of accessible research that supports stakeholder implementation of national policies, frameworks, tools, and resources	<ul style="list-style-type: none"> • Publish four high-quality, evidence-informed Spotlight or Collaborate research reports • 4% annual increase in views of Spotlights and Collaborates
	Availability and use of high-quality, evidence-based tools, resources and guidelines that support strategic initiatives	<ul style="list-style-type: none"> • Development and/or promotion of high-quality evidence-based tools, resources, and commissioned products
	Availability and use of high-quality resources that increase the Indigenous cultural responsiveness of teachers and school leaders across Australia	<ul style="list-style-type: none"> • 4% annual increase in the use of AITSL's resources focused on improving the Indigenous cultural responsiveness of teachers and school leaders

²⁵ These performance measures were not included in the Education Portfolio's 2024–25 PBS. Following a review, the AITSL Board of Directors approved revised performance measures which were introduced in the AITSL Corporate Plan 2024–2028. These performance measures diversify the sources of performance information drawn upon to better capture the outcomes of AITSL's work and were developed with due consideration of *Auditor-General Report No. 32 of 2023–24*.

Year	Performance measures	Planned performance results
Budget Year 2025–26 (continued)	Provision of: <ul style="list-style-type: none"> national panel training for the ITE accreditation system, including panel chair training events, and interstate panellists for ITE panels, based on teacher regulatory authority requests 	<ul style="list-style-type: none"> At least 3 national panel training events are delivered each year At least 1 panel chair training event is delivered each year All (100%) requests for interstate representation on national ITE panels are met Core content is included in all (100%) panel training sessions
	The proportion of ITE providers across Australia which have an endorsed teaching performance assessment (TPA)	<ul style="list-style-type: none"> All accredited ITE programs (100%) across Australia have an endorsed TPA in place
	Stakeholder engagement with national teacher certification	<ul style="list-style-type: none"> Increase (≥ 1) in system and sector participation in Highly Accomplished and Lead teacher (HALT) certification Sustained engagement with current HALTs including through development and distribution of 3 Expertise Matters e-newsletters
	Total number of Highly Accomplished and Lead teachers (HALTs) nationally	<ul style="list-style-type: none"> 20% annual increase in the number of HALTs nation-wide
	Delivery of robust skills assessments for prospective migrant teachers to support national workforce supply	<ul style="list-style-type: none"> 90% of assessment-ready skills assessment outcomes are delivered within 6 weeks
	Number of stakeholders who submit data to the ATWD, when requested	<ul style="list-style-type: none"> All (100%) teacher regulatory authorities (TRAs) contribute TRA data to the ATWD (first achieved in 2023) 3% annual increase in responses to the Australian Teacher Workforce Survey (Teacher Survey)
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.1 resulting from 2025–26 Budget measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2025-26 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

There are no variances between AITSL's resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

In October 2021 the Department of Education provided AITSL with a new funding agreement of \$36.871 million for the financial years 2021–22 to 2024–25. This agreement was extended in March 2024 by providing an additional \$16.829 million for the financial years 2025–26 to 2026–27. The purpose of the funding is to enable AITSL to continue to pursue its objectives in teaching and school leadership.

AITSL will receive \$1.0 million in 2024-25 and a further \$1.0 million in 2025-26 from the Australian Government to deliver the next phase of the Indigenous Cultural Responsiveness Initiative, which will focus on providing teachers with high-quality professional learning to improve their cultural responsiveness.

In June 2024 AITSL received \$0.360 million for Early Childhood Teacher's Registration to develop and publish materials to support implementation of the Australian Professional Standards for Teachers (Teacher Standards) for early childhood teachers in non-school settings in response to Recommendation 8 from Review of Child Safety Arrangements under the National Quality Framework. Additionally, in June 2024, AITSL received \$0.863 million for the Initial Teacher Education Quality Assurance Oversight Board (ITE QAOB) to support the delivery of key aspects of the work of the ITE QAOB.

The funding for the 2025-26 Budget Year will be \$9.703 million. The comparative funding in the 2024-25 year is \$10.782 million.

In the 2025-26 year, the income from Skilled Migration Visa Assessments is budgeted at \$1.5 million and \$2.498 million is included to create a longitudinal data set on the teaching workforce. Comparative income from other sources in the 2024-25 year included \$3.497 million from Skilled Migration Visa Assessments and \$3.562 million to create a longitudinal data set. The 2024-25 income of \$3.497 million for Skilled Migration Visa Assessments is considered an exceptional year and is due to changes from the immigration review. In December 2024, responsibility for migration assessments of the Early Childhood Teacher occupation moved from AITSL to the Australian Education and Care Quality Authority (ACECQA), which is reflected in the estimates for 2024-25 and forward years.

AITSL is reporting technical operating deficits across the 2024-25 to 2026-27 financial years. This arises because of revenue recognised in the 2023-24 and 2024-25 financial years, with the

corresponding activities and deliverables occurring over the next three financial years to 2026-27. The technical deficits utilise the technical surpluses from prior years, as agreed with the Department of Finance.

The net asset position at 30 June 2025 is \$10.851 million. Total assets are \$15.550 million, comprising \$13.941 million of financial assets and \$1.609 million of nonfinancial assets. Total liabilities at 30 June 2025 are \$4.699 million, of which \$1.626 million is accrued employee provisions, \$0.523 million is supplier payables, \$1.796 million of lease liabilities, and \$0.025 million of other provisions and liabilities.

3.2 Budgeted financial statements tables**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES					
Employee benefits	13,602	11,201	6,950	-	-
Suppliers	8,066	6,094	4,165	-	-
Depreciation and amortisation (a)	442	444	407	-	-
Other expenses	84	67	49	-	-
Total expenses	22,194	17,806	11,571	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	8,827	3,599	1,500	-	-
Interest	498	300	250	-	-
Other	10,782	9,703	8,525	-	-
Total own-source revenue	20,107	13,602	10,275	-	-
Total own-source income	20,107	13,602	10,275	-	-
Net (cost of)/contribution by services	(2,087)	(4,204)	(1,296)	-	-
Revenue from Government	-	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	(2,087)	(4,204)	(1,296)	-	-
Total comprehensive income/(loss)	(2,087)	(4,204)	(1,296)	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(2,087)	(4,204)	(1,296)	-	-

Note: Impact of Net Cash Appropriation Arrangements

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(2,087)	(4,204)	(1,296)	-	-
plus: depreciation/amortisation expenses for ROU assets (a)	400	400	400	-	-
less: lease principal repayments (a)	(383)	(417)	(452)	-	-
Net Cash Operating Surplus/(Deficit)	(2,070)	(4,221)	(1,348)	-	-

Prepared on Australian Accounting Standards basis.

(a) Applies to leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,857	4,681	3,341	-	-
Trade and other receivables	920	920	920	-	-
Other investments	4,164	4,164	4,164	-	-
Total financial assets	13,941	9,765	8,425	-	-
Non-financial assets					
Land and buildings	1,532	1,132	732	-	-
Property, plant and equipment	51	7	-	-	-
Other non-financial assets	26	26	26	-	-
Total non-financial assets	1,609	1,165	758	-	-
Total assets	15,550	10,930	9,183	-	-
LIABILITIES					
Payables					
Suppliers	523	523	523	-	-
Other payables	729	729	729	-	-
Total payables	1,252	1,252	1,252	-	-
Interest bearing liabilities					
Leases	1,796	1,379	927	-	-
Total interest bearing liabilities	1,796	1,379	927	-	-
Provisions					
Employee provisions	1,626	1,626	1,626	-	-
Other provisions	25	26	27	-	-
Total provisions	1,651	1,652	1,653	-	-
Total liabilities	4,699	4,283	3,832	-	-
Net assets	10,851	6,647	5,351	-	-
EQUITY*					
Parent entity interest					
Reserves	2	2	2	-	-
Retained surplus (accumulated deficit)	10,849	6,645	5,349	-	-
Total parent entity interest	10,851	6,647	5,351	-	-
Total equity	10,851	6,647	5,351	-	-

Prepared on Australian Accounting Standards basis.

*Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2025-26)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2025					
Balance carried forward from previous period	10,849	2	-	-	10,851
Adjusted opening balance	10,849	2	-	-	10,851
Comprehensive income					
Surplus/(deficit) for the period	(4,204)	-	-	-	(4,204)
Total comprehensive income	(4,204)	-	-	-	(4,204)
of which:					
Attributable to the Australian Government	(4,204)	-	-	-	(4,204)
Estimated closing balance as at 30 June 2026	6,645	2	-	-	6,647
Closing balance attributable to the Australian Government	6,645	2	-	-	6,647

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	10,782	9,703	8,525	-	-
Sale of goods and rendering of services	7,059	3,599	1,500	-	-
Interest	498	300	250	-	-
Net GST received	310	-	-	-	-
Total cash received	18,649	13,602	10,275	-	-
Cash used					
Employees	13,672	11,201	6,950	-	-
Suppliers	5,677	6,094	4,165	-	-
Interest payments on lease liability	83	66	48	-	-
Total cash used	19,432	17,361	11,163	-	-
Net cash from/(used by) operating activities	(783)	(3,759)	(888)	-	-
INVESTING ACTIVITIES					
Cash received					
Investments	4,000	-	-	-	-
Total cash received	4,000	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	15	-	-	-	-
Total cash used	15	-	-	-	-
Net cash from/(used by) investing activities	3,985	-	-	-	-
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	383	417	452	-	-
Total cash used	383	417	452	-	-
Net cash from/(used by) financing activities	(383)	(417)	(452)	-	-
Net increase/(decrease) in cash held	2,819	(4,176)	(1,340)	-	-
Cash and cash equivalents at the beginning of the reporting period	6,038	8,857	4,681	-	-
Cash and cash equivalents at the end of the reporting period	8,857	4,681	3,341	-	-

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

AITSL does not have a departmental capital budget, therefore table 3.5 is not presented.

Table 3.6: Statement of departmental asset movements (Budget year 2025-26)

	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2025					
Gross book value	-	411	26	177	614
Gross book value - ROU assets	2,367	-	-	-	2,367
Accumulated depreciation/amortisation and impairment	-	(360)	-	(177)	(537)
Accumulated depreciation/amortisation and impairment - ROU assets	(835)	-	-	-	(835)
Opening net book balance	1,532	51	26	-	1,609
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services	-	-	-	-	-
Total additions	-	-	-	-	-
Other movements					
Depreciation/amortisation expense	-	(44)	-	-	(44)
Depreciation/amortisation on ROU assets	(400)	-	-	-	(400)
Total other movements	(400)	(44)	-	-	(444)
As at 30 June 2026					
Gross book value	-	411	26	-	437
Gross book value - ROU assets	2,367	-	-	-	2,367
Accumulated depreciation/amortisation and impairment	-	(404)	-	-	(404)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,235)	-	-	-	(1,235)
Closing net book balance	1,132	7	26	-	1,165

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

AITSL has no income and expenses administered on behalf of government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

AITSL has no assets and liabilities administered on behalf of government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

AITSL has no administered cash flows; therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

AITSL has no administered capital budget; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2025-26)

AITSL has no administered asset movements; therefore Table 3.11 is not presented.

Australian Research Council

Entity resources and planned performance

Australian Research Council

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Australian Research Council

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Research Council (ARC) is a non-corporate Commonwealth entity established under the *Australian Research Council Act 2001*. The ARC is focused on driving world-class research and innovation for the advancement of Australian society. The agency plays a critical role in providing ongoing investment in university research and researchers for Australia's economic, social, environmental and cultural benefit.

The ARC is responsible for administering the National Competitive Grants Program (NCGP); evaluating the excellence, impact and depth of university research; supporting research integrity and promoting ethical research; promoting academic careers; providing advice and support on research matters; and partnering with other Commonwealth entities to deliver research grants.

Through the NCGP, the ARC supports excellent research and research training across all disciplines (excluding medical research) for the benefit of all Australians, by awarding funding based on a competitive peer review process. NCGP schemes support the highest-quality research and infrastructure, and encourage research collaboration with local, national and international partners to advance the adoption and translation of new knowledge to increase its impact.

During 2025–26, the ARC Board will continue to drive the strategic direction of the ARC to shape Australia's research landscape and support researchers.

The ARC's key priorities for the year include:

- Working with the Department of Education to implement findings and recommendations from the policy review of ARC programs and transition to a new NCGP including:
 - Designing and implementing new schemes and processes that address review outcomes.
 - Further strengthening peer review by adopting revised assessment methodologies that align with new scheme objectives and reduce burden for applicants and assessors.
 - Embedding data-driven evaluation mechanisms to assess ongoing NCGP performance and inform future priority setting.

- Delivering a 10-year research funding strategy to drive and support the best early-stage pure basic, strategic basic and applied research and researchers, as well as ensuring ARC activities support a diverse and inclusive research sector.
- Working closely with the ARC Indigenous Forum, Indigenous Australian researchers and communities, and the research sector to promote, embed, and support Aboriginal and Torres Strait Islander research and knowledge systems.
- Continuing to work with the Department of Education, national security agencies and other stakeholders to further strengthen processes to protect the security of Australian research from foreign interference risks.
- Developing a National Research Evaluation and Impact Framework to assess the excellence, impact and depth of university research in Australia.
- Developing enhanced data, analytics and communication capabilities that offer greater insight into the Australian research landscape and better tell the story of ARC funded research.
- Continuing to work with the National Health and Medical Research Council, universities and other stakeholders to strengthen and safeguard the integrity and credibility of Australian research.
- Promoting and broadening the ARC's research grants administration expertise and services, including through the provision of Research Grant Services.

1.2 Entity resource statement

Table 1.1 shows the total resourcing from all sources available to the ARC for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for ARC's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis. Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

Table 1.1: ARC resource statement – Budget estimates for 2025-26 as at Budget March 2025

	2024-25 <i>Estimated actual</i> \$'000	2025-26 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	9,346	9,354
Departmental appropriation (b)	22,976	23,273
s74 External Revenue (c)	858	255
Departmental capital budget (d)	1,317	1,333
Total departmental annual appropriations	<u>34,497</u>	<u>34,215</u>
Total departmental resourcing	34,497	34,215
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	4,074	4,508
Outcome 1	1,031,328	1,040,015
Total administered annual appropriations	<u>1,035,402</u>	<u>1,044,523</u>
Special accounts (e)		
Opening balance	2,115	2,115
Total special account receipts	<u>2,115</u>	<u>2,115</u>
Total administered resourcing	1,037,517	1,046,638
Total resourcing for Australian Research Council	1,072,014	1,080,853
	<u>2024-25</u>	<u>2025-26</u>
Average staffing level (number)	140	140

Prepared on a resourcing (that is, appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2025-2026 and Supply Bill (No. 1) 2025-2026.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and Supply Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) ARC Research Endowment Account - s80 of the PGPA Act (s62 of the ARC Act). Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 Budget measures

Budget measures in Part 1 relating to ARC are detailed in the *Budget Paper No. 2* and are summarised below.

Table 1.2: ARC 2025-26 Budget measures
Part 1: Measures announced since the 2024-25 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
Payment measures					
Savings from External Labour – further extension (a)					
Administered payment	-	-	-	-	-
Departmental payment	-	-	-	-	(287)
Total	-	-	-	-	(287)
Total payment measures					
Administered	-	-	-	-	-
Departmental	-	-	-	-	(287)
Total	-	-	-	-	(287)

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The full measure description and package details appear in 2025-26 Budget Paper No. 2 under Cross Portfolio.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the ARC can be found at: www.arc.gov.au.

The most recent annual performance statement can be found at: www.arc.gov.au.

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Budgeted expenses for Outcome 1

This table shows how much ARC intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.					
	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 1.1: Discovery - Research and Research Training					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1) and Supply Bill (No. 1))	629,744	629,808	649,008	668,795	685,181
Total expenses for Program 1.1	629,744	629,808	649,008	668,795	685,181
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1) and Supply Bill (No. 1))	397,556	406,406	435,803	449,081	460,086
ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i>)	-	-	-	-	-
Total expenses for Program 1.2	397,556	406,406	435,803	449,081	460,086
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1) and Supply Bill (No. 1))	4,028	3,801	3,896	3,989	4,089
Total expenses for Program 1.3	4,028	3,801	3,896	3,989	4,089

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ARC - Departmental					
Departmental expenses					
Departmental appropriation	20,565	22,106	23,018	23,058	23,291
s74 External Revenue (a)	858	255	86	68	51
Expenses not requiring appropriation in the Budget year (b)	4,341	3,834	3,228	2,989	2,989
Total expenses for Departmental	25,764	26,195	26,332	26,115	26,331
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	1,031,328	1,040,015	1,088,707	1,121,865	1,149,356
Special accounts	-	-	-	-	-
Administered total	1,031,328	1,040,015	1,088,707	1,121,865	1,149,356
Departmental expenses					
Departmental appropriation	20,565	22,106	23,018	23,058	23,291
s74 External Revenue (a)	858	255	86	68	51
Expenses not requiring appropriation in the Budget year (b)	4,341	3,834	3,228	2,989	2,989
Departmental total	25,764	26,195	26,332	26,115	26,331
Total expenses for Outcome 1	1,057,092	1,066,210	1,115,039	1,147,980	1,175,687
	2024-25	2025-26			
Average staffing level (number)	140	140			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2 Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e 2024-25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025-26 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.		
Program 1.1 – Discovery – Research and Research Training		
Through the Discovery Program, the ARC aims to build Australia's research capacity by supporting excellent, internationally competitive research projects, fellowships, and awards. This contributes to Outcome 1 by: supporting excellent, internationally competitive research; providing training and career opportunities for current and emerging researchers; fostering international engagement; and encouraging research that aligns with national priorities.		
Key Activities	Fund high-quality and impactful research	
Year	Performance measures	Expected performance results
Current Year 2024–25	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website On track
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Discovery Program applications is less than 1% of all submitted applications On track
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of Discovery Program research projects involve international collaboration Data not yet available
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Discovery Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission Data not yet available
	The average number of days to action research integrity investigation outcomes reported to the ARC	Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days On track

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)	The proportion of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher ²⁶	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period On track
	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval	Target: Administering Organisations are notified within 21 days for all (100%) of approved projects On track
	The ARC peer review process identifies research excellence	Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector On track
	The ARC provides expert advice on research across government	Target: The ARC achieves this measure by providing timely and expert advice on research across government On track
Year	Performance measures	Planned performance results
Budget Year 2025–26	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The proportion of appeals received for NCGP applications	Target: The percentage of appeals received for all Discovery Program applications is less than 1%
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of Discovery Program research projects involve international collaboration
	The percentage of submitted final reports reviewed on time	Target: More than 90% of final grant reports (for the Discovery Program) are reviewed by the ARC within 90 days of submission
	The average number of days to action research integrity investigation outcomes reported to the ARC	Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days

²⁶ This measure was updated in the *ARC Corporate Plan 2024–25* from the number of individuals to provide more meaningful performance information.

Year	Performance measures	Planned performance results
Budget Year 2025–26 (continued)	The proportion of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period
	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval	Target: Administering Organisations are notified within 21 days for all (100%) of approved projects
	The ARC peer review process identifies research excellence	Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector
	The ARC provides expert advice on research across government	Target: The ARC achieves this measure by providing timely and expert advice on research across government
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.1 resulting from 2025–26 Budget measures: Nil		

Program 1.2 – Linkage – Cross sector research partnerships		
<p>Through the Linkage Program, the ARC aims to build Australia’s research and innovation capacity by supporting excellent, internationally competitive research projects, infrastructure, and centres of excellence that involve collaboration among researchers within and beyond the research sector. This contributes to Outcome 1 by: supporting excellent collaborative research; providing training and career opportunities for current and emerging researchers; fostering industry and other end-user engagement; supporting international collaboration; and encouraging research that will strengthen Australia’s capacity in areas of national priority.</p>		
Key Activities	Fund high-quality and impactful research	
Year	Performance measures	Expected performance results
Current Year 2024–25	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC website On track
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applications On track
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of Linkage Program research projects involve international collaboration Data not yet available
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Linkage Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission Data not yet available
	The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme	Target: Average dollar contribution is more than or equal to the previous year On track
	The average number of days to action research integrity investigation outcomes reported to the ARC	Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days On track
	The proportion of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher ²⁷	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than or equal to the previous reporting period On track

²⁷ This measure was updated in the *ARC Corporate Plan 2024–25* from the number of individuals to provide more meaningful performance information.

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval	Target: Administering Organisations are notified within 21 days for all (100%) of approved projects On track
	The ARC peer review process identifies research excellence	Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector On track
	The ARC provides expert advice on research across government	Target: The ARC achieves this measure by providing timely and expert advice on research across government On track

Year	Performance measures	Planned performance results
Budget Year 2025–26	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The proportion of appeals received for NCGP applications	Target: The percentage of appeals received for all Linkage Program applications is less than 1%
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of Linkage Program research projects involve international collaboration
	The percentage of submitted final reports reviewed on time	Target: More than 90% of final grant reports (for the Linkage Program) are reviewed by the ARC within 90 days of submission
	The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme	Target: Average dollar contribution is more than or equal to the previous year
	The average number of days to action research integrity investigation outcomes reported to the ARC	Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days
	The proportion of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period
	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval	Target: Administering Organisations are notified within 21 days for all (100%) of approved projects
	The ARC peer review process identifies research excellence	Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector
	The ARC provides expert advice on research across government	Target: The ARC achieves this measure by providing timely and expert advice on research across government
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.2 resulting from 2025–26 Budget Measures: Nil		

Program 1.3 – Excellence in Research for Australia²⁸		
Through the Excellence in Research for Australia (ERA) program the ARC aimed to improve Australia's research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program included, Excellence in Research for Australia, which assessed research quality, and Engagement and Impact (EI), which assessed the engagement of researchers with end-users, and how universities translated their research into economic, social, environmental, cultural, and other impacts. ERA and EI have been discontinued by the Minister for Education and the ARC is working to transition the evaluation of university research to a more modern, data driven approach informed by expert review. This program contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australia government research policy and the strategic direction of higher education institutions; and encouraging researchers to produce high-quality and impactful research with real world benefits.		
Key Activities	Assess research quality, engagement, and impact	
Year	Performance measures	Expected performance results
Current Year 2024–25	Design a new approach for evaluating the excellence, impact and depth of Australian university research ²⁹	Target: Not applicable Not applicable
	The ARC provides expert advice on research across government	Target: The ARC achieves this measure by providing timely and expert advice on research across government On track
Year	Performance measures	Planned performance results
Budget Year 2025–26	Design a new approach for evaluating the excellence, impact and depth of Australian university research	Target: The ARC develops a new research evaluation framework to evaluate research excellence, impact and depth in Australia
	The ARC provides expert advice on research across government	Target: The ARC achieves this measure by providing timely and expert advice on research across government
Forward Estimates 2026–29	As per 2025–26	As per 2025–26
Material changes to Program 1.3 resulting from 2025–26 Budget Measures: Nil		

²⁸ The 2023 Excellence in Research for Australia (ERA) round was discontinued, and the Australian Universities Accord has made recommendations in regard to a future National Research Evaluation and Impact Framework. The Government is currently considering the recommendations made in the Australian Universities Accord report.

²⁹ This measure and target has been revised following publication of the *ARC Corporate Plan 2024–25* as it is subject to the Government's consideration of recommendations made in the Australian Universities Accord report.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2025-26 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

There are no variances between the entity resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

The ARC's income statement reflects a deficit across the forward estimates. These deficits are attributable to the depreciation and amortisation expenses for the year. Total revenue from Government increases slightly across the forward estimates due to indexation adjustments.

Budgeted departmental balance sheet

The budgeted net asset position decreases across the forward estimates due to a reduction in non-financial assets because of depreciation and amortisation offset by a reduction in leases liabilities.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule of budgeted income and expenses reflects the revenues and expense relating to programs administered by the ARC on behalf of Government.

The majority of the expenditure is on grants as provided under the NCGP.

Schedules of budgeted assets and liabilities administered on behalf of government

The ARC recognises grant liabilities to the extent that the grant eligibility criteria or reporting requirements have been satisfied. The closing liability reflects the estimated remaining commitment, as at 30 June, for the relevant calendar year.

3.2 Budgeted financial statements tables**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES					
Employee benefits	19,294	20,073	20,603	20,509	21,137
Suppliers	2,145	2,092	2,305	2,460	2,088
Depreciation and amortisation (a)	4,277	3,770	3,164	2,925	2,925
Finance costs	48	260	260	221	181
Total expenses	25,764	26,195	26,332	26,115	26,331
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	858	255	86	68	51
Other	64	64	64	64	64
Total own-source revenue	922	319	150	132	115
Total own-source income	922	319	150	132	115
Net (cost of)/contribution by services	(24,842)	(25,876)	(26,182)	(25,983)	(26,216)
Revenue from Government	22,976	23,273	23,845	23,958	24,268
Surplus/(deficit) attributable to the Australian Government	(1,866)	(2,603)	(2,337)	(2,025)	(1,948)
Total comprehensive income/(loss)	(1,866)	(2,603)	(2,337)	(2,025)	(1,948)
Total comprehensive income/(loss) attributable to the Australian Government	(1,866)	(2,603)	(2,337)	(2,025)	(1,948)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(1,866)	(2,603)	(2,337)	(2,025)	(1,948)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	2,333	2,388	2,159	1,920	1,920
plus: depreciation/amortisation expenses for ROU assets (b)	1,944	1,382	1,005	1,005	1,005
less: lease principal repayments (b)	2,411	1,167	827	900	977
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

Prepared on Australian Accounting Standards basis

- (a) From 2010–11, the Government introduced net cash appropriation arrangements that provided non-corporate Commonwealth entities with a separate Departmental Capital Budget (DCB) under Appropriation Bill (No. 1) and Supply Bill (No. 1). This replaced revenue appropriations provided under Appropriation Bill (No. 1) used for the depreciation/amortisation expenses. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	250	250	250	250	250
Trade and other receivables	9,410	9,485	9,485	9,485	9,485
Total financial assets	9,660	9,735	9,735	9,735	9,735
Non-financial assets					
Land and buildings	630	6,287	5,282	4,277	3,272
Property, plant and equipment	1,016	821	826	1,706	2,465
Intangibles	6,737	5,876	5,068	3,638	2,347
Other non-financial assets	705	705	705	705	705
Total non-financial assets	9,088	13,689	11,881	10,326	8,789
Total assets	18,748	23,424	21,616	20,061	18,524
LIABILITIES					
Payables					
Suppliers	359	359	359	359	359
Other payables	872	947	947	947	947
Total payables	1,231	1,306	1,306	1,306	1,306
Interest bearing liabilities					
Leases	592	6,463	5,636	4,736	3,759
Total interest bearing liabilities	592	6,463	5,636	4,736	3,759
Provisions					
Employee provisions	5,455	5,455	5,455	5,455	5,455
Other provisions	801	801	801	801	801
Total provisions	6,256	6,256	6,256	6,256	6,256
Total liabilities	8,079	14,025	13,198	12,298	11,321
Net assets	10,669	9,399	8,418	7,763	7,203
EQUITY*					
Parent entity interest					
Contributed equity	45,045	46,378	47,734	49,104	50,492
Reserves	29	29	29	29	29
Retained surplus (accumulated deficit)	(34,405)	(37,008)	(39,345)	(41,370)	(43,318)
Total parent entity interest	10,669	9,399	8,418	7,763	7,203
Total equity	10,669	9,399	8,418	7,763	7,203

Prepared on Australian Accounting Standards basis.

*Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2025-26)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2025					
Balance carried forward from previous period	(34,405)	29	-	45,045	10,669
Adjusted opening balance	(34,405)	29	-	45,045	10,669
Comprehensive income					
Surplus/(deficit) for the period	(2,603)	-	-	-	(2,603)
Total comprehensive income	(2,603)	-	-	-	(2,603)
of which:					
Attributable to the Australian Government	(2,603)	-	-	-	(2,603)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	1,333	1,333
Sub-total transactions with owners	-	-	-	1,333	1,333
Estimated closing balance as at 30 June 2026	(37,008)	29	-	46,378	9,399
Closing balance attributable to the Australian Government	(37,008)	29	-	46,378	9,399

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,968	23,198	23,845	23,958	24,268
Sale of goods and rendering of services	858	255	86	68	51
Net GST received	568	452	492	463	464
Total cash received	24,394	23,905	24,423	24,489	24,783
Cash used					
Employees	19,286	19,998	20,603	20,509	21,137
Suppliers	2,081	2,028	2,241	2,396	2,024
Net GST paid	568	452	492	463	464
Interest payments on lease liability	48	260	260	221	181
Total cash used	21,983	22,738	23,596	23,589	23,806
Net cash from/(used by) operating activities	2,411	1,167	827	900	977
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	1,317	1,333	1,356	1,370	1,388
Total cash used	1,317	1,333	1,356	1,370	1,388
Net cash from/(used by) investing activities	(1,317)	(1,333)	(1,356)	(1,370)	(1,388)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,317	1,333	1,356	1,370	1,388
Total cash received	1,317	1,333	1,356	1,370	1,388
Cash used					
Principal payments on lease liability	2,411	1,167	827	900	977
Total cash used	2,411	1,167	827	900	977
Net cash from/(used by) financing activities	(1,094)	166	529	470	411
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	250	250	250	250	250
Cash and cash equivalents at the end of the reporting period	250	250	250	250	250

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,317	1,333	1,356	1,370	1,388
Total new capital appropriations	1,317	1,333	1,356	1,370	1,388
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,317	1,333	1,356	1,370	1,388
Total items	1,317	1,333	1,356	1,370	1,388
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - DCB (a)	1,317	1,333	1,356	1,370	1,388
TOTAL	1,317	1,333	1,356	1,370	1,388
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,317	1,333	1,356	1,370	1,388
Total cash used to acquire assets	1,317	1,333	1,356	1,370	1,388

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2025-26)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2025				
Gross book value	636	2,382	26,070	29,088
Gross book value - ROU assets	13,315	499	-	13,814
Accumulated depreciation/ amortisation and impairment	(575)	(1,428)	(19,333)	(21,336)
Accumulated depreciation/amortisation and impairment - ROU assets	(12,746)	(437)	-	(13,183)
Opening net book balance	630	1,016	6,737	8,383
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	350	983	1,333
By purchase - appropriation ordinary annual services - ROU assets (a)	7,038	-	-	7,038
Total additions	7,038	350	983	8,371
Other movements				
Gross Value - Disposals	(636)	-	-	(636)
Gross Value - ROU - Disposals	(13,315)	(499)	-	(13,814)
Accumulated depreciation - Disposals	636	-	-	636
Accumulated depreciation - ROU Disposals	13,315	499	-	13,814
Depreciation/amortisation expense	(61)	(483)	(1,844)	(2,388)
Depreciation/amortisation on ROU assets	(1,320)	(62)	-	(1,382)
Total other movements	(1,381)	(545)	(1,844)	(3,770)
As at 30 June 2026				
Gross book value	-	2,732	27,053	29,785
Gross book value - ROU assets	7,038	-	-	7,038
Accumulated depreciation/ amortisation and impairment	-	(1,911)	(21,177)	(23,088)
Accumulated depreciation/amortisation and impairment - ROU assets	(751)	-	-	(751)
Closing net book balance	6,287	821	5,876	12,984

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2025-2026 and Supply Bill (No. 1) 2025-2026 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES					
Employee benefits	434	447	454	464	474
Suppliers	7,071	6,949	7,129	7,301	7,486
Grants	1,023,823	1,032,619	1,081,124	1,114,100	1,141,396
Total expenses administered on behalf of Government	1,031,328	1,040,015	1,088,707	1,121,865	1,149,356
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	9,721	9,721	9,721	9,721	9,721
Total non-taxation revenue	9,721	9,721	9,721	9,721	9,721
Total own-source revenue administered on behalf of Government	9,721	9,721	9,721	9,721	9,721
Total own-sourced income administered on behalf of Government	9,721	9,721	9,721	9,721	9,721
Net (cost of)/contribution by services	(1,021,607)	(1,030,294)	(1,078,986)	(1,112,144)	(1,139,635)
Surplus/(deficit) before income tax	(1,021,607)	(1,030,294)	(1,078,986)	(1,112,144)	(1,139,635)
Surplus/(deficit) after income tax	(1,021,607)	(1,030,294)	(1,078,986)	(1,112,144)	(1,139,635)
Total comprehensive income/(loss)	(1,021,607)	(1,030,294)	(1,078,986)	(1,112,144)	(1,139,635)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,115	2,115	2,115	2,115	2,115
Trade and other receivables	223	223	223	223	223
Total financial assets	2,338	2,338	2,338	2,338	2,338
Non-financial assets					
Other non-financial assets	27	27	27	27	27
Total non-financial assets	27	27	27	27	27
Total assets administered on behalf of Government	2,365	2,365	2,365	2,365	2,365
LIABILITIES					
Payables					
Suppliers	617	617	617	617	617
Grants	247,756	247,756	247,756	247,756	247,756
Total payables	248,373	248,373	248,373	248,373	248,373
Provisions					
Employee provisions	115	115	115	115	115
Total provisions	115	115	115	115	115
Total liabilities administered on behalf of Government	248,488	248,488	248,488	248,488	248,488
Net assets/(liabilities)	(246,123)	(246,123)	(246,123)	(246,123)	(246,123)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	956	956	956	956	956
Other	9,721	9,721	9,721	9,721	9,721
Total cash received	10,677	10,677	10,677	10,677	10,677
Cash used					
Grant	1,023,823	1,032,619	1,081,124	1,114,100	1,141,396
Suppliers	7,071	6,949	7,129	7,301	7,486
Net GST paid	956	956	956	956	956
Employees	434	447	454	464	474
Total cash used	1,032,284	1,040,971	1,089,663	1,122,821	1,150,312
Net cash from/(used by) operating activities	(1,021,607)	(1,030,294)	(1,078,986)	(1,112,144)	(1,139,635)
Net increase/(decrease) in cash held	(1,021,607)	(1,030,294)	(1,078,986)	(1,112,144)	(1,139,635)
Cash and cash equivalents at beginning of reporting period	2,115	2,115	2,115	2,115	2,115
Cash from Official Public Account for:					
- Appropriations	1,033,284	1,041,971	1,088,707	1,121,865	1,149,356
Total cash from Official Public Account	1,033,284	1,041,971	1,088,707	1,121,865	1,149,356
Cash to Official Public Account for:					
- Appropriations	(11,677)	(11,677)	(9,721)	(9,721)	(9,721)
Total cash to Official Public Account	(11,677)	(11,677)	(9,721)	(9,721)	(9,721)
Cash and cash equivalents at end of reporting period	2,115	2,115	2,115	2,115	2,115

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ARC has no administered capital budget, therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2025-26)

ARC has no administered asset movements, therefore Table 3.11 is not presented.

Tertiary Education Quality and Standards Agency

**Entity resources and planned
performance**

Tertiary Education Quality and Standards Agency

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Tertiary Education Quality and Standards Agency

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Tertiary Education Quality and Standards Agency (TEQSA) is Australia's independent regulatory and quality assurance agency for higher education. Established under the *Tertiary Education Quality and Standards Agency Act 2011* (the Act), it protects and enhances the integrity, quality, and reputation of Australian higher education, ensuring the quality of teaching and learning outcomes that benefit students and the wider Australian economy.

Under the Act, all providers of higher education qualifications in, or from, Australia must be registered by TEQSA. TEQSA also has responsibilities under the *Education Services for Overseas Students Act 2000* (ESOS Act) for higher education providers offering courses to overseas students, Foundation Programs and English Language Intensive Courses.

TEQSA's regulatory work includes assessing providers for registration and re-registration, as well as accrediting and re-accrediting courses for those providers who do not have self-accrediting authority. Cyclic re-registration and re-accreditation assessments focus on assurance that providers are compliant with the Higher Education Standards Framework (Threshold Standards) 2021. TEQSA also reviews concerns about possible non-compliance. TEQSA provides advice and recommendations to the Minister and collects, analyses, interprets, and disseminates information relating to trends, risks, and opportunities in quality assurance of higher education.

To ensure its regulatory work is proportionate and targeted to risks, TEQSA is reviewing its approach to assessing and responding to regulatory risks. This maturation of TEQSA's risk-based approach, underpins process improvements and development of risk-tiered requirements for providers in regulatory assessments.

The operating environment for Australian higher education providers is dynamic and challenging. Although public universities continue to dominate the sector in terms of student numbers, significant growth is occurring in the independent higher education sector. In the next 10 years, there will be a greater diversity of providers offering education in specialised fields and those fields that have been underserved by larger institutions. Further, key trends such as changes in international student markets, rapid growth in trans-national education (TNE) delivery by Australian higher education providers, cybersecurity risks, foreign interference, and the imperative to maintain academic integrity pose risks to providers, students, and the reputation of the sector. TEQSA has a strong presence in

informing the sector about threats to academic integrity, including from artificial intelligence. It is leading work in Australia and internationally to develop effective response to these risks across the sector. Over the coming years, TEQSA will mature its capacity and regulatory approach to monitoring and responding to risks that impact providers across the sector.

Managing risk will involve developing capability, focussing on data-driven analysis, providing guidance to the sector, developing regulatory expectations for key sector risks, and enhancing the compliance to monitor providers' responses. Some of this work will involve cross-agency collaboration with other regulators, and alignment with whole-of-government initiatives.

The strategic focus on maturing TEQSA's risk-based approach to routine assessment and compliance, as well as focussing on sector risks, will be supported by system maturity and capability development. Effective engagement with stakeholders will be key to ensuring this work delivers desired outcomes, while supporting innovation and resilience in the higher education sector.

TEQSA's priorities include:

- reviewing and adapting TEQSA's regulatory strategy and framework, in keeping with established principles of regulatory best practice and reform, and in consultation with stakeholders
- maintaining a risk assessment focus on providers, particularly in relation to those providers that are heavily reliant on overseas students
- further developing the activity of TEQSA's Higher Education Integrity Unit in relation to commercial academic cheating, and managing risks to the integrity of higher education awards
- developing and publishing relevant guidance and information, to support good practice and provider self-assurance
- working closely with the Department of Education and the Higher Education Standards Panel on joint projects regarding the Higher Education Standards Framework
- working closely with the Department of Education to support implementation of the Government's response to the Australian Universities Accord
- ongoing improvement of TEQSA's regulatory processes, to support timely, efficient and effective regulatory responses
- recovering regulatory costs consistent with the Cost Recovery Implementation Statement (CRIS) and other relevant frameworks or guidelines.

The higher education sector is also facing key challenges and risks that will require attention, including from the regulator. These include changes in the international student marketplace, rapid growth of trans-national education, threats to academic integrity (including from artificial intelligence), cyber security vulnerabilities and foreign interference, lack of admissions transparency and integrity, and student safety and wellbeing.

It will be incumbent upon TEQSA to ensure providers can evidence the policies, systems, governance oversight and assurance activities required of them to manage sector and provider specific risks. In this manner, TEQSA can proportionately reduce the regulatory demands of providers that can evidence mature and effective systems and consistently exceed threshold standards and protections, and focus regulatory effort on providers and risks that are poorly managed.

TEQSA has implemented a cost recovery model for 90 per cent of regulatory costs. This represents a significant change, and opportunity, for both TEQSA and providers as the regulatory model and practice evolves.

The broad challenge for TEQSA is in monitoring change, anticipating risks, and ensuring our regulatory model remains fit for purpose and in keeping with developments in both regulatory practice and higher education. TEQSA also faces significant resource and capacity challenges, for which it is developing enterprise and workforce planning.

More specifically, there are several key challenges to effective regulation of higher education, on which TEQSA will be prioritising its work, including:

- addressing the multiple regulatory and other requirements of providers by reducing regulatory burden, through incorporating or acknowledging the outcomes of other legislative obligations, such as financial reporting. This is especially the case for dual sector providers and the intersection of TEQSA's regulatory work with that of Australian Skills Quality Authority (ASQA), the vocational education regulator
- working to ensure our activities are informed by an understanding of the concerns of students, including First Nations students, those who live with disability, international students and others who experience discrimination and challenges participating in higher education
- ensuring regulation keeps pace with the evolution of an Australian qualification, especially with changing trends in delivery and the demand from students as consumers of higher education for quality and value for money
- maintaining the integrity of provider categories, in recognition of the clear distinctions between an Institute of Higher Education, a University College, an Australian University or an Overseas University. This is particularly relevant with the research requirements of an Australian University
- improving clarity for students about where to turn to resolve individual disputes or concerns, and where support can be obtained and provided

- providing systematic and timely access to data, to monitor performance and risks to individual providers, as well as analysis of emerging and known risks across the higher education sector.

1.2 Entity resource statement

Table 1.1 shows the total resourcing from all sources available to the TEQSA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for TEQSA's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis. Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

Table 1.1: TEQSA resource statement – Budget estimates for 2025-26 as at Budget March 2025

	<i>2024-25 Estimated actual \$'000</i>	2025-26 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	11,451	13,145
Departmental appropriation (b)	24,722	22,270
s74 External Revenue (c)	655	655
Departmental capital budget (d)	883	891
Total departmental annual appropriations	<u>37,711</u>	<u>36,961</u>
Total departmental resourcing	37,711	36,961
Administered		
Total administered special appropriations	200	200
Total administered resourcing	200	200
Total resourcing for TEQSA	37,911	37,161
<hr/>		
Average staffing level (number)	<u>110</u>	<u>109</u>

Prepared on a resourcing (i.e. appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) and Supply Bill (No. 1) 2025-2026.

(b) Excludes departmental capital budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the PGPA Act.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and Supply Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 Budget measures

Budget measures in Part 1 relating to TEQSA are detailed in *Budget Paper No. 2* and are summarised below.

Table 1.2: TEQSA 2025-26 Budget measures

Part 1: Measures announced since the 2024-25 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
Payment measures						
Savings from External Labour – further extension (a)	1.1					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	(346)
Total		-	-	-	-	(346)
Total payment measures						
Administered		-	-	-	-	-
Departmental		-	-	-	-	(346)
Total		-	-	-	-	(346)

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The full measure description and package details appear in 2025-26 Budget Paper No. 2 under Cross Portfolio.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for TEQSA can be found at:

<https://www.teqsa.gov.au/about-us/reporting-and-accountability/corporate-plan>.

The most recent annual performance statement can be found at:

<https://www.teqsa.gov.au/about-us/reporting-and-accountability/annual-report>.

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 1.1: Regulatory and Quality Assurance					
Departmental expenses					
Departmental appropriations	24,055	21,554	22,016	22,161	21,620
s74 External Revenue (a)	655	655	655	655	655
Expenses not requiring appropriation in the Budget year (b)	1,429	1,370	1,336	1,187	1,164
Departmental total	26,139	23,579	24,007	24,003	23,439
Total expenses for program 1.1	26,139	23,579	24,007	24,003	23,439
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriations	24,055	21,554	22,016	22,161	21,620
s74 External Revenue (a)	655	655	655	655	655
Expenses not requiring appropriation in the Budget year (b)	1,429	1,370	1,336	1,187	1,164
Departmental total	26,139	23,579	24,007	24,003	23,439
Total expenses for Outcome 1	26,139	23,579	24,007	24,003	23,439
	2024-25	2025-26			
Average staffing level (number)	110	109			

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
 (b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, organization expenses and audit fees.

Table 2.1.2 Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e 2024-25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025-26 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 – Contribute to a high-quality higher education sector through: Streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.</p>		
<p>Program 1.1 Regulation and Quality Assurance</p> <p>TEQSA provides higher education regulation and quality assurance with reference to standards established under the TEQSA and ESOS Acts:</p> <ul style="list-style-type: none"> • Objective 1: Promote and support good practice and effective self-assurance across the sector. • Objective 2: Identify, analyse, and respond to risks in the sector. • Objective 3: Ensure compliance with applicable legislation through effective and efficient regulation. 		
<p>Objective 1: Promote and support good practice and effective self-assurance across the sector</p>		
<p>Key Activities</p>	<ul style="list-style-type: none"> • Develop and publish education and guidance materials, in consultation with the sector, to support good practice and provider self-assurance • Engage with higher education peak bodies, registered providers, and students, to uphold student interests and support effective regulation and quality assurance • Work closely with the Department of Education and the Higher Education Standards Panel on joint projects regarding the Higher Education Standards Framework (HESF) 2021 • Advise and make recommendations to the Minister on matters relating to the quality and regulation of higher education providers 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected performance results</p>
<p>Current Year 2024–25</p>	<p>Number of website visits to TEQSA developed resources</p>	<p>Target: 10% increase in website visits to TEQSA developed education and guidance materials compared to previous years</p> <p>Not on track</p> <p>TEQSA’s website experienced an overall decline in web traffic in the first six months of 2024–25. While work on new resources may lead to an increase in traffic in the balance of the financial year, it is not expected that the 10% increase will be achieved in light of the overall decline in traffic to date.</p> <p>TEQSA has launched a webinar series which external stakeholders can access, in addition to the TEQSA website.</p>

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)	Website-based guidance is current and relevant to providers	<ul style="list-style-type: none"> • Publication of 3-4 sector guidance notes or resource packs annually <p>On track</p> <ul style="list-style-type: none"> • 100% of the website pages visited most frequently (top 30% visits) have been reviewed and (if required) updated within the last 12 months. <p>On track</p>
	Extent of stakeholder satisfaction with TEQSA developed resources	<p>Peak bodies and providers report substantive contribution to TEQSA's good practice materials and guidance</p> <p>Data not yet available</p>
	Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: i. sector trends, risks, and challenges ii. applications for registration and accreditation iii. implementation of cost recovery iv. the annual conference and other events	<p>Peak bodies and providers generally report constructive and effective engagement with TEQSA</p> <p>Data not yet available</p> <p>Peak bodies and providers report substantive contribution to TEQSA's identification and response of sector trends and risks</p> <p>Data not yet available</p> <p>Peak bodies and providers report substantive contribution to reformed TEQSA regulatory model and practice</p> <p>Data not yet available</p> <p>Peak bodies register satisfaction with engagement on, and further development of the cost recovery model</p> <p>Data not yet available</p>

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)		<ul style="list-style-type: none"> • 80% of stakeholders are satisfied as per Conference Survey, webinar feedback and provider survey results <p>Data not yet available</p> <ul style="list-style-type: none"> • Increase of student attendance at the conference compared to previous years <p>Data not yet available</p>
	Engage high risk providers in free online events to promote and support good practice	<p>10% year-on-year increase in participation of high-risk providers in online provider information events</p> <p>Data not yet available</p>
	Number of visits to the 'Students' section of TEQSA's website	<p>10% year-on-year increase of website visits to the 'Students' section of the TEQSA website compared to previous years</p> <p>Not on track</p> <p>TEQSA's website experienced an overall decline in web traffic in the first six months of 2024–25. In light of that overall decline, it is not expected that TEQSA can achieve 10% increase to the "Students" section of the website in the balance of the financial year</p> <p>TEQSA has launched a webinar series which external stakeholders can access, in addition to the TEQSA websites</p>
	Participation and substantive contribution to joint projects	<p>TEQSA annually participates and substantively contributes to at least three joint projects aligned with the HESF</p> <p>On track</p>
	Provide advice to the Minister regarding key trends, risks and issues across the sector and high-risk providers	<p>Provide advice and recommendations to four to give policy initiatives relevant to key trends, risks, and issues across the sector per annum</p> <p>On track</p>

Year	Performance measures	Planned performance results
Budget Year 2025–26	Number of website visits to TEQSA developed resources	10% increase in website visits to TEQSA developed education and guidance materials compared to previous years
	Website-based guidance is current and relevant to providers	<ul style="list-style-type: none"> • Publication of 3-4 sector guidance notes or resource packs annually • 100% of the website pages visited most frequently (top 30% visits) have been reviewed and (if required) updated within the last 12 months
	Extent of stakeholder satisfaction with TEQSA-developed resources	Peak bodies and providers report substantive contribution to TEQSA's good practice materials and guidance
	Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: i. sector trends, risks, and challenges ii. applications for registration and accreditation iii. implementation of cost recovery iv. the annual conference and other events	<p>Peak bodies and providers generally report constructive and effective engagement with TEQSA</p> <p>Peak bodies and providers report substantive contribution to TEQSA's identification and response of sector trends and risk</p> <p>Peak bodies register satisfaction with engagement on, and further development of the cost recovery model</p> <ul style="list-style-type: none"> • 80% of stakeholders are satisfied as per Conference Survey • Webinar feedback • Provider Survey results increase of student attendance at the conference compared to previous years
	Engage high risk providers in free online events to promote and support good practice	10% year-on-year increase in participation of high risk providers in online provider information events
	Number of visits to the 'Students' section of TEQSA's website	10% year-on-year increase of website visits to the 'Students' section of the TEQSA website compared to previous years

Year	Performance measures	Planned performance results
Budget Year 2025–26 (continued)	Participation and substantive contribution to joint projects	TEQSA annually participates and substantively contributes to at least three joint projects aligned with the HESF
	Provide advice to the Minister regarding key trends, risks and issues across the sector and high-risk providers	Provide advice and recommendations to four to give policy initiatives relevant to key trends, risks, and issues across the sector per annum
Forward Estimates 2026–29	Revised performance measures to be submitted to the Department of Education and the Minister for approval by September 2025	Planned performance results for revised performance measures to be submitted to the Department of Education and the Minister for approval by September 2025

Objective 2: Identify, analyse, and respond to risks in the sector		
Key Activities	<ul style="list-style-type: none"> • Monitor the performance of registered providers, identify risks, assess provider responses and where necessary, take regulatory or other action • Maintain a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students • Develop TEQSA's risk and compliance focus in relation to student wellbeing, such as mental health and the issues raised by sexual assault and sexual harassment • Further develop the activity of the TEQSA Higher Education Integrity Unit in relation to commercial academic cheating, cyber security, and foreign interference 	
Year	Performance measures	Expected performance results
Current Year 2024–25	Complete and report on the annual risk assessment of providers and share key themes with the sector	Publish TEQSA's annual Compliance Report by 30 March, and Annual Report by 30 September On track
	TEQSA's sector risk monitoring activity contributes to the setting of its risk priorities and is shared with the sector – emphasising opportunities for improvement	<ul style="list-style-type: none"> • Complete 2 Compliance Annual Plan sector risk monitoring or compliance activities On track <ul style="list-style-type: none"> • Findings of the annual sector risk monitoring activities are shared with the sector in written and seminar format by end of FY On track
	Assess provider financial risk as part of the annual risk assessments	Financial risk assessment will be completed for providers who have been in operation for >3 years, as part of the annual risk assessment On track
	Sector compliance activity involving student wellbeing	Annual Compliance Plan will be modified each year to target relevant priority issues Data not yet available

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)	Demonstrated improvements in sector awareness, identification, analysis, and response to integrity risks	<ul style="list-style-type: none"> • Additional prosecutions under Section 114 of the TEQSA Act <p>On track</p> <ul style="list-style-type: none"> • 90% of websites advertising or offering commercial academic cheating services blocked <p>On track</p> <ul style="list-style-type: none"> • Ongoing program of work to remove posts and accounts from social media, with a target of at least 500 removals per financial year <p>On track</p> <ul style="list-style-type: none"> • 80% of providers have had at least one staff member complete the master class in deterring and detecting commercial academic cheating <p>On track</p> <ul style="list-style-type: none"> • Comprehensive suite of resources delivered to Institutes of Higher Education to support enhanced cyber security awareness and maturity <p>On track</p>
Year	Performance measures	Planned performance results
Budget Year 2025–26	Complete and report on the annual risk assessment of providers and share key themes with the sector	Publish TEQSA's annual Compliance Report by 30 March, and Annual Report by 30 September
	TEQSA's sector risk monitoring activity contributes to the setting of its risk priorities and is shared with the sector – emphasising opportunities for improvement	<ul style="list-style-type: none"> • Complete 2 Compliance Annual Plan sector risk monitoring or compliance activities • Findings of the annual sector risk monitoring activities are shared with the sector in written and seminar format by end of Financial Year

Year	Performance measures	Expected performance results
Budget Year 2025–26 (continued)	Assess provider financial risk as part of the annual risk assessments	Financial risk assessment will be completed for providers who have been in operation for >3 years, as part of annual risk assessment
	Sector compliance activity involving student wellbeing	Annual Compliance Plan will be modified each year to target relevant priority issues
	Demonstrated improvements in sector awareness, identification, analysis, and response to integrity risks	<ul style="list-style-type: none"> • Additional prosecutions under Section 114 of the TEQSA Act • 90% of websites advertising or offering commercial academic cheating services blocked • Ongoing program of work to remove posts and accounts from social media, with a target of at least 500 removals per financial year • 80% of providers have had at least one staff member complete the master class in deterring and detecting commercial academic cheating • Comprehensive suite of resources delivered to Institutes of Higher Education to support enhanced cyber security awareness and maturity
Forward Estimates 2026–29	Revised performance measures to be submitted to the Department of Education and the Minister for approval by September 2025	Planned performance results for revised performance measures to be submitted to the Department of Education and the Minister for approval by September 2025

Objective 3: Ensure compliance with applicable legislation through effective and efficient regulation		
Key Activities	<ul style="list-style-type: none"> • Review and adapt TEQSA’s regulatory model and practice, in keeping with established principles of regulatory best practice and reform, in close consultation with stakeholders • Align risk and compliance approach with legislated requirements and principles of regulatory necessity, risk and proportionality • Ensure regulatory assessments are streamlined and coordinated to ensure regulatory activity is undertaken efficiently • Recover regulatory costs consistent with Cross Recovery Implementation Statement (CRIS) and relevant framework or guidelines • Implement key strategic projects in relation to organisational capability 	
Year	Performance measures	Expected performance results
Current Year 2024–25	Stakeholder acceptance of process and outcomes for regulatory reform	Revised regulatory model and practice accepted by range of stakeholders as effective and reflective of modern regulatory practice, in particular by encouraging and facilitating sector innovation Data not yet available
	Proportion of compliance assessments undertaken to address non-compliance and restore compliance (registered and non-registered) providers	90% of compliance assessments conclude with provider compliance (by regulatory action, provider education, court or tribunal order) On track
	TEQSA reviews cases in which its decisions are externally reviewed, identifies any opportunities for improvement in TEQSA’s regulatory approach, and implements improvements	TEQSA’s annual report includes details of improvement opportunities and the steps taken by TEQSA to implement them Data not yet available
	Extent to which TEQSA meets relevant legislated and/or statutory freedom of information, privacy, or information security obligations	100% compliance and no adverse findings with respect to relevant obligations, requirements, or requests On track
	Yearly trend in processing times	Median assessment times within legislative deadlines in TEQSA Act On track

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)	Percentage of providers satisfied TEQSA is reducing administrative burden	In 2024, a 30% increase in positive ratings from providers for ‘regulation by TEQSA does not necessarily impede efficient operation of higher education providers’ in the stakeholder survey Data not yet available
	Percentage of assessments completed within legislative deadlines as required under the TEQSA Act	90% of registration and courses assessments are concluded within legislated timeframes, and 10% concluded within extension period where this relates to issues outside TEQSA’s control On track
	Recovery consistent with approved CRIS and with support of providers	<ul style="list-style-type: none"> • Full implementation of CRIS, as amended through annual consultation framework <p>On track</p> <ul style="list-style-type: none"> • 70% provider ratings in annual survey rate the process as transparent and information or consultation as good <p>Data not yet available</p> <ul style="list-style-type: none"> • TEQSA systems are mature and efficient <p>On track</p>
	Strategic projects progressively implemented, on time and on budget	<ul style="list-style-type: none"> • PMS fully implemented and mature, with full consideration of further updates <p>Not on track</p> <p>PIMS implementation has been delayed and is not expected to be fully implemented by the conclusion of 2024–25. TEQSA continues to review the management of the project to support its effective delivery.</p> <ul style="list-style-type: none"> • Records management fully digitised and consistent with archival and other requirements <p>Data not yet available</p>

Year	Performance measures	Expected performance results
Current Year 2024–25 (continued)		<ul style="list-style-type: none"> • Student records for provider closures complete and available on demand <p>On track</p> <ul style="list-style-type: none"> • HRMIS effectively utilised and further modules considered and implemented <p>On track</p> <ul style="list-style-type: none"> • TEQSA's external facing communications tools reflect best practice, including in accessibility <p>On track</p> <ul style="list-style-type: none"> • TEQSA employees report strong and positive 186organizational culture reflecting APS best-practice <p>On track</p>
Year	Performance measures	Planned performance results
Budget Year 2025–26	Stakeholder acceptance of process and outcomes for regulatory reform	Revised regulatory model and practice accepted by range of stakeholders as effective and reflective of modern regulatory practice, in particular by encouraging and facilitating sector innovation
	Proportion of compliance assessments undertaken to address non-compliance and restore compliance (registered and non-registered) providers	90% of compliance assessments conclude with provider compliance (by regulatory action, provider education, court or tribunal order)
	TEQSA reviews cases in which its decisions are externally reviewed, identifies any opportunities for improvement in TEQSA's regulatory approach, and implements improvements	TEQSA's annual report includes details of improvement opportunities and the steps taken by TEQSA to implement them

Year	Performance measures	Planned performance results
Budget Year 2025–26 (continued)	Extent to which TEQSA meets relevant legislated and/or statutory freedom of information, privacy, or information security obligations	100% compliance and no adverse findings with respect to relevant obligations, requirements, or requests
	Yearly trend in processing times	Median assessment times within legislative deadlines in TEQSA Act
	Percentage of providers satisfied TEQSA is reducing administrative burden	In 2024, a 30% increase in positive ratings from providers for 'regulation by TEQSA does not necessarily impede efficient operation of higher education providers' in the stakeholder survey
	Percentage of assessments completed within legislative deadlines as required under the TEQSA Act	90% of registration and courses assessments are concluded within legislated timeframes, and 10% concluded within extension period where this relates to issues outside TEQSA's control
	Recovery consistent with approved CRIS and with support of providers	<ul style="list-style-type: none"> • Full implementation of CRIS, as amended through annual consultation framework • 70% provider ratings in annual survey rate the process as transparent and information or consultation as good • TEQSA systems mature and efficient
	Strategic projects progressively implemented, on time and on budget	<ul style="list-style-type: none"> • PMS fully implemented and mature, with full consideration of further updates Records management fully digitised and consistent with archival and other requirements • Student records for provider closures complete and available on demand HRMIS effectively utilised and further modules considered and implemented TEQSA's external facing communications tools reflect best practice, including in accessibility • TEQSA employees report strong and positive organisational culture reflecting APS best-practice.
Forward Estimates 2026–29	Revised performance measures to be submitted to the Department of Education and the Minister for approval by September 2025	Planned performance results for revised performance measures to be submitted to the Department of Education and the Minister for approval by September 2025
Material changes to Program 1.1 resulting from 2025–26 Budget measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2025-26 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1: Differences between entity resourcing and financial statements

TEQSA's resource statement is prepared on a cash accounting basis and the financial statements have been prepared on an accrual basis. There are no material differences between the entity resourcing and financial statements.

3.1.2: Explanatory notes and analysis of budgeted financial statements

Departmental

Revenue from Government in 2025-26 is estimated to be \$22.3 million. This is a decrease of \$2.4 million compared to \$24.7 million in 2024-25.

Expenses in 2025-26 are estimated to be \$23.6 million, comprising \$15.1 million in employee expenses, \$7.1 million in supplier expenses, \$1.3 million in depreciation and amortisation expenses, and \$0.1 million in finance expenses.

TEQSA is budgeting for a balanced budget in the forward years, after adjusting for depreciation and amortisation expenses and accounting for lease principal repayments.

Administered

Administered revenue in the schedule of budgeted income and expenses represent the fees and levies collected by TEQSA from their regulatory services.

Administered revenue is expected to increase from \$16.9 million in 2024-25 to \$18.8 million in 2025-26, reflecting the entity's transition to an increased cost recovery for most of their regulatory and quality assurance activities.

3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES					
Employee benefits	14,993	15,060	15,369	15,765	16,127
Suppliers	9,656	7,106	7,277	7,046	6,164
Depreciation and amortisation (a)	1,379	1,320	1,286	1,137	1,114
Finance costs	111	93	75	55	34
Total expenses	26,139	23,579	24,007	24,003	23,439
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	650	650	650	650	650
Total own-source revenue	650	650	650	650	650
Gains					
Sale of Assets	5	5	5	5	5
Other	50	50	50	50	50
Total gains	55	55	55	55	55
Total own-source income	705	705	705	705	705
Net (cost of)/contribution by services	(25,434)	(22,874)	(23,302)	(23,298)	(22,734)
Revenue from Government	24,722	22,270	22,784	22,982	22,498
Surplus/(deficit) attributable to the Australian Government	(712)	(604)	(518)	(316)	(236)
Total comprehensive income/(loss)	(712)	(604)	(518)	(316)	(236)
Total comprehensive income/(loss) attributable to the Australian Government	(712)	(604)	(518)	(316)	(236)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of Net Cash Appropriation Arrangements

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(712)	(604)	(518)	(316)	(236)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	825	766	732	583	560
plus: depreciation/amortisation expenses for ROU assets (b)	554	554	554	554	554
less: lease principal repayments (b)	667	716	768	821	878
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies to leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	655	655	655	655	655
Trade and other receivables	10,701	10,701	10,701	10,701	10,701
Total financial assets	11,356	11,356	11,356	11,356	11,356
Non-financial assets					
Buildings	4,543	3,772	3,017	2,270	1,407
Plant and equipment	867	1,127	1,421	1,751	2,151
Intangibles – computer software	1,417	1,499	1,581	1,778	2,056
Other non-financial assets	538	538	538	538	538
Total non-financial assets	7,365	6,936	6,557	6,337	6,152
Total assets	18,721	18,292	17,913	17,693	17,508
LIABILITIES					
Payables					
Suppliers	945	945	945	945	945
Other payables	301	301	301	301	301
Total payables	1,246	1,246	1,246	1,246	1,246
Interest bearing liabilities					
Leases	4,130	3,414	2,646	1,825	947
Total interest bearing liabilities	4,130	3,414	2,646	1,825	947
Provisions					
Employee provisions	2,172	2,172	2,172	2,172	2,172
Total provisions	2,172	2,172	2,172	2,172	2,172
Total liabilities	7,548	6,832	6,064	5,243	4,365
Net assets	11,173	11,460	11,849	12,450	13,143
EQUITY*					
Parent entity interest					
Contributed equity	18,214	19,105	20,012	20,929	21,858
Reserves	17	17	17	17	17
Retained surplus (accumulated deficit)	(7,058)	(7,662)	(8,180)	(8,496)	(8,732)
Total parent entity interest	11,173	11,460	11,849	12,450	13,143
Total equity	11,173	11,460	11,849	12,450	13,143

Prepared on Australian Accounting Standards basis.

*Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2025-26)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2025				
Balance carried forward from previous period	(7,058)	17	18,214	11,173
Adjusted opening balance	(7,058)	17	18,214	11,173
Comprehensive income				
Surplus/(deficit) for the period	(604)	-	-	(604)
Total comprehensive income	(604)	-	-	(604)
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	891	891
Sub-total transactions with owners	-	-	891	891
Estimated closing balance as at 30 June 2026	(7,662)	17	19,105	11,460
Closing balance attributable to the Australian Government	(7,662)	17	19,105	11,460

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	24,720	22,270	22,784	22,982	22,498
Sale of goods and rendering of services	650	650	650	650	650
Net GST received	966	713	730	702	649
Total cash received	26,336	23,633	24,164	24,334	23,797
Cash used					
Employees	14,993	15,060	15,369	15,765	16,127
Suppliers	9,604	7,056	7,227	6,996	6,114
Net GST paid	966	713	730	702	649
Interest payments on lease liability	111	93	75	55	34
Total cash used	25,674	22,922	23,401	23,518	22,924
Net cash from/(used by) operating activities	662	711	763	816	873
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	5	5	5	5	5
Total cash received	5	5	5	5	5
Cash used					
Purchase of property, plant and equipment and intangibles	883	891	907	917	929
Total cash used	883	891	907	917	929
Net cash from/(used by) investing activities	(878)	(886)	(902)	(912)	(924)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	883	891	907	917	929
Total cash received	883	891	907	917	929
Cash used					
Principal payments on lease liability	667	716	768	821	878
Total cash used	667	716	768	821	878
Net cash from/(used by) financing activities	216	175	139	96	51
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	655	655	655	655	655
Cash and cash equivalents at the end of the reporting period	655	655	655	655	655

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	883	891	907	917	929
Total new capital appropriations	883	891	907	917	929
<i>Provided for:</i>					
Purchase of non-financial assets	883	891	907	917	929
Total items	883	891	907	917	929
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by Capital Appropriation - DCB (a)	883	891	907	917	929
TOTAL	883	891	907	917	929
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	883	891	907	917	929
Total cash used to acquire assets	883	891	907	917	929

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2025-26)

	Buildings	Plant and equipment	Intangibles - computer software	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2025				
Gross book value	2,536	1,537	6,541	10,614
Gross book value - ROU assets	4,453	-	-	4,453
Accumulated depreciation/ amortisation and impairment	(874)	(670)	(5,124)	(6,668)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,572)	-	-	(1,572)
Opening net book balance	4,543	867	1,417	6,827
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	76	418	397	891
Total additions	76	418	397	891
Other movements				
Depreciation/amortisation expense	(293)	(158)	(315)	(766)
Depreciation/amortisation on ROU assets	(554)	-	-	(554)
Total other movements	(847)	(158)	(315)	(1,320)
As at 30 June 2026				
Gross book value	2,612	1,955	6,938	11,505
Gross book value - ROU assets	4,453	-	-	4,453
Accumulated depreciation/ amortisation and impairment	(1,167)	(828)	(5,439)	(7,434)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,126)	-	-	(2,126)
Closing net book balance	3,772	1,127	1,499	6,398

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2025-2026 and Supply Bill (No. 1) 2025-26 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Non-taxation revenue					
Fees and fines	16,937	18,846	18,846	18,846	18,846
Total non-taxation revenue	16,937	18,846	18,846	18,846	18,846
Total own-source revenue administered on behalf of Government	16,937	18,846	18,846	18,846	18,846
Total own-sourced income administered on behalf of Government	16,937	18,846	18,846	18,846	18,846
Net (cost of)/contribution by services	16,937	18,846	18,846	18,846	18,846
Surplus/(deficit) before income tax	16,937	18,846	18,846	18,846	18,846
Surplus/(deficit) after income tax	16,937	18,846	18,846	18,846	18,846
Total comprehensive income/(loss)	16,937	18,846	18,846	18,846	18,846

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	157	157	157	157	157
Total financial assets	157	157	157	157	157
Total assets administered on behalf of Government	157	157	157	157	157
Net assets/(liabilities)	157	157	157	157	157

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	16,937	18,846	18,846	18,846	18,846
Total cash received	16,937	18,846	18,846	18,846	18,846
Net cash from/(used by) operating activities	16,937	18,846	18,846	18,846	18,846
Net increase/(decrease) in cash held	16,937	18,846	18,846	18,846	18,846
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	200	200	200	200	200
Total cash from Official Public Account	200	200	200	200	200
Cash to Official Public Account for:					
- Appropriations	(17,137)	(19,046)	(19,046)	(19,046)	(19,046)
Total cash to Official Public Account	(17,137)	(19,046)	(19,046)	(19,046)	(19,046)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

TEQSA has no administered capital budget statement. Therefore, table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2025-26)

TEQSA has no administered asset movements. Therefore, table 3.11 is not presented.

Portfolio Glossary and Acronyms

Term	Meaning
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments [Appropriations (Parliamentary Departments) Bill (No. 2)]. These Bills are introduced into Parliament sometime after the Budget Bills.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third-party outputs.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills are introduced into Parliament and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Assets	Assets are physical objects and legal rights it is expected will provide benefits in the future or alternatively items of value owned by an agency.
Budget measure	A decision by the Cabinet or ministers that has resulted in a cost or savings to outlays.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.

Term	Meaning
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expenses	Total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Forward estimates	A system of rolling three-year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for the next year's budget bid, and another out-year is added to the forward estimates.
Liabilities	Liabilities represent amounts owing on goods or services that have been received but not yet paid for. A liability shows the future commitment of an agency's assets.
Net annotated appropriation	Section 74 Receipts, also known as net annotated appropriations, are a form of appropriation which allows a department access to certain money it receives in payment of services. These monies are known as Section 74 Receipts, reflecting their authority under Section 74 of the PGPA Act.
Official Public Account	The Australian Government maintains a group of bank accounts at the Reserve Bank of Australia, known as the Official Public Account (OPA), the aggregate balance of which represents its daily cash position.
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Portfolio Budget Statements	Statements prepared by portfolios to explain the budget appropriations in terms of outcomes.
<i>Public Governance, Performance and Accountability Act 2013</i>	The <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) replaced the <i>Financial Management and Accountability (FMA) Act 1997</i> and the <i>Commonwealth Authorities and Companies (CAC) Act 1997</i> as of 1 July 2014.
Receipts	The total or gross amount received by the Australian Government. Each receipt item is either revenue, an offset within outlays, or a financing transaction. Receipts include taxes, interest, charges for goods and services, borrowings and Government Business Enterprise (GBE) dividends received.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Section 74 Receipts	See net annotated appropriation.

Term	Meaning
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (PGPA Act, s78 and s80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special accounts can only be established by a written determination of the Finance Minister (s78 of the <i>PGPA Act 2013</i>) or through an Act of Parliament (referred to in s80 of the <i>PGPA Act 2013</i>).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations — the amount appropriated will depend on circumstances specified in the legislation.

Portfolio Acronyms

Term	Definition
ABS	Australian Bureau of Statistics
AC	Companion of the Order of Australia
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACCC	Australian Competition and Consumer Commission
ACCS	Additional Child Care Subsidy
ACSF	Australian Core Skills Framework
AITSL	Australian Institute for Teaching and School Leadership
AM	Member of the Order of Australia
AMSI	Australian Mathematical Sciences Institute
ANU	Australian National University
ASAC	Australian Schools Anti-Bullying Collective
ARC	Australian Research Council
ATEC	Australian Tertiary Education Commission
BFSA	Better and Fairer Schools Agreement
CCCF	Community Child Care Fund
CCS	Child Care Subsidy
COPE	Commonwealth own-purpose expense
CRA	Commonwealth Rent Assistance
CRF	Consolidated Revenue Fund
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSP	Commonwealth Supported Places
DCB	Departmental Capital Budget
DLSF	Digital Literacy Skills Framework
ELLA	Early Learning Languages Australia
ELLIC	English Language Learning for Indigenous Children
EMM	Education Ministers Meeting
ERA	Excellence in Research for Australia
ESOS Act	<i>Education Services for Overseas Students Act 2000</i>
FY	Financial Year
GGSA	Good to Great Schools Australia
GST	Goods and Services Tax
HELP	Higher Education Loan Program
HESF	Higher Education Standards Framework
Low SES	Low socio-economic status
MultiLit	Making Up Lost Time in Literacy
MYEFO	Mid-Year Economic and Fiscal Outlook
NAP	National Assessment Program
NAPLAN	National Assessment Program—Literacy and Numeracy
NATSIEC	National Aboriginal and Torres Strait Islander Education Coordination

Term	Definition
NCGP	National Competitive Grants Program
NDIS	National Disability Insurance Scheme
NIAA	National Indigenous Australians Agency
NSC	National Skills Commission
NUHEP	Non-University Higher Education Provider
ONAP	Online National Assessment Platform
OPA	Official Public Account
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
QILT	Quality Indicators for Learning and Teaching
QUT	Queensland University of Technology
ROU	Right of use
SEE	Skills for Education and Employment
SNAICC	Secretariat of National Aboriginal and Islander Child Care
SOETM	Services for Other Entities and Trust Moneys
SSAF	Student Services Amenities Fee
SRS	Schooling Resource Standard
STEM	Science, technology, engineering and mathematics
TEQSA	Tertiary Education Quality and Standards Agency
TFH	Together for Humanity
TRA	Trades Recognition Australia
USI	Unique Student Identifier
VET	Vocational Education and Training