

PORTFOLIO BUDGET STATEMENTS 2026-27  
BUDGET RELATED PAPER NO. 1.5

**EDUCATION PORTFOLIO**

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

© Commonwealth of Australia 2026

ISSN 2653-6560 (Print)  
ISSN 2653-6579 (Online)

This publication is available for your use under a Creative Commons Attribution 4.0 International licence, with the exception of the Commonwealth Coat of Arms, the Department of Education logo, photographs, images, signatures and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/4.0/au/legalcode>.



Use of the Department of Education material under a Creative Commons Attribution 4.0 Australia International licence requires you to attribute the work (but not in any way that suggests that the Department of Education endorses you or your use of the work).

#### **Department of Education material used 'as supplied'**

Provided you have not modified or transformed the Department of Education material in any way including, for example, by changing the Department of Education text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Department of Education statistics – then the Department of Education prefers the following attribution:

*Source: The Australian Government Department of Education*

#### **Derivative material**

If you have modified or transformed the Department of Education material, or derived new material from the Department of Education in any way, then the Department of Education prefers the following attribution:

*Based on The Australian Government Department of Education data*

#### **Use of the Coat of Arms**

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see [www.pmc.gov.au/honours-and-symbols/commonwealth-coat-arms](http://www.pmc.gov.au/honours-and-symbols/commonwealth-coat-arms)).

#### **Other uses**

Enquiries regarding this licence and any other use of this document are welcome at: Department of Education.



**THE HON JASON CLARE MP**  
MINISTER FOR EDUCATION

**SENATOR THE HON DR JESS WALSH**  
MINISTER FOR EARLY CHILDHOOD EDUCATION  
MINISTER FOR YOUTH

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 2026–27 Budget for the 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 flourish extending downwards and to the left.

Jason Clare

A handwritten signature in blue ink, appearing to read 'Dr Jess Walsh', with a large, sweeping flourish extending downwards and to the right.

Dr Jess Walsh

## **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](http://www.budget.gov.au).

**User guide  
to the  
Portfolio Budget Statements**



## User guide

The purpose of the *2026-27 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) 2026-27 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2026-27 for the parliamentary departments) and related Supply Bills where they exist applicable to the 2026-27 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.

# Contents

<b>User guide</b> .....	<b>vii</b>
<b>Education Portfolio overview</b> .....	<b>3</b>
<b>Entity resources and planned performance</b> .....	<b>5</b>
<b>Department of Education</b> .....	<b>7</b>
<b>Australian Curriculum, Assessment and Reporting Authority</b> .....	<b>79</b>
<b>Australian Institute for Teaching and School Leadership</b> .....	<b>103</b>
<b>Australian Research Council</b> .....	<b>125</b>
<b>Tertiary Education Quality and Standards Agency</b> .....	<b>155</b>
<b>Portfolio glossary</b> .....	<b>191</b>



# **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 University<sup>1</sup>.

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*.

---

<sup>1</sup>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**

<b>The Hon Jason Clare MP</b> Minister for Education	<b>Senator the Hon Dr Jess Walsh</b> Minister for Early Childhood Education Minister for Youth	<b>The Hon Julian Hill MP</b> Assistant Minister for International Education
<p><b>Department of Education</b>                      Tony Cook PSM — Secretary</p> <p><b>Outcome 1:</b> 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><b>Outcome 2:</b> Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.</p>		
<p><b>Australian Curriculum, Assessment and Reporting Authority</b>                      Stephen Gniel — Chief Executive Officer</p> <p><b>Outcome 1:</b> Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.</p>		
<p><b>Australian Institute for Teaching and School Leadership</b>                      Tim Bullard — Chief Executive Officer</p> <p><b>Outcome 1:</b> 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><b>Australian Research Council</b>                      ARC Board (Chaired by Prof Peter Shergold AC)</p> <p><b>Outcome 1:</b> Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</p>		
<p><b>Tertiary Education Quality and Standards Agency</b>                      Professor Kerri-Lee Krause — Chief Commissioner</p> <p><b>Outcome 1:</b> 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><b>Australian National University</b>                      Distinguished Professor Rebekah Brown— Interim Vice-Chancellor, President and Chief Executive Officer</p>		

## Entity resources and planned performance

Department of Education .....	7
Australian Curriculum, Assessment and Reporting Authority .....	79
Australian Institute for Teaching and School Leadership .....	103
Australian Research Council .....	125
Tertiary Education Quality and Standards Agency .....	155



# **Department of Education**

## **Entity resources and planned performance**



# Department of Education

<b>Section 1: Entity overview and resources .....</b>	<b>11</b>
1.1 Strategic direction statement.....	11
1.2 Entity resource statement .....	17
1.3 Budget measures .....	20
<b>Section 2: Outcomes and planned performance .....</b>	<b>22</b>
2.1 Budgeted expenses and performance for Outcome 1 .....	23
2.2 Budgeted expenses and performance for Outcome 2 .....	43
<b>Section 3: Budgeted financial statements.....</b>	<b>64</b>
3.1 Budgeted financial statements .....	64
3.2 Budgeted financial statements tables.....	66



# Department of Education

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

Lifelong learning and equitable access to education through early years, schooling, higher education and research is critical to all Australians. The department's purpose is to create a better future for all Australians through education. The department remains focussed on implementing the Australian Government's reform initiatives across the early childhood and care, schools and higher education sectors.

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 with industry, stakeholders, 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
- implement actions to strengthen early childhood education and care, quality and safety
- support children's and students' learning through a safe and positive education and learning experience with 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 issues, policies and programs that impact them
- empower underrepresented cohorts to be involved in decisions about their education and the broader education system
- work alongside the Australian Tertiary Education Commission (ATEC) to provide stewardship of the higher education sector
- uphold the integrity and sustainability of the international education sector
- foster an innovative and entrepreneurial culture in Australia's university research system that is critical to economic growth and productivity, while also supporting quality learning and staff and student safety and wellbeing.

### **Investing in Australians skills and education**

This budget focuses on core priorities that build on the Government’s agenda of reforms to ensure no one is held back and no one is left behind, and recognises the need for responsible fiscal management to ensure sustainable supports.

#### **Early Childhood Education and Care**

The Government has made significant steps to reform the Early Childhood Education and Care (ECEC) system and reduce cost of living pressures for Australian families. These include the Cheaper Child Care reforms, a historic 15% wage increase for the ECEC workforce tied to a commitment from providers to limit fee growth, the 3 Day Guarantee, the Building Early Education Fund and a \$226 million ECEC safety reform package, delivered jointly with states and territories, to strengthen safety and quality in the ECEC sector.

#### **Inclusion Support Program – supplementary funding**

The Inclusion Support Program provides tailored support and funding to eligible ECEC services to embed inclusive practice and address barriers to including children with additional needs. The Government will provide supplementation of \$54.8 million in 2026-27 to the program. This is in addition to \$59.2 million allocated for the program in 2026-27 in MYEFO 2025-26.

#### **Thriving Kids**

To support the implementation and delivery of the Thriving Kids program, the Australian Government will work with states and territories to establish additional and complementary supports for families, children and people with disability, outside the National Disability Insurance Scheme (NDIS). This includes the following supports to be delivered in early childhood education and care, and school settings:

- \$3.5m from 2026-27 to 2028-29 in additional funding for Helping Children with Autism which will supplement the service delivery and reach of the Australian Government’s existing Positive Partnerships program
- \$3.8 million from 2026-27 to 2030-31 to deliver a child development microcredential for teachers (Preschool to Year 3) and child development e-learning modules for early childhood educators
- \$139.7 million over five years from 2026–27 to facilitate of state-delivered Thriving Kids services for children in early childhood education and care settings, with funding held in the Contingency Reserve pending consultation and design.

#### **National Early Childhood Worker Register**

The National Early Childhood Worker Register (National Register) was implemented on 27 February 2026. As announced in the 2025-26 MYEFO, the Government is enhancing the National Early Childhood Worker Register (National Register). The Australian Government is investing a further \$17.6 million to strengthen the National Register and

improve functionality. Enhancements will strengthen the National Register through the introduction of identity verification and validation of an individual's qualifications and Working with Children Checks (WWCC).

### **Consultation on an Early Education and Care Commission**

The Australian Government will begin consultation with states and territories and the Australian Children's Education and Care Quality Authority (ACECQA) on the possible establishment of an Early Education and Care Commission (Commission). A Commission was a recommendation of the Productivity Commission in its 2024 inquiry report outlining a path to universal early childhood education and care and is the next possible step to strengthen the early education and care system.

### **Building Early Education Fund**

The Australian Government is investing \$1 billion through the Building Early Education Fund (the Building Fund) to build or expand ECEC services in areas of need. Services will be located on or near school sites, where possible. The Building Fund includes \$500 million in targeted capital funding to establish new services or increase the capacity of existing ECEC services in under-served locations and areas of relative socioeconomic disadvantage, and \$500 million provisioned for future Commonwealth investment in owning and leasing a portfolio of ECEC centres to increase the supply of services. Following completion and consideration of an initial business case, the government will now proceed to undertake a detailed business case process to inform future Commonwealth consideration.

### **Higher Education**

In response to the Australian University Accord Final Report (the Accord), the Government has provided significant ongoing support for Australians and higher education students. This includes unprecedented reforms to the HELP debt system through a once-off 20% reduction, capping indexation and lowering the indexation applied in 2023 and 2024. This has abolished around \$20 billion in student debt for more than 3 million Australians. An additional \$2.5 billion will be invested in higher education over the next 10 years, beginning 2024-25, through the implementation of new Managed Growth Funding and Needs-based Funding systems, ensuring more students can access, participate and succeed in higher education.

The Government has also implemented measures to strengthen accountability, transparency, governance and public trust in Australian universities and set ambitious targets to support tertiary attainment. This forms part of a broader set of reforms recommended by the Accord aimed at improving system governance and regulatory arrangements for the Higher Education sector, in addition to improving a wide range of targeted supports for students.

### **Strengthening the Tertiary Education Quality and Standards Agency Powers**

The Government is committed to strengthening and modernising the powers and penalties available to the Tertiary Education Quality and Standards Agency (TEQSA), including in response to the Special Envoy’s Plan to Combat Antisemitism, recommendations of the Parliamentary Joint Committee on Human Rights’ inquiry into antisemitism at Australian universities and the Australian Senate inquiry into the quality of governance at Australian higher education providers. Subject to the passage of legislation, TEQSA will be equipped with stronger monitoring and enforcement powers to ensure it can proactively respond to emerging and systemic issues. This will help ensure universities meet the standards expected by students, staff and the community. This measure will be funded through TEQSA’s cost-recovery arrangements and will be budget neutral.

### **National Student Ombudsman**

The Government will support the ongoing operation of the National Student Ombudsman (NSO) within the Office of the Commonwealth Ombudsman. This includes actioning, subject to the passage of legislation, the introduction of a levy on the higher education sector (based on the student enrolment population) to cost recover the NSO’s functions from 1 January 2027 as advised to higher education providers in March 2024. The establishment of the NSO in February 2025 was a key recommendation of the Australian Universities Accord Final Report and also formed part of the Government’s urgent Actions under the *Final Action Plan Addressing Gender-based Violence in Higher Education*.

### **University Research Specialisation**

The ATEC will be tasked with providing advice on reforming requirements in the *Higher Education Standards Framework (Threshold Standards) 2021* regarding university research specialisation.

### **Schools and Youth**

The Government is providing record levels of investment into Australian public schools, ensuring all states and territories are now on a path to full and fair funding. As part of the Better and Fairer Schools Agreements, the Commonwealth will provide an additional 5% of the Schooling Resource Standard (SRS) to all states and territories, with the exception of the Northern Territory. This will lift the Commonwealth’s contribution from 20% to 25% of the SRS by 2034. For the Northern Territory, the Commonwealth’s contribution will lift from 20% to 40% of the SRS by 2029. This additional funding has been invested in reforms to help students catch up, keep up and finish school, as well as provide mental health support for students and support for teachers to build a skilled and adaptable workforce. This is further strengthened through Commonwealth funding for a range of targeted programs and supports for students.

### **Teaching and Learning Commission**

The Government will provide \$5.6 million over two years to continue exploratory work with states and territories and other stakeholders on a viable pathway to establish a new Teaching and Learning Commission. The proposal aims to consolidate and streamline the responsibilities of four existing agencies – Australian Curriculum, Assessment and Reporting Authority; Australian Institute for Teaching and School Leadership; Australian Education Research Organisation’ and Education Services Australia – into a single Commission.

The proposal would further facilitate the implementation of key recommendations from the Productivity Commission Report on *Building a Skilled and Adaptable Workforce*, and support the reforms associated with the Australian Government’s additional investment in public schools and the Better and Fairer Schools Agreements.

### **School funding integrity**

The Government will invest \$33.3 billion in school funding in 2026 with investment growing every year. The Government will better target and assure funding for students, introduce new controls to prevent fraud and non-compliance and improve funding transparency.

### **STEM**

The Government will provide \$5.9 million over one year to continue delivery of five 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:

- \$1.8 million to extend 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 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
- \$1.2 million to extend 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
- \$0.7 million to extend 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

- \$0.7 million to extend the Curious Minds program and continue support for female students' participation in STEM, especially those whose access is limited by socio-economic circumstances.

### **First Nations**

The Government will provide \$113 million to support First Nations education outcomes. This is of critical importance for advancing equity and closing the gap between First Nations and non-Indigenous Australians. This includes:

- \$55.5 million to extend Clontarf for 2 calendar years, ensuring support for up to 12,500 First Nations boys and young men to complete Year 12
- \$30.0 million to extend funding for the Australian Indigenous Education Foundation for 2 calendar years, offering scholarships to high-achieving First Nations students for secondary education and access to essential educational resources
- \$23.8 million to extend Indigenous Boarding for one calendar year, supporting up to 50 boarding providers for 2,500 Aboriginal and Torres Strait Islander students as reform options are finalised
- \$2.2 million to extend First Nations Languages for one year, continuing the revitalisation of First Nations languages across more than 47 communities, and supporting school partnerships and trainee educators in collaboration with First Languages Australia
- \$1.5 million to extend the First Nations Education – MultiLit (Making Up Lost Time in Literacy) program for one calendar year, in 42 regional and remote primary schools with a majority of Aboriginal and Torres Strait Islander students.

### **Maintenance of the NAPLAN System**

The Government will provide \$18.2 million over 4 years from 2026-27 to fund the Australian Government's 50% contribution to the ongoing hosting and maintenance of the existing NAPLAN platform. This will ensure essential NAPLAN data can be collected, and students and schools are not disrupted by failing technology.

### **Life Education**

The Government will continue to provide support to Life Education, with \$1.7 million for one year.

## 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 2026-27 as at Budget May 2026**

	2025-26 <i>Estimated actual</i> \$'000	2026-27 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)(b)		
Prior year appropriations available	179,420	175,883
Departmental appropriation (c)	412,359	398,240
s74 External Revenue (d)	3,507	3,591
Departmental capital budget (e)	23,437	25,307
Annual appropriations - other services - non-operating (b)(f)		
Prior year appropriation available	30,870	-
Equity injection	32,186	-
Total departmental annual appropriations	<u>681,779</u>	<u>603,021</u>
<b>Total departmental resourcing</b>	<b>681,779</b>	<b>603,021</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)(b)		
Outcome 1	884,650	782,356
Outcome 2	519,401	426,476
Payments to corporate entities (g)	27,278	27,618
Annual appropriations - other services - specific payments to States, ACT, NT and local government (f)		
Outcome 1 (h)	<u>135,725</u>	<u>136,451</u>
Total administered annual appropriations	<u>1,567,054</u>	<u>1,372,901</u>
Total administered special appropriations	<u>69,525,889</u>	<u>73,487,530</u>
Special accounts (i)		
Opening balance	3,006,925	1,151,737
Adjustments (j)	(42,135)	-
Appropriation receipts (k)	149,568	-
Non-appropriated receipts	<u>9,247</u>	<u>9,616</u>
Total special accounts receipts	<u>3,123,605</u>	<u>1,161,353</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	149,568	-
<i>less payments to corporate entities from annual/special appropriations and special accounts</i>	<u>27,278</u>	<u>27,618</u>
<b>Total administered resourcing</b>	<b>74,039,702</b>	<b>75,994,166</b>
<b>Total resourcing for the Department of Education</b>	<b>74,721,481</b>	<b>76,597,187</b>
	<u>2025-26</u>	<u>2026-27</u>
<b>Average staffing levels (number)</b>	<b>1,701</b>	<b>1,638</b>

**Table 1.1: Department of Education resource statement – Budget estimates for 2026-27 as at Budget May 2026 (continued)****Third party payments from and on behalf of other entities**

	2025-26 <i>Estimated actual</i> \$'000	2026-27 Estimate \$'000
Payments made on behalf of Education		
Services Australia	17,940,776	18,618,116
Payments made to other entities for the provision of services		
Department of Social Services	6,549	2,921
Department of Employment and Workplace Relations	52,242	52,523
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	2,106	1,890
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority (annual appropriation - ordinary annual services)	17,974	19,093
Australian Institute for Teaching and School Leadership (annual appropriation - ordinary annual services)	9,304	8,525

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.

Annual appropriation amounts reported are inclusive of Supply Act arrangements.

(a) Appropriation Bill (No. 1) 2026-2027.

(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). The Annual Appropriation amounts appearing for '2025-26 Estimated actual' do not include the Appropriation Bill 2025–2026 (No. 5) as this Bill had not been enacted at the time of publication. An amount of \$0.5 million is expected to be received through Appropriation Bill (No. 5) 2025-2026. The full details appear in the 2025–26 Portfolio Supplementary Additional Estimate Statements.

(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 form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, capital budget appropriations have been designated as a 'contribution by owner'.

(f) Appropriation Bill (No. 2) 2026-2027.

(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) 2026-2027. This includes \$136.5 million for: Program 1.3 - Additional Support for Northern Territory Schools (\$1.6 million); Program 1.4 - Choice and Affordability Fund (\$128.8 million) and Program 1.5 - Literacy Support for Tasmanian Students (\$2.0 million) and Capital Funding for Hindu School (\$4.0 million). Funding for the Additional Support for Northern Territory Schools is for the Northern Territory only. Funding for the Literacy Support for Tasmanian Students is for Tasmania only. Funding for Supporting the Construction of the First Hindu School in Australia is for New South Wales 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) The Early Years Quality Fund Special Account was repealed on 4 December 2025 as part of the *Regulatory Reform Omnibus Act 2025*.

(k) 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 2026-27 Budget measures**

**Part 1: Measures announced since the 2025-26 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>Receipt measures</b>						
National Student Ombudsman - cost recovery	2.3					
Administered receipt		-	-	10,937	11,059	11,188
Departmental receipt		-	-	-	-	-
<b>Total</b>		-	-	<b>10,937</b>	<b>11,059</b>	<b>11,188</b>
<b>Total receipt measures</b>						
Administered		-	-	10,937	11,059	11,188
Departmental		-	-	-	-	-
<b>Total</b>		-	-	<b>10,937</b>	<b>11,059</b>	<b>11,188</b>
<b>Payment measures</b>						
Supplementary Funding for the Inclusion Support Program	1.1					
Administered payment		-	54,803	-	-	-
Departmental payment		-	-	-	-	-
<b>Total</b>		-	<b>54,803</b>	-	-	-
Tax Reform - introducing a \$1,000 Instant Tax Deduction (a)	1.2					
Administered payment		-	-	26,880	19,609	19,697
Departmental payment		-	-	-	-	-
<b>Total</b>		-	-	<b>26,800</b>	<b>19,609</b>	<b>19,697</b>
Education Portfolio – schools reform	1.3, 1.4, 1.5, 2.4					
Administered payment		-	(23,081)	(91,755)	(153,325)	(187,619)
Departmental payment		-	15,219	12,255	5,403	5,680
<b>Total</b>		-	<b>(7,862)</b>	<b>(79,500)</b>	<b>(147,922)</b>	<b>(181,939)</b>
Closing the Gap - further investments (b)	1.5					
Administered payment		-	13,487	49,691	25,516	-
Departmental payment		-	202	205	104	-
<b>Total</b>		-	<b>13,689</b>	<b>49,896</b>	<b>25,620</b>	-
Improving Outcomes in Australian Schools	1.5					
Administered payment		-	11,863	4,449	4,628	4,813
Departmental payment		-	4	-	-	-
<b>Total</b>		-	<b>11,867</b>	<b>4,449</b>	<b>4,628</b>	<b>4,813</b>

**Table 1.2: Department of Education 2026-27 Budget measures (continued)****Part 1: Measures announced since the 2025-26 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
Thriving Kids (c)	1.5					
Administered payment		-	2,800	1,750	1,900	400
Departmental payment		-	-	-	-	-
<b>Total</b>		-	<b>2,800</b>	<b>1,750</b>	<b>1,900</b>	<b>400</b>
Government Response to the Antisemitic Bondi Terrorist Attack (b)(d)	1.5, 2.3					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Securing the National Disability Insurance Scheme for Future Generations (c)	1					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Boosting Productivity – Promoting Research, Development and Innovation (b)	2.6					
Administered payment		(108,927)	(124,363)	(190,861)	(189,720)	(178,518)
Departmental payment		-	-	-	(3,775)	(3,926)
<b>Total</b>		<b>(108,927)</b>	<b>(124,363)</b>	<b>(190,861)</b>	<b>(193,495)</b>	<b>(182,444)</b>
Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses – one year extension (b)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	(16,582)
<b>Total</b>		-	-	-	-	(16,582)
<b>Total payment measures</b>						
Administered		(108,927)	(64,491)	(199,846)	(291,392)	(341,227)
Departmental		-	15,425	12,460	1,732	(14,828)
<b>Total</b>		<b>(108,927)</b>	<b>(49,066)</b>	<b>(187,386)</b>	<b>(289,660)</b>	<b>(356,055)</b>

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 the Treasury. The full measure description and package details appear in 2026-27 Budget Paper No. 2 under the Treasury Portfolio.

(b) The full measure description and package details appear in the 2026-27 Budget Paper No. 2 under Cross Portfolio.

(c) The lead entity for this measure is the Department of Health, Disability and Ageing. The full measure description and package details appear in 2026-27 Budget Paper No. 2 under the Health Portfolio.

(d) This measure was previously disclosed in the 2025-26 Education Portfolio Additional Estimates Statements.

## 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](http://www.education.gov.au).

The most recent annual performance statement can be found at: [www.education.gov.au](http://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

<p><b>Department of Health, Disability and Ageing</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.3 – First Nations Health</li> <li>• Program 4.1 – Disability and Carers</li> </ul> <hr/> <p><b>Contribution to Outcome 1 made by linked programs</b></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> <p>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. They use data and evidence to drive better outcomes through the service system, including the early childhood system.</p> <p>The Thriving Kids Initiative contributes to Outcome 1 by supporting early childhood development through improved access to early intervention supports for children aged 8 and under with developmental delay and/or autism who have low to moderate support needs, and their families and carers.</p>
<p><b>Department of the Treasury</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.4 – Commonwealth-State Financial Relations</li> </ul> <hr/> <p><b>Contribution to Outcome 1 made by linked program</b></p> <p>The linked program contributes to Outcome 1 by making National Partnership Payments to the states.</p>
<p><b>National Indigenous Australians Agency</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Jobs, Land and the Economy</li> <li>• Program 1.2 – Children and Schooling</li> </ul> <hr/> <p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The linked programs contribute to Outcome 1 by supporting First Nations access and participation in early years services, increasing students' school attendance, improving educational outcomes and attainment, assisting families, and supporting access to further education, training and employment.</p>

**Linked programs (continued)**

<p><b>Department of Social Services</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.1 – Families and Communities</li> </ul> <hr/> <p><b>Contribution to Outcome 1 made by linked programs</b></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, including through:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• the Further, Safe and Supported: the National Framework for Protecting Australia’s Children 2021–2031 to strengthen parenting practices for priority groups</li> <li>• the Our Ways – Strong Ways – Our Voices: National Aboriginal and Torres Strait Islander Plan to End Family, Domestic and Sexual Violence 2026-2036 which aims to create stronger, safer communities, particularly for First Nations women and children, reform systems to be more culturally safe and responsive, and strengthen community-led, trauma informed approaches that strengthen families and help First Nations children thrive.</li> </ul> <p>The linked program also contributes to the implementation of the National Plan to End Violence against Women and Children 2022-2032 (National Plan), in particular 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><b>Australian Bureau of Statistics</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Australian Bureau of Statistics</li> </ul> <hr/> <p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Early Childhood Education and Care (ECEC) 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% from 8 August 2024 to 7 August 2025; and 4.2% between 8 August 2025 and 7 August 2026.</p> <p>This linked program contributes to Outcome 1 by maintaining the Childcare Services Cost index for the provision of childcare services to support a fee constraint for participating providers.</p>

**Linked programs (continued)**

<p><b>Services Australia</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Strategy and Corporate Enabling</li> <li>• Program 1.2 – Customer Service Delivery</li> <li>• Program 1.3 – Technology and Transformation</li> </ul> <hr/> <p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The linked programs contribute to Outcome 1 by administering child care payments to eligible families, including the Early Childhood Education and Care (ECEC) Worker Retention Payment to support a 15% wage increase for ECEC workers over two years, and the Child Care Subsidy.</p> <p>The linked programs support key reforms including 3 Day Guarantee, which commenced on 5 January 2026 to replace the previous Activity Test to provide eligibility for 3 days a week of subsidised early education for children who need it, and development of an Early Education Service Delivery Price to better understand the cost of delivering services around the country and underpin future reform.</p>
--

*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**

**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.**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 1.1: Support for the Child Care System</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	498,116	556,064	396,532	326,709	328,327
Special appropriations <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	4,000	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	-	-	-
<b>Total expenses for Program 1.1</b>	<b>2,318,187</b>	<b>1,639,775</b>	<b>400,532</b>	<b>330,709</b>	<b>332,327</b>
<b>Program 1.2: Child Care Subsidy</b>					
Administered expenses					
Special appropriations <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	15,617,923	16,917,002	18,575,402	19,859,802	21,089,689
<b>Total expenses for Program 1.2</b>	<b>15,617,923</b>	<b>16,917,002</b>	<b>18,575,402</b>	<b>19,859,802</b>	<b>21,089,689</b>
<b>Program 1.3: Government Schools National Support</b>					
Administered expenses					
Other services (Appropriation Bill (No. 2))	4,745	1,637	-	-	-
Special appropriations <i>Australian Education Act 2013</i>	12,435,515	12,968,374	13,461,225	14,022,649	14,733,294
<b>Total expenses for Program 1.3</b>	<b>12,440,260</b>	<b>12,970,011</b>	<b>13,461,225</b>	<b>14,022,649</b>	<b>14,733,294</b>
<b>Program 1.4: Non-Government Schools National Support</b>					
Administered expenses					
Other services (Appropriation Bill (No. 2))	124,580	128,814	132,489	136,661	69,577
Special appropriations <i>Australian Education Act 2013</i>	20,443,884	21,308,681	22,278,784	23,311,856	24,474,068
<b>Total expenses for Program 1.4</b>	<b>20,568,464</b>	<b>21,437,495</b>	<b>22,411,273</b>	<b>23,448,517</b>	<b>24,543,645</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 1.5: Early Learning and Schools Support</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	243,635	231,099	203,174	144,634	118,674
Other services (Appropriation Bill (No. 2))	6,400	6,000	2,500	-	-
<b>Total expenses for Program 1.5</b>	<b>250,035</b>	<b>237,099</b>	<b>205,674</b>	<b>144,634</b>	<b>118,674</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	741,751	787,163	599,706	471,343	447,001
Other services (Appropriation Bill (No. 2))	135,725	136,451	134,989	136,661	69,577
Special appropriations	48,501,322	51,198,057	54,319,411	57,198,307	60,301,051
Special Accounts	1,816,071	1,079,711	-	-	-
<b>Administered total</b>	<b>51,194,869</b>	<b>53,201,382</b>	<b>55,054,106</b>	<b>57,806,311</b>	<b>60,817,629</b>
Departmental expenses					
Departmental appropriations s74 External Revenue (a)	270,625 288	264,401 -	249,818 -	242,294 -	226,686 -
Expenses not requiring appropriation in the Budget year (b)	8,815	9,820	9,449	10,007	10,672
<b>Departmental total</b>	<b>279,728</b>	<b>274,221</b>	<b>259,267</b>	<b>252,301</b>	<b>237,358</b>
<b>Total expenses for Outcome 1</b>	<b>51,474,597</b>	<b>53,475,603</b>	<b>55,313,373</b>	<b>58,058,612</b>	<b>61,054,987</b>
<b>Movement of administered funds between years (c)</b>					
The Pathway to Universal ECEC - Service Delivery Price	(1,088)	1,088	-	-	-
Preschools Data Framework	(7,218)	2,800	4,418	-	-
Unique Student Identifier (Schools)	-	8,000	(1,660)	(2,070)	(4,270)
<b>Total movement of administered funds</b>	<b>(8,306)</b>	<b>11,888</b>	<b>2,758</b>	<b>(2,070)</b>	<b>(4,270)</b>
	<b>2025-26</b>	<b>2026-27</b>			
<b>Average staffing level (number)</b>	1,114	1,080			

(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.

(c) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are provided.

<b>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.</b>		
<b>Program 1.1 – Support for the Child Care System</b> 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.		
<b>Key Activities<sup>2</sup></b>	Support equitable access to quality early childhood education and care	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current 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 (PM054)	Target: Increase on previous year  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) that are in socio-economically vulnerable and disadvantaged communities (PM054) <sup>3</sup>	Target: Increase on previous year
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget measures: <ul style="list-style-type: none"> <li>• Supplementary Funding for the Inclusion Support Program</li> <li>• Securing the National Disability Insurance Scheme for Future Generations</li> </ul>		

<sup>2</sup> The department's key activities have been refined since the publication of the 2025–26 Corporate Plan to better reflect and respond to recent changes in the department's work in achieving its purpose.

<sup>3</sup> The performance measure title has been amended to improve readability and clarity.

**Program expenses 1.1: Support for the Child Care System**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1))					
Child Care Services Support	498,116	556,064	396,532	326,709	328,327
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	4,000	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</i>	1,816,071	1,079,711	-	-	-
<b>Total program expenses</b>	<b>2,318,187</b>	<b>1,639,775</b>	<b>400,532</b>	<b>330,709</b>	<b>332,327</b>

<b>Program 1.2 – Child Care Subsidy</b>		
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.		
<b>Key Activities<sup>4</sup></b>	Support equitable access to quality early childhood education and care	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Proportion of accurate Child Care Subsidy payments to all services (PM002)	Target: 90% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy (PM067)	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 are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Proportion of accurate Child Care Subsidy payments to all services (PM002)	Target: 95% or higher <sup>5</sup>
	Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy (PM067)	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 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.2 resulting from 2026–27 Budget measures: <ul style="list-style-type: none"> <li>• Tax Reform - introducing a \$1,000 Instant Tax Deduction</li> <li>• Securing the National Disability Insurance Scheme for Future Generations</li> </ul>		

<sup>4</sup> See footnote 2 on the department’s revised key activities.

<sup>5</sup> The performance measure’s 95% accuracy target is an increase from the previous 90% accuracy target. The target has been revised to reflect program maturity and encourage continuous improvement, and is consistent with most major government payment programs.

**Program expenses 1.2: Child Care Subsidy**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i> (a)(b)	15,617,923	16,917,002	18,575,402	19,859,802	21,089,689
<b>Total program expenses</b>	<b>15,617,923</b>	<b>16,917,002</b>	<b>18,575,402</b>	<b>19,859,802</b>	<b>21,089,689</b>

(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.

<b>Program 1.3 – Government Schools National Support</b>		
The program provides supplementary financial assistance to state and territory governments to facilitate the delivery of a quality education within government schools.		
<b>Key Activities<sup>6</sup></b>	Provide consistent, transparent and needs-based funding for schools	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally) (PM055) <sup>7</sup>	Target: Decrease on previous year.  Achieved (nationally, 10.8% in 2025 decrease from 11.3% in 2024)
	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally) (PM056) <sup>7</sup>	Target: Decrease on previous year.  Achieved (nationally, 9.4% in 2025 decrease from 9.7% in 2024)
	Increase the proportion of students attending school 90% or more of the time (PM059)	Target: a) Nationally: Increase on previous year b) In government schools: Increase on previous year c) In non-government schools: Increase on previous year  a) Achieved (nationally, 62.1% in 2025 increase from 59.8% in 2024) b) Achieved (in government schools, 58.3% in 2025 increase from 56.3% in 2024) c) Achieved (in non-government schools, 68.8% in 2025 increase from 66.1% in 2024)
	Timely lodgement of acquittal certificates by states and territories for government schools by 30 June, as set out within the <i>Australian Education Act 2013</i> (PM079)	Target: 100%  Achieved (100% of acquittal certificates received from states and territories for government schools on or before 30 June 2025)
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Increase the proportion of students attending school 90% or more of the time (PM059)	Target: a) Nationally: Increase on previous year b) In government schools: Increase on previous year c) In non-government schools: Increase on previous year
	Timely lodgement of acquittal certificates by states and territories for government schools by 30 June, as set out within the <i>Australian Education Act 2013</i> (PM079)	Target: 100%

<sup>6</sup> See footnote 2 on the department’s revised key activities.

<sup>7</sup> From 2026–27, the performance measure will only be reported against Program 1.5 (Early Learning and Schools Support). NAPLAN data are not disaggregated by school sector as required by Programs 1.3 (Government Schools National Support) and 1.4 (Non-Government Schools National Support).

Year	Performance measures	Planned performance results
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.3 resulting from 2026–27 Budget measures: <ul style="list-style-type: none"> <li>• Education Portfolio – schools reform</li> </ul>		

**Program expenses 1.3: Government Schools National Support**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill (No. 2))					
Additional Support for Northern Territory	4,745	1,637	-	-	-
Special appropriations:					
<i>Australian Education Act 2013</i>	12,435,515	12,968,374	13,461,225	14,022,649	14,733,294
<b>Total program expenses</b>	<b>12,440,260</b>	<b>12,970,011</b>	<b>13,461,225</b>	<b>14,022,649</b>	<b>14,733,294</b>

<b>Program 1.4 – Non-Government Schools National Support</b>		
The program provides financial assistance to approved authorities for non-government schools to facilitate the delivery of a quality education within non-government schools.		
<b>Key Activities<sup>8</sup></b>	Provide consistent, transparent and needs-based funding for schools	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally) (PM055) <sup>9</sup>	Target: Decrease on previous year  Achieved (nationally, 10.8% in 2025 decrease from 11.3% in 2024)
	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally) (PM056) <sup>9</sup>	Target: Decrease on previous year  Achieved (nationally, 9.4% in 2025 decrease from 9.7% in 2024)
	Increase the proportion of students attending school 90% or more of the time (PM059)	Target: a) Nationally: Increase on previous year b) In government schools: Increase on previous year c) In non-government schools: Increase on previous year  a) Achieved (nationally, 62.1% in 2025 increase from 59.8% in 2024) b) Achieved (in government schools, 58.3% in 2025 increase from 56.3% in 2024) c) Achieved (in non-government schools, 68.8% in 2025 increase from 66.1% in 2024)
	Timely lodgement of acquittal certificates and audited financial statements by approved authorities for non-government schools by 30 June, as set out within the <i>Australian Education Act 2013</i> (PM080)	Target: 85% or higher  Achieved (91% of acquittal certificates and audited financial statements received from approved authorities for non-government schools on or before 30 June 2025)
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Increase the proportion of students attending school 90% or more of the time (PM059)	Target: a) Nationally: Increase on previous year b) In government schools: Increase on previous year c) In non-government schools: Increase on previous year
	Timely lodgement of acquittal certificates and audited financial statements by approved authorities for non-government schools by 30 June, as set out within the <i>Australian Education Act 2013</i> (PM080)	Target: 85% or higher

<sup>8</sup> See footnote 2 on the department’s revised key activities.

<sup>9</sup> From 2026–27, the performance measure will only be reported against Program 1.5 (Early Learning and Schools Support). NAPLAN data are not disaggregated by school sector as required by Programs 1.3 (Government Schools National Support) and 1.4 (Non-Government Schools National Support).

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.4 resulting from 2026–27 Budget measures: <ul style="list-style-type: none"><li>• Education Portfolio – schools reform</li></ul>		

**Program expenses 1.4: Non-Government Schools National Support**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill (No. 2))					
Choice and Affordability Fund	124,580	128,814	132,489	136,661	69,577
Special appropriations:					
<i>Australian Education Act 2013</i>	20,443,884	21,308,681	22,278,784	23,311,856	24,474,068
<b>Total program expenses</b>	<b>20,568,464</b>	<b>21,437,495</b>	<b>22,411,273</b>	<b>23,448,517</b>	<b>24,543,645</b>

<b>Program 1.5 – Early Learning and Schools Support</b>		
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.		
<b>Key Activities<sup>10</sup></b>	Strengthen the education workforce and boost outcomes for children and young people	
<b>Early Learning Support</b>		
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current 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 (PM069)	Target: a) Overall: 95% or higher b) First Nations children: 95% or higher c) Disadvantaged children: 95% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	Percentage of Office for Youth program participants who felt they influenced a government policy or program (PM077) <sup>11</sup>	Target: Increase from previous year  Not applicable  2025–26 established the baseline for the measure based on data collected in the 2025 calendar year (59% of Office for Youth program participants felt they influenced a government policy or program)
	Percentage of Australian Government departments and agencies that worked with the Office for Youth and felt supported to engage with young people (PM078) <sup>11</sup>	Target: Increase from previous year  Not applicable  2025–26 established the baseline for the measure based on data collected in the 2025 calendar year (82% of Australian Government departments and agencies that worked with the Office for Youth felt supported to engage with young people)
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year (PM069)	Target: a) Overall: 95% or higher b) First Nations children: 95% or higher c) Disadvantaged children: 95% or higher
Forward Estimates 2027–30	As per 2026–27	As per 2026–27

<sup>10</sup> See footnote 2 on the department’s revised key activities.

<sup>11</sup> The performance measure has been removed from 2026–27 onwards as this measure does not reflect the material objectives of Program 1.5 Early Learning and Schools Support. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements. This metric and others outlined in the youth engagement strategy, *Engage! A strategy to include young people in the decisions we make*, will also be reported on in the Office for Youth’s annual monitoring and evaluation report.

<b>Schools Support</b>		
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally) (PM055)	Target: Decrease on previous year  Achieved (nationally, 10.8% in 2025 decrease from 11.3% in 2024)
	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for numeracy for Year 3 students (nationally) (PM056)	Target: Decrease on previous year  Achieved (nationally, 9.4% in 2025 decrease from 9.7% in 2024)
	Increase the proportion of students attending school 90% or more of the time (PM059)	Target: a) Nationally: Increase on previous year b) In government schools: Increase on previous year c) In non-government schools: Increase on previous year  a) Achieved (nationally, 62.1% in 2025 increase from 59.8% in 2024) b) Achieved (in government schools, 58.3% in 2025 increase from 56.3% in 2024) c) Achieved (in non-government schools, 68.8% in 2025 increase from 66.1% in 2024)
	Increase the proportion of people (age 20–24), attaining Year 12 certification, or equivalent, or gaining a qualification at Certificate III or above (PM072) <sup>12</sup>	Target: a) 96% of all people in Australia by 2031 b) 96% of Aboriginal and Torres Strait Islander people by 2031  a) Not on track (89% in 2025)  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 5 years  b) Not on track (68.1% in 2021, updated data available every 5 years)  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.

<sup>12</sup> The Survey of Education and Work, which provided the underpinning data used to calculate the result for this performance measure, was discontinued by the Australian Bureau of Statistics at the end of 2025. As a result, the department will no longer report on this performance measure.

**Budget 2026–27** | Portfolio Budget Statements

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Reduce the proportion of students in the Needs additional support proficiency level in NAPLAN for reading for Year 3 students (nationally) (PM055)	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) (PM056)	Target: Decrease on previous year
	Increase the proportion of students attending school 90% or more of the time (PM059)	Target: a) Nationally: Increase on previous year b) In government schools: Increase on previous year c) In non-government schools: Increase on previous year.
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
<p>Material changes to Program 1.5 resulting from 2026–27 Budget measures:</p> <ul style="list-style-type: none"> <li>• Closing the Gap - further investments</li> <li>• Education Portfolio – schools reform</li> <li>• Improving Outcomes in Australian Schools</li> <li>• Thriving Kids</li> <li>• Government Response to the Antisemitic Bondi Terrorist Attack</li> </ul>		

**Program expenses 1.5: Early Learning and Schools Support**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1))					
<b>Early Learning Support</b>					
Australian Early Development Census	6,657	13,201	11,134	6,808	13,764
Preschools Data Framework	10,478	7,197	7,615	1,923	1,972
SNAICC – National Voice for Our Children	5,081	5,397	4,308	4,402	4,504
<b>Total Early Learning Support</b>	<b>22,216</b>	<b>25,795</b>	<b>23,057</b>	<b>13,133</b>	<b>20,240</b>
<b>School Support</b>					
Australian Education Research Organisation	10,000	10,000	10,000	10,000	10,000
First Nations Education	60,519	39,004	56,999	30,418	4,504
First Nations Languages in Schools	5,517	4,341	-	-	-
Grants and Awards	1,566	1,607	1,641	1,673	1,711
Government Response to the Antisemitic Bondi Terrorist Attack	3,240	11,760	6,000	6,000	6,000
Helping Children with Autism	6,829	8,008	8,154	8,797	7,465
Life Education - Being Healthy, Being Active	1,700	1,700	-	-	-
National Assessment Reforms	8,158	6,463	6,649	6,828	7,013
National Schools Reform	4,250	4,450	2,912	1,321	1,326
National School Resourcing Board	1,581	1,112	1,139	1,165	1,192
National Teacher Workforce Action Plan	48,286	43,736	32,636	22,719	17,596

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Quality Outcomes	41,664	44,294	36,248	36,755	37,339
School Education Support	5,855	-	-	-	-
Student Engagement and Wellbeing	4,037	1,053	1,059	-	-
Student Support Package	1,600	5,900	-	-	-
Supporting Australia's Teacher Workforce	3,014	1,740	2,659	2,692	2,731
Supporting Quality Boarding for Rural and Remote Students	1,700	1,700	1,700	1,700	100
Tackling Bullying and Harmful Behaviours in Schools	4,600	5,400	-	-	-
Teacher Resource Hubs	6,157	10,058	10,366	-	-
Thriving Kids - Educator workforce training	-	1,800	750	400	400
Youth Support	1,146	1,178	1,205	1,033	1,057
Other services (Appropriation Bill (No. 2))					
First Nation Education	1,000	-	-	-	-
Literacy Support for Tasmania Students	2,000	2,000	1,000	-	-
Supporting the Construction of the First Hindu School in Australia	3,400	4,000	1,500	-	-
<b>Total Schools Support</b>	<b>227,819</b>	<b>211,304</b>	<b>182,617</b>	<b>131,501</b>	<b>98,434</b>
<b>Total program expenses</b>	<b>250,035</b>	<b>237,099</b>	<b>205,674</b>	<b>144,634</b>	<b>118,674</b>

## 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

<p><b>Attorney-General's Department</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Attorney-General's Department</li> </ul> <p><b>Contribution to Outcome 2 made by linked programs</b></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>
<p><b>Australian Trade and Investment Commission (Austrade)</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Support Australian exporters to expand internationally, attract productive international investment, and grow the visitor economy.</li> </ul> <p><b>Contribution to Outcome 2 made by linked programs</b></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>
<p><b>Department of Defence</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.16 – Nuclear Powered Submarines</li> </ul> <p><b>Contribution to Outcome 2 made by linked programs</b></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><b>Department of Employment and Workplace Relations</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.1 – Building Skills and Capability</li> </ul> <p><b>Contribution to Outcome 2 made by linked programs</b></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><b>Department of Foreign Affairs and Trade</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Foreign Affairs and Trade Operations</li> <li>• Program 1.5 – New Colombo Plan – Transforming Regional Relationships</li> </ul> <p><b>Contribution to Outcome 2 made by linked programs</b></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)**

<p><b>Department of Home Affairs</b></p>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.2 – Visas</li> </ul>
<p><b>Contribution to Outcome 2 made by linked programs</b></p> <p>The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas.</p>
<p><b>National Indigenous Australians Agency</b></p>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Jobs, Land and the Economy</li> <li>• Program 1.2 – Children and Schooling</li> </ul>
<p><b>Contribution to Outcome 2 made by linked programs</b></p> <p>The linked programs contribute to Outcome 2 by supporting First Nations students' school and tertiary education 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>
<p><b>Department of Social Services</b></p>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.7 – Student Payments</li> </ul>
<p><b>Contribution to Outcome 2 made by linked program</b></p> <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>
<p><b>Services Australia</b></p>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 – Strategy and Corporate Enabling</li> <li>• Program 1.2 – Customer Service Delivery</li> <li>• Program 1.3 – Technology and Transformation</li> </ul>
<p><b>Contribution to Outcome 2 made by linked programs</b></p> <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**

<b>Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.</b>					
	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 2.1: Core Commonwealth Funding for Teaching and Learning in Higher Education</b>					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	7,992,511	9,232,506	9,673,229	10,147,407	10,660,534
<b>Total expenses for Program 2.1</b>	<b>7,992,511</b>	<b>9,232,506</b>	<b>9,673,229</b>	<b>10,147,407</b>	<b>10,660,534</b>
<b>Program 2.2: Higher Education Superannuation Program</b>					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	177,750	166,437	154,434	142,129	129,471
<b>Total expenses for Program 2.2</b>	<b>177,750</b>	<b>166,437</b>	<b>154,434</b>	<b>142,129</b>	<b>129,471</b>
<b>Program 2.3: Higher Education Support</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	38,007	38,738	39,487	42,275	42,999
Special appropriations					
<i>Higher Education Support Act 2003</i>	1,439,059	745,024	688,813	707,970	725,069
<b>Total expenses for Program 2.3</b>	<b>1,477,066</b>	<b>783,762</b>	<b>728,300</b>	<b>750,245</b>	<b>768,068</b>
<b>Program 2.4: Higher Education Loan Program</b>					
Special appropriations					
<i>Higher Education Support Act 2003 (a)</i>	15,757,711	2,811,508	2,987,645	3,157,292	3,325,259
Special accounts					
Higher Education Tuition Protection Fund	2,775	2,851	2,929	3,006	3,087
<b>Total expenses for Program 2.4</b>	<b>15,760,486</b>	<b>2,814,359</b>	<b>2,990,574</b>	<b>3,160,298</b>	<b>3,328,346</b>

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 2.5: Investment in Higher Education Research</b>					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	2,351,578	2,402,296	2,473,094	2,543,310	2,606,892
<b>Total expenses for Program 2.5</b>	<b>2,351,578</b>	<b>2,402,296</b>	<b>2,473,094</b>	<b>2,543,310</b>	<b>2,606,892</b>
<b>Program 2.6: Research Capacity</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	469,320	381,243	364,710	405,968	212,709
Special appropriations					
<i>Higher Education Support Act 2003</i>	185,524	91,185	46,271	41,710	44,530
<b>Total expenses for Program 2.6</b>	<b>654,844</b>	<b>472,428</b>	<b>410,981</b>	<b>447,678</b>	<b>257,239</b>
<b>Program 2.7: International Education Support</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	11,097	6,270	3,405	3,428	3,451
Special accounts					
Overseas Students Tuition Fund	3,454	3,541	3,629	3,720	3,813
SOETM - Cheung Kong	1,300	1,055	1,053	1,053	1,053
<b>Total expenses for Program 2.7</b>	<b>15,851</b>	<b>10,866</b>	<b>8,087</b>	<b>8,201</b>	<b>8,317</b>

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	518,424	426,251	407,602	451,671	259,159
Special appropriations	27,904,133	15,448,956	16,023,486	16,739,818	17,491,755
Special Accounts	7,529	7,447	7,611	7,779	7,953
<b>Administered total</b>	<b>28,430,086</b>	<b>15,882,654</b>	<b>16,438,699</b>	<b>17,199,268</b>	<b>17,758,867</b>
Departmental expenses					
Departmental appropriation	145,082	139,087	130,272	123,809	141,512
s74 External Revenue (b)	3,219	3,591	3,131	3,131	3,131
Expenses not requiring appropriation in the Budget year (c)	10,603	11,953	11,454	12,203	13,098
<b>Departmental total</b>	<b>158,904</b>	<b>154,631</b>	<b>144,857</b>	<b>139,143</b>	<b>157,741</b>
<b>Total expenses for Outcome 2</b>	<b>28,588,990</b>	<b>16,037,285</b>	<b>16,583,556</b>	<b>17,338,411</b>	<b>17,916,608</b>

	<b>2025-26</b>	<b>2026-27</b>
<b>Average staffing level (number)</b>	587	558

(a) Increase in expenses in 2025-26 linked to the Building Australia's Future - A fairer deal for student's measure announced in the 2024-25 MYEFO.

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

(c) 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 2.2.3: 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, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 2 – Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.</b>		
<b>Program 2.1 – Core Commonwealth Funding for Teaching and Learning in Higher Education</b>		
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:		
<ul style="list-style-type: none"> <li>• making a direct contribution to the cost of educating Commonwealth-supported students enrolled in undergraduate and postgraduate degrees</li> <li>• 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</li> <li>• increasing the number of educationally disadvantaged students participating in higher education by providing additional funding to support wrap-around services to help them succeed</li> <li>• supporting educationally disadvantaged students to prepare for and successfully complete higher education through funding for Fee-Free Uni Ready courses</li> <li>• meeting medical workforce training needs through the provision of targeted support for initial entry medical programs.</li> </ul>		
<b>Key Activities<sup>13</sup></b>	Strengthen the quality, accessibility and sustainability of higher education	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The proportion of the 25- to 34-year-old population with a tertiary qualification (PM009) <sup>14</sup>	Target: Increase from previous year  Not achieved (the proportion of the 25- to 34-year-old population with a tertiary qualification was 77% in 2025, the same as in 2024)  The number of students enrolled in tertiary education has been in a state of flux in recent years due to strong labour market conditions and cost of living pressures
	The rate of attrition for domestic bachelor students (PM010) <sup>15</sup>	Target: Lower than 15%  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report

<sup>13</sup> See footnote 2 on the department’s revised key activities.

<sup>14</sup> The Survey of Education and Work, which provided the underpinning data used to calculate the result for this performance measure, was discontinued by the Australian Bureau of Statistics at the end of 2025. As a result, the department will no longer report on this performance measure.

<sup>15</sup> The performance measure has been removed from 2026–27 onwards as it is primarily driven by variables outside the department’s control and therefore is not an accurate indicator of the department’s performance in administering the Commonwealth Grant Scheme program. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26 (continued)	Proportion of domestic undergraduates who are employed within 4 to 6 months of completing a degree (PM011)	Target: 85% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Proportion of domestic undergraduates who are employed within 4 to 6 months of completing a degree (PM011)	Target: 85% or higher
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.1 resulting from 2026–27 Budget measures: Nil		

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Commonwealth Grant Scheme	7,720,322	8,670,233	9,075,951	9,513,037	9,984,847
Needs-based Funding	272,189	562,273	597,278	634,370	675,687
<b>Total program expenses</b>	<b>7,992,511</b>	<b>9,232,506</b>	<b>9,673,229</b>	<b>10,147,407</b>	<b>10,660,534</b>

<b>Program 2.2 – Higher Education Superannuation Program</b>		
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.		
<b>Key Activities<sup>16</sup></b>	Strengthen the quality, accessibility and sustainability of higher education	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Proportion of eligible universities able to meet specified superannuation expenses (PM012)	Target: 100%  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Proportion of eligible universities able to meet specified superannuation expenses (PM012)	Target: 100%
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.2 resulting from 2026–27 Budget measures: Nil		

---

<sup>16</sup> See footnote 2 on the department's revised key activities.

**Program expenses 2.2: Higher Education Superannuation Program**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support     Act 2003</i>					
Higher Education Superannuation Program	177,750	166,437	154,434	142,129	129,471
<b>Total program expenses</b>	<b>177,750</b>	<b>166,437</b>	<b>154,434</b>	<b>142,129</b>	<b>129,471</b>

<b>Program 2.3 – Higher Education Support</b>		
The program aims to ensure the quality of our higher education system is maintained and improved. The program also aims to improve access to, and education outcomes for, students from underrepresented cohorts. <sup>17</sup>		
<b>Key Activities<sup>18</sup></b>	Strengthen the quality, accessibility and sustainability of higher education	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1) (PM014)	Target: 16% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	Proportion of domestic undergraduates who identify as First Nations (PM015)	Target: 2.2% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	Proportion of domestic undergraduate students who rate the teaching quality at their institution positively (PM016)	Target: 80% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills) (PM017) <sup>19</sup>	Target: 85% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1) (PM014)	Target: 16% or higher
	Proportion of domestic undergraduates who identify as First Nations (PM015)	Target: 2.2% or higher
	Proportion of domestic undergraduate students who rate the teaching quality at their institution positively (PM016)	Target: 80% or higher
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.3 resulting from 2026–27 Budget measures: <ul style="list-style-type: none"> <li>• Government Response to the Antisemitic Bondi Terrorist Attack</li> <li>• National Student Ombudsman - cost recovery</li> </ul>		

<sup>17</sup> Program description updated to emphasise maintaining higher education quality in all fields of education rather than just mathematics and science, and to use inclusive language to describe priority cohorts without implying disadvantage.

<sup>18</sup> See footnote 2 on the department’s revised key activities.

<sup>19</sup> The performance measure has been removed from 2026–27 onwards as higher education providers are responsible for the skills of graduates and therefore this metric does not directly reflect the department’s performance in supporting underrepresented cohorts under Program 2.3. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

**Program expenses 2.3: Higher Education Support**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1))					
Quality Indicators for Learning and Teaching	8,308	8,594	8,890	11,220	11,478
Tertiary Access Payment	29,699	30,144	30,597	31,055	31,521
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Commonwealth Practicum Support	151,757	156,461	140,227	143,230	146,810
Disability Support Program	54,158	55,851	57,772	59,408	60,856
Higher Education and Offshore Microcredentials	12,454	10,604	12,690	13,063	13,388
Higher Education Continuity Guarantee	298,229	-	-	-	-
Higher Education Continuity Guarantee – Equity	217,973	-	-	-	-
Indigenous, Regional and Low SES Attainment Fund	134,844	9,105	8,460	8,464	8,468
Indigenous Student Success Program	85,773	88,395	91,486	94,133	96,486
Monash Initiative for Rapid Research into Antisemitism	750	750	-	-	-
National Institutes	276,155	284,599	294,550	303,072	310,649
National Priorities and Industry Linkage Fund	135,597	-	-	-	-
Outreach Fund	21,868	44,282	45,705	49,156	50,434
Regional University Study Hubs	29,460	27,192	25,795	27,528	27,839
Strong Beginnings Fund	780	2,080	1,000	1,000	1,000
Structural Adjustment Fund	-	50,000	-	-	-
Suburban University Study Hubs	13,500	10,707	11,128	8,916	9,139
Women in STEM	5,761	4,998	-	-	-
<b>Total program expenses</b>	<b>1,477,066</b>	<b>783,762</b>	<b>728,300</b>	<b>750,245</b>	<b>768,068</b>

<b>Program 2.4 – Higher Education Loan Program</b>		
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.		
<b>Key Activities<sup>20</sup></b>	Strengthen the quality, accessibility and sustainability of higher education	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The proportion of HELP debt not expected to be repaid on new debt (PM018)	Target: Equal to or lower than previous year  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	The proportion of HELP debt not expected to be repaid on new debt (PM018)	Target: Equal to or lower than previous year
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.4 resulting from 2026–27 Budget measures:		
<ul style="list-style-type: none"> <li>• Education Portfolio – schools reform</li> </ul>		

---

<sup>20</sup> See footnote 2 on the department's revised key activities.

**Program expenses 2.4: Higher Education Loan Program**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Special Appropriations					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program(a)	15,757,711	2,811,508	2,987,645	3,157,292	3,325,259
Special account expenses:					
Higher Education Tuition Protection Fund	2,775	2,851	2,929	3,006	3,087
<b>Total program expenses</b>	<b>15,760,486</b>	<b>2,814,359</b>	<b>2,990,574</b>	<b>3,160,298</b>	<b>3,328,346</b>

(a) Increase in expenses in 2025-26 linked to the Building Australia's Future - A fairer deal for student's measure announced in the 2024-25 MYEFO.

<b>Program 2.5 – Investment in Higher Education Research</b>		
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.		
<b>Key Activities</b> <sup>21</sup>	Invest in research and innovation, and support international education and global engagement	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications (PM019)	Target: Above the Organisation for Economic Cooperation and Development (OECD) average  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	Proportion of domestic research postgraduates who are employed within 4 to 6 months of completing their degree (PM020) <sup>22</sup>	Target: 90% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	First Nations higher degree by research (HDR) completions (PM021) <sup>22</sup>	Target: Increase from previous year  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications (PM019)	Target: Above the Organisation for Economic Cooperation and Development (OECD) average
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.5 resulting from 2026–27 Budget measures: Nil		

<sup>21</sup> See footnote 2 on the department's revised key activities.

<sup>22</sup> The performance measure has been removed from 2026–27 onwards as it is primarily driven by variables outside the department's control and therefore is not an accurate indicator of the department's performance in driving investment in research under Program 2.5. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

**Program expenses 2.5: Investment in Higher Education Research**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Special Appropriations:					
<i>Higher Education Support Act 2003</i>					
Research Support Program	1,098,858	1,132,548	1,172,001	1,205,913	1,236,060
Research Training Program	1,252,720	1,269,748	1,301,093	1,337,397	1,370,832
<b>Total program expenses</b>	<b>2,351,578</b>	<b>2,402,296</b>	<b>2,473,094</b>	<b>2,543,310</b>	<b>2,606,892</b>

<p><b>Program 2.6 – Research Capacity</b>                  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.</p>		
<p><b>Key Activities</b><sup>23</sup></p>	<p>Invest in research and innovation, and support international education and global engagement</p>	
<p><b>Year</b></p>	<p><b>Performance measures</b></p>	<p><b>Expected performance results</b></p>
<p>Current Year 2025–26</p>	<p>The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications (PM019)</p>	<p>Target: Above the Organisation for Economic Cooperation and Development (OECD) average</p> <p>Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report</p>
<p><b>Year</b></p>	<p><b>Performance measures</b></p>	<p><b>Planned performance results</b></p>
<p>Budget Year 2026–27</p>	<p>The proportion of research publications in the world's top 10% most highly cited journals that are Australian research publications (PM019)</p>	<p>Target: Above the Organisation for Economic Cooperation and Development (OECD) average</p>
<p>Forward Estimates 2027–30</p>	<p>As per 2026–27</p>	<p>As per 2026–27</p>
<p>Material changes to Program 2.6 resulting from 2026–27 Budget measures:</p> <ul style="list-style-type: none"> <li>Boosting Productivity – Promoting Research, Development and Innovation</li> </ul>		

<sup>23</sup> See footnote 2 on the department's revised key activities.

**Program expenses 2.6: Research Capacity**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1))					
Increase Workforce Mobility (Training programs)	4,567	5,144	5,605	5,936	6,192
National Collaborative Research Infrastructure Strategy	464,753	376,099	359,105	400,032	206,517
Special appropriations:					
<i>Higher Education Support   Act 2003</i>					
Higher Education Research Promotion	6,774	7,024	7,256	7,438	7,624
Increase Workforce Mobility	12,186	19,449	26,020	30,672	33,306
Launch Australia's Economic Accelerator	79,943	64,712	12,995	3,600	3,600
Trailblazer Universities Program	86,621	-	-	-	-
<b>Total program expenses</b>	<b>654,844</b>	<b>472,428</b>	<b>410,981</b>	<b>447,678</b>	<b>257,239</b>

<b>Program 2.7 – International Education Support</b>		
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.		
<b>Key Activities<sup>24</sup></b>	Invest in research and innovation, and support international education and global engagement	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Proportion of international students employed within 4 to 6 months of completing a degree (PM026)	Target: 70% or higher  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
	Number of students enrolled in offshore education and training delivered by Australian providers (PM027) <sup>25</sup>	Target: Increase from previous year  Data are not yet available to make an assessment. Further information will be published in the 2025–26 Annual Report
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Proportion of international students employed within 4 to 6 months of completing a degree (PM026)	Target: 70% or higher
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.7 resulting from 2026–27 Budget measures: Nil		

<sup>24</sup> See footnote 2 on the department’s revised key activities.

<sup>25</sup> The performance measure has been removed from 2026–27 onwards as it is primarily driven by variables outside the department’s control and therefore is not an accurate indicator of the department’s performance in supporting the sustainable growth of high-quality higher education and research under Program 2.7. The department will consider other performance measures for this program in a future reporting cycle. The 2026–27 Annual Report will continue to report on this metric outside the annual performance statements.

**Program expenses 2.7: International Education Support**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill (No. 1))					
International Education Support	11,097	6,270	3,405	3,428	3,451
Special account expenses:					
Overseas Students Tuition Fund	3,454	3,541	3,629	3,720	3,813
SOETM - Cheung Kong	1,300	1,055	1,053	1,053	1,053
<b>Total program expenses</b>	<b>15,851</b>	<b>10,866</b>	<b>8,087</b>	<b>8,201</b>	<b>8,317</b>

<b>Program 2.8 – Nuclear Powered Submarine Program</b>		
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.		
<b>Key Activities<sup>26</sup></b>	Strengthen the quality, accessibility and sustainability of higher education	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Accurate and timely allocation of Commonwealth Supported Places (CSP) funding, as set out within university Commonwealth funding agreements (PM076)	Target: 100% of 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 (CGS) Higher Education Course Advance payments through the UniPay system are made on time  Achieved (100% of funding allocations were accurately reflected in Commonwealth funding agreements and 100% of payments were made on time in 2025)
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Accurate and timely allocation of Commonwealth Supported Places (CSP) funding, as set out within university Commonwealth funding agreements (PM076)	Target: 100% of 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 (CGS) Higher Education Course Advance payments through the UniPay system, are made on time
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.8 resulting from 2026–27 Budget measures: Nil		

<sup>26</sup> See footnote 2 on the department's revised key activities.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2026-27 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 consist 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 repayment.

In 2026-27, total expenses are estimated to be \$428.9 million, a decrease of \$9.7 million from \$438.6 million in 2025-26.

#### **Budget departmental balance sheet**

The estimated budgeted net asset position is \$217.5 million for 2026-27. This is an increase of \$0.9 million from \$216.6 million in 2025-26.

The structure of the balance sheet reflects the nature of the organisation. The key assets in 2026-27 are computer software including intangibles of \$152.8 million and appropriation receivables of \$180.4 million. The liabilities in 2026-27 predominantly relate to \$77.5 million in employee payables, leave provisions, other employee provisions and \$43.3 million in suppliers payable 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 2026-27 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 \$13.5 billion from \$46.6 billion to \$60.1 billion over the period 2025-26 to 2029-30, mainly attributable to HELP loans.

The total administered liabilities are projected to decrease by \$1.3 billion from \$5.6 billion to \$4.3 billion over the period 2025-26 to 2029-30 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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	302,531	297,530	286,478	279,460	277,535
Suppliers	119,154	112,020	99,268	92,308	96,330
Depreciation and amortisation (a)	16,879	19,234	18,364	19,671	21,231
Finance costs	68	68	14	5	3
<b>Total expenses</b>	<b>438,632</b>	<b>428,852</b>	<b>404,124</b>	<b>391,444</b>	<b>395,099</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	3,507	3,591	3,131	3,131	3,131
Other	2,539	2,539	2,539	2,539	2,539
<b>Total own-source revenue</b>	<b>6,046</b>	<b>6,130</b>	<b>5,670</b>	<b>5,670</b>	<b>5,670</b>
<b>Total own-source income</b>	<b>6,046</b>	<b>6,130</b>	<b>5,670</b>	<b>5,670</b>	<b>5,670</b>
<b>Net (cost of)/contribution by services</b>	<b>(432,586)</b>	<b>(422,722)</b>	<b>(398,454)</b>	<b>(385,774)</b>	<b>(389,429)</b>
Revenue from Government	412,893	398,240	380,454	366,216	368,260
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(19,693)</b>	<b>(24,482)</b>	<b>(18,000)</b>	<b>(19,558)</b>	<b>(21,169)</b>
<b>Total comprehensive income/(loss)</b>	<b>(19,693)</b>	<b>(24,482)</b>	<b>(18,000)</b>	<b>(19,558)</b>	<b>(21,169)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(19,693)</b>	<b>(24,482)</b>	<b>(18,000)</b>	<b>(19,558)</b>	<b>(21,169)</b>

**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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Total comprehensive income/(loss) - as per statement of Comprehensive income</b>	<b>(19,693)</b>	<b>(24,482)</b>	<b>(18,000)</b>	<b>(19,558)</b>	<b>(21,169)</b>
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	15,588	18,489	18,009	19,562	21,174
plus: depreciation/amortisation expenses for ROU assets	1,291	745	355	109	57
less: lease principal repayments (b)	(1,286)	(752)	(364)	(113)	(62)
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>(4,100)</b>	<b>(6,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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). 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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	498	498	498	498	498
Trade and other receivables	208,387	183,782	185,544	185,503	185,491
<b>Total financial assets</b>	<b>208,885</b>	<b>184,280</b>	<b>186,042</b>	<b>186,001</b>	<b>185,989</b>
<b>Non-financial assets</b>					
Land and buildings	1,320	575	220	111	54
Property, plant and equipment	5	5	5	5	5
Intangibles	136,380	152,817	159,377	160,670	160,617
Other non-financial assets	1,621	1,621	1,621	1,621	1,621
<b>Total non-financial assets</b>	<b>139,326</b>	<b>155,018</b>	<b>161,223</b>	<b>162,407</b>	<b>162,297</b>
<b>Total assets</b>	<b>348,211</b>	<b>339,298</b>	<b>347,265</b>	<b>348,408</b>	<b>348,286</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	43,292	43,292	43,292	43,292	43,292
Other payables	12,453	3,517	5,373	5,352	5,340
<b>Total payables</b>	<b>55,745</b>	<b>46,809</b>	<b>48,665</b>	<b>48,644</b>	<b>48,632</b>
<b>Interest bearing liabilities</b>					
Leases	1,360	608	244	131	69
<b>Total interest bearing liabilities</b>	<b>1,360</b>	<b>608</b>	<b>244</b>	<b>131</b>	<b>69</b>
<b>Provisions</b>					
Employee provisions	74,481	74,431	74,337	74,317	74,317
<b>Total provisions</b>	<b>74,481</b>	<b>74,431</b>	<b>74,337</b>	<b>74,317</b>	<b>74,317</b>
<b>Total liabilities</b>	<b>131,586</b>	<b>121,848</b>	<b>123,246</b>	<b>123,092</b>	<b>123,018</b>
<b>Net assets</b>	<b>216,625</b>	<b>217,450</b>	<b>224,019</b>	<b>225,316</b>	<b>225,268</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	519,156	544,463	569,032	589,887	611,008
Retained surplus (accumulated deficit)	(302,531)	(327,013)	(345,013)	(364,571)	(385,740)
<b>Total parent entity interest</b>	<b>216,625</b>	<b>217,450</b>	<b>224,019</b>	<b>225,316</b>	<b>225,268</b>
<b>Total equity</b>	<b>216,625</b>	<b>217,450</b>	<b>224,019</b>	<b>225,316</b>	<b>225,268</b>

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 2026-27)**

	Retained earnings	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2026</b>			
Balance carried forward from previous period	(302,531)	519,156	216,625
<b>Adjusted opening balance</b>	<b>(302,531)</b>	<b>519,156</b>	<b>216,625</b>
<b>Comprehensive income</b>			
Surplus/(deficit) for the period	(24,482)	-	(24,482)
<b>Total comprehensive income</b>	<b>(24,482)</b>	<b>-</b>	<b>(24,482)</b>
of which:			
Attributable to the Australian Government	(24,482)	-	(24,482)
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Departmental Capital Budget (DCB)	-	25,307	25,307
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>25,307</b>	<b>25,307</b>
<b>Estimated closing balance as at 30 June 2027</b>	<b>(327,013)</b>	<b>544,463</b>	<b>217,450</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(327,013)</b>	<b>544,463</b>	<b>217,450</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	416,430	413,226	378,692	366,257	368,272
Sale of goods and rendering of services	3,507	3,591	3,131	3,131	3,131
Net GST received	10,398	8,810	9,452	9,834	8,159
<b>Total cash received</b>	<b>430,335</b>	<b>425,627</b>	<b>391,275</b>	<b>379,222</b>	<b>379,562</b>
<b>Cash used</b>					
Employees	301,968	306,516	284,716	256,870	277,547
Suppliers	123,506	114,700	103,050	119,103	98,819
s74 External Revenue transferred to the OPA	3,507	3,591	3,131	3,131	3,131
Interest payments on lease liability	68	68	14	5	3
<b>Total cash used</b>	<b>429,049</b>	<b>424,875</b>	<b>390,911</b>	<b>379,109</b>	<b>379,500</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,286</b>	<b>752</b>	<b>364</b>	<b>113</b>	<b>62</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	56,860	34,926	24,569	20,855	21,121
<b>Total cash used</b>	<b>56,860</b>	<b>34,926</b>	<b>24,569</b>	<b>20,855</b>	<b>21,121</b>
<b>Net cash from/(used by) investing activities</b>	<b>(56,860)</b>	<b>(34,926)</b>	<b>(24,569)</b>	<b>(20,855)</b>	<b>(21,121)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	56,860	34,926	24,569	20,855	21,121
<b>Total cash received</b>	<b>56,860</b>	<b>34,926</b>	<b>24,569</b>	<b>20,855</b>	<b>21,121</b>
<b>Cash used</b>					
Principal payments on lease liability	1,286	752	364	113	62
<b>Total cash used</b>	<b>1,286</b>	<b>752</b>	<b>364</b>	<b>113</b>	<b>62</b>
<b>Net cash from/(used by) financing activities</b>	<b>55,574</b>	<b>34,174</b>	<b>24,205</b>	<b>20,742</b>	<b>21,059</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	498	498	498	498	498
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>NEW CAPITAL</b>					
Equity injections - Bill 2	32,186	-	-	-	-
Capital budget - Bill 1 (DCB)	23,437	25,307	24,569	20,855	21,121
<b>Total new capital appropriations</b>	<b>55,623</b>	<b>25,307</b>	<b>24,569</b>	<b>20,855</b>	<b>21,121</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>55,623</i>	<i>25,307</i>	<i>24,569</i>	<i>20,855</i>	<i>21,121</i>
<b>Total Items</b>	<b>55,623</b>	<b>25,307</b>	<b>24,569</b>	<b>20,855</b>	<b>21,121</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	29,103	6,600	-	-	-
Funded by capital appropriations – DCB (b)	27,757	28,326	24,569	20,855	21,121
<b>TOTAL</b>	<b>56,860</b>	<b>34,926</b>	<b>24,569</b>	<b>20,855</b>	<b>21,121</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	56,860	34,926	24,569	20,855	21,121
<b>Total cash used to acquire assets</b>	<b>56,860</b>	<b>34,926</b>	<b>24,569</b>	<b>20,855</b>	<b>21,121</b>

Prepared on Australian Accounting Standards basis.

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

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

**Table 3.6: Statement of departmental asset movements (Budget year 2026-27)**

	Buildings \$'000	Other property, plant & equipment \$'000	Computer software and Intangibles \$'000	Total \$'000
<b>As at 1 July 2026</b>				
Gross book value	-	5	249,502	249,507
Gross book value - ROU assets (a)	5,542	-	-	5,542
Accumulated depreciation/amortisation and impairment	-	-	(113,122)	(113,122)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,222)	-	-	(4,222)
<b>Opening net book balance</b>	<b>1,320</b>	<b>5</b>	<b>136,380</b>	<b>137,705</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity (b)	-	-	6,600	6,600
By purchase - appropriation ordinary annual services (c)	-	-	28,326	28,326
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>34,926</b>	<b>34,926</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	-	(18,489)	(18,489)
Depreciation/amortisation on ROU assets	(745)	-	-	(745)
<b>Total other movements</b>	<b>(745)</b>	<b>-</b>	<b>(18,489)</b>	<b>(19,234)</b>
<b>As at 30 June 2027</b>				
Gross book value	-	5	284,428	284,433
Gross book value - ROU assets	5,542	-	-	5,542
Accumulated depreciation/amortisation and impairment	-	-	(131,611)	(131,611)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,967)	-	-	(4,967)
<b>Closing net book balance</b>	<b>575</b>	<b>5</b>	<b>152,817</b>	<b>153,397</b>

Prepared on Australian Accounting Standards basis.

(a) Right-of-use assets under AASB 16 Leases.

(b) 'Appropriation equity' refers to equity injection appropriations provided through Appropriation Bill (No. 2).

(c) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No 1) 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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Grants	45,779,570	47,617,120	49,435,103	51,537,000	53,720,568
Personal benefits	15,647,622	16,947,146	18,605,999	19,890,857	21,089,689
Suppliers	243,301	249,972	211,334	179,864	212,900
Subsidies	2,018,642	1,291,487	97,917	98,057	98,221
Interest	177,775	166,462	154,459	142,154	129,496
Employee benefits	242	249	256	263	271
Finance Cost	1,008,457	1,476,499	1,572,346	1,662,173	1,751,148
Depreciation and amortisation	92	92	92	92	92
Fair Value Losses	14,749,254	1,335,009	1,415,299	1,495,119	1,574,111
<b>Total expenses administered on behalf of Government</b>	<b>79,624,955</b>	<b>69,084,036</b>	<b>71,492,805</b>	<b>75,005,579</b>	<b>78,576,496</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Other taxes	3,747	3,978	4,213	4,426	4,650
<b>Total taxation revenue</b>	<b>3,747</b>	<b>3,978</b>	<b>4,213</b>	<b>4,426</b>	<b>4,650</b>
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	5,280	5,540	16,750	17,158	17,587
Interest	1,487,181	1,852,303	1,999,046	2,165,266	2,346,304
Other revenue	99,259	104,374	108,679	113,558	118,305
<b>Total non-taxation revenue</b>	<b>1,591,720</b>	<b>1,962,217</b>	<b>2,124,475</b>	<b>2,295,982</b>	<b>2,482,196</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>1,595,467</b>	<b>1,966,195</b>	<b>2,128,688</b>	<b>2,300,408</b>	<b>2,486,846</b>
<b>Gains</b>					
Fair value gains	241,415	-	-	-	-
<b>Total gains administered on behalf of government</b>	<b>241,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income administered on behalf of Government</b>	<b>1,836,882</b>	<b>1,966,195</b>	<b>2,128,688</b>	<b>2,300,408</b>	<b>2,486,846</b>
<b>Net (cost of)/ contribution by services</b>	<b>(77,788,073)</b>	<b>(67,117,841)</b>	<b>(69,364,117)</b>	<b>(72,705,171)</b>	<b>(76,089,650)</b>
<b>Surplus/(deficit) before income tax</b>	<b>(77,788,073)</b>	<b>(67,117,841)</b>	<b>(69,364,117)</b>	<b>(72,705,171)</b>	<b>(76,089,650)</b>
<b>Surplus/(deficit) after income tax</b>	<b>(77,788,073)</b>	<b>(67,117,841)</b>	<b>(69,364,117)</b>	<b>(72,705,171)</b>	<b>(76,089,650)</b>
<b>Total comprehensive income/(loss)</b>	<b>(77,788,073)</b>	<b>(67,117,841)</b>	<b>(69,364,117)</b>	<b>(72,705,171)</b>	<b>(76,089,650)</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,154,157	77,670	81,103	84,723	88,539
Trade and other receivables	41,353,595	44,390,273	47,937,903	51,814,514	55,991,000
Other investments	4,047,346	4,047,346	4,047,346	4,047,346	4,047,346
<b>Total financial assets</b>	<b>46,555,098</b>	<b>48,515,289</b>	<b>52,066,352</b>	<b>55,946,583</b>	<b>60,126,885</b>
<b>Non-financial assets</b>					
Land and buildings	561	549	537	525	513
<b>Total non-financial assets</b>	<b>561</b>	<b>549</b>	<b>537</b>	<b>525</b>	<b>513</b>
<b>Total assets administered on behalf of Government</b>	<b>46,555,659</b>	<b>48,515,838</b>	<b>52,066,889</b>	<b>55,947,108</b>	<b>60,127,398</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	37,894	37,894	37,894	37,894	37,894
Personal benefits	284,920	52,513	1,653	5,266	8,598
Grants	70,549	70,549	70,549	70,549	70,549
Other payables	5,487	5,487	5,487	5,487	5,487
<b>Total payables</b>	<b>398,850</b>	<b>166,443</b>	<b>115,583</b>	<b>119,196</b>	<b>122,528</b>
<b>Interest bearing liabilities</b>					
Leases	646	646	646	646	646
<b>Total interest bearing liabilities</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>
<b>Provisions</b>					
Personal benefit provisions	810,788	874,485	951,219	1,016,514	1,075,553
Grants provisions	4,395,628	4,092,672	3,783,461	3,465,134	3,137,881
<b>Total provisions</b>	<b>5,206,416</b>	<b>4,967,157</b>	<b>4,734,680</b>	<b>4,481,648</b>	<b>4,213,434</b>
<b>Total liabilities administered on behalf of Government</b>	<b>5,605,912</b>	<b>5,134,246</b>	<b>4,850,909</b>	<b>4,601,490</b>	<b>4,336,608</b>
<b>Net assets/(liabilities)</b>	<b>40,949,747</b>	<b>43,381,592</b>	<b>47,215,980</b>	<b>51,345,618</b>	<b>55,790,790</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	2,044,969	2,121,327	2,228,027	2,325,995	2,437,091
Taxes	3,747	3,978	4,213	4,426	4,650
Other	36,218	29,933	38,897	38,194	37,916
<b>Total cash received</b>	<b>2,084,934</b>	<b>2,155,238</b>	<b>2,271,137</b>	<b>2,368,615</b>	<b>2,479,657</b>
<b>Cash used</b>					
Grant	48,288,576	50,230,663	52,140,027	54,342,307	56,631,656
Subsidies paid	2,168,710	1,291,487	97,917	98,057	98,221
Personal benefits	15,619,407	17,139,350	18,606,215	19,853,206	21,058,733
Suppliers	243,301	249,972	211,334	179,864	212,900
Employees	242	249	256	263	271
Interest payments on lease liability	25	25	25	25	25
<b>Total cash used</b>	<b>66,320,261</b>	<b>68,911,746</b>	<b>71,055,774</b>	<b>74,473,722</b>	<b>78,001,806</b>
<b>Net cash from/(used by) operating activities</b>	<b>(64,235,327)</b>	<b>(66,756,508)</b>	<b>(68,784,637)</b>	<b>(72,105,107)</b>	<b>(75,522,149)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Repayments of advances and loans	4,955,959	4,865,398	4,868,007	5,077,490	5,321,836
<b>Total cash received</b>	<b>4,955,959</b>	<b>4,865,398</b>	<b>4,868,007</b>	<b>5,077,490</b>	<b>5,321,836</b>
<b>Cash used</b>					
Advances and loans made	8,271,517	8,757,806	9,291,614	9,822,348	10,347,886
<b>Total cash used</b>	<b>8,271,517</b>	<b>8,757,806</b>	<b>9,291,614</b>	<b>9,822,348</b>	<b>10,347,886</b>
<b>Net cash from/(used by) investing activities</b>	<b>(3,315,558)</b>	<b>(3,892,408)</b>	<b>(4,423,607)</b>	<b>(4,744,858)</b>	<b>(5,026,050)</b>

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Other	80	80	80	80	80
<b>Total cash used</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>
<b>Net cash from/(used by) financing activities</b>					
	<b>(80)</b>	<b>(80)</b>	<b>(80)</b>	<b>(80)</b>	<b>(80)</b>
<b>Net increase/ (decrease) in cash held</b>					
	<b>(67,550,965)</b>	<b>(70,648,996)</b>	<b>(73,208,324)</b>	<b>(76,850,045)</b>	<b>(80,548,279)</b>
Cash and cash equivalents at beginning of reporting period	3,009,588	1,154,157	77,670	81,103	84,723
Cash from Official Public Account for:					
- Appropriations	71,074,467	74,850,752	78,553,174	82,476,623	86,481,522
<b>Total cash from Official Public Account</b>	<b>71,074,467</b>	<b>74,850,752</b>	<b>78,553,174</b>	<b>82,476,623</b>	<b>86,481,522</b>
Cash to Official Public Account for:					
- Appropriations	(5,378,933)	(5,278,243)	(5,341,417)	(5,622,958)	(5,929,427)
<b>Total cash to Official Public Account</b>	<b>(5,378,933)</b>	<b>(5,278,243)</b>	<b>(5,341,417)</b>	<b>(5,622,958)</b>	<b>(5,929,427)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>1,154,157</b>	<b>77,670</b>	<b>81,103</b>	<b>84,723</b>	<b>88,539</b>

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 2026-27)**

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

<b>Section 1: Entity overview and resources .....</b>	<b>83</b>
1.1 Strategic direction statement.....	83
1.2 Entity resource statement .....	86
1.3 Budget measures .....	87
<b>Section 2: Outcomes and planned performance .....</b>	<b>88</b>
2.1 Budgeted expenses and performance for Outcome 1 .....	89
<b>Section 3: Budgeted financial statements.....</b>	<b>95</b>
3.1 Budgeted financial statements .....	95
3.2 Budgeted financial statements tables.....	96



# 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 purpose is to be the authoritative source of advice on, and delivery of, national curriculum, assessment and reporting for all Australian education ministers, with international recognition of our work.

ACARA's strategic directions are set through its Charter, issued through the Education Ministers Meeting. 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 through agreement by education ministers.

ACARA's strategic directions relating to both its core work to be undertaken and its reform activities are key elements of ACARA's Charter, which was approved by the Education Ministers Meeting in February 2026.

ACARA's core directions are:

#### Curriculum

- Create and publish high-quality, accessible and relevant resources that respond to changing needs, to support teachers to implement the Australian Curriculum.
- Evaluate and monitor the implementation of the Australian Curriculum.
- Research curriculum and curriculum development processes nationally and internationally to inform future iterations of the Australian Curriculum.

#### Assessment

- Deliver a program of national assessment as agreed to by education ministers.
- Conduct research and development to continuously improve student experience and the quality of information collected through delivery of the National Assessment Program (NAP).

#### Reporting

- Deliver the National Report on Schooling in Australia to inform national education policy and measure progress against key performance indicators reflected in the Measurement Framework for Schooling in Australia.
- Deliver transparent, nationally consistent school data through My School to support informed decision-making and accountability.

ACARA's reform directions are:

#### Curriculum

- Review the Australian Curriculum in collaboration with partners and stakeholders, evaluating the curriculum design and ensuring it meets the diverse needs of students and supports effective teaching and learning.

#### Assessment

- Shape the future of the National Assessment Program to meet evolving educational needs, improve the assessment experience and drive better student outcomes.

#### Reporting

- Reform national education reporting to improve the timing, relevance and clarity of educational data, and its impact on policy- and decision-making.

Priorities for ACARA during 2026-27 are ensuring directions agreed by education ministers relating to ACARA's program of work are undertaken including, but not limited to, more recently agreed work:

- conducting an Iterative Review of F-2 Australian Curriculum: Mathematics under agreed Terms of Reference, and
- undertaking a focused review (iterative review) of the Australian Curriculum to support a deeper understanding of Jewish Australians' history and culture, support an understanding, and rejection, of all forms of antisemitism and develop an understanding and expression of Australian values.

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.

ACARA's budget is agreed to by all education ministers and provided in accordance with ministers' agreed funding formula. ACARA's 2026-27 to 2028-29 work plan and related budget amounts were approved by the Education Ministers Meeting in February 2026. The 2027-28 and the 2028-29 budgets have been approved by the Australian Government in principle, with the Australian Government's contribution for these years subject to future Federal Budget processes. ACARA's 2029-30 budget has not yet been approved by education ministers.

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 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 2026-27 as at Budget May 2026**

	2025-26 <i>Estimated actual \$'000</i>	2026-27 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	11,976	8,127
<b>Funds from Government</b>		
Amounts received from related entities		
Amounts from portfolio department (a)	17,974	19,093
Total amounts received from related entities	17,974	19,093
<b>Total funds from Government</b>	<b>17,974</b>	<b>19,093</b>
<b>Funds from other sources</b>		
Interest	260	260
Other	17,224	18,347
<b>Total funds from other sources</b>	<b>17,484</b>	<b>18,607</b>
<b>Total net resourcing for Australian Curriculum, Assessment and Reporting Authority</b>	<b>47,434</b>	<b>45,827</b>
	2025-26	2026-27
<b>Average staffing level (number)</b>	96	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 2026-27 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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 1.1: National Curriculum</b>					
Revenue from Government					
Payment from related entities	6,869	4,374	-	-	-
Revenues from other independent sources	3,255	3,691	-	-	-
<b>Total expenses for Program 1.1</b>	<b>10,124</b>	<b>8,065</b>	-	-	-
<b>Program 1.2: National Assessment</b>					
Revenue from Government					
Payment from related entities	10,844	11,394	-	-	-
Revenues from other independent sources	10,910	11,458	-	-	-
<b>Total expenses for Program 1.2</b>	<b>21,754</b>	<b>22,852</b>	-	-	-
<b>Program 1.3: National Data Collection and Reporting</b>					
Revenue from Government					
Payment from related entities	2,154	2,245	-	-	-
Revenues from other independent sources	2,218	2,310	-	-	-
<b>Total expenses for Program 1.3</b>	<b>4,372</b>	<b>4,555</b>	-	-	-
<b>Program 1.4: National Collaboration and Leadership</b>					
Revenue from Government					
Payment from related entities	1,036	1,080	-	-	-
Revenues from other independent sources	1,101	1,145	-	-	-
<b>Total expenses for Program 1.4</b>	<b>2,137</b>	<b>2,225</b>	-	-	-
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Payment from related entities	20,903	19,093	-	-	-
Revenues from other independent sources	17,484	18,604	-	-	-
<b>Total expenses for Outcome 1</b>	<b>38,387</b>	<b>37,697</b>	-	-	-

	2025-26	2026-27
<b>Average staffing level (number)</b>	96	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**

This section details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 1 – Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.</b>		
<b>Program 1.1 – National Curriculum<sup>27</sup></b>		
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.		
<b>Key Activities</b>	<ul style="list-style-type: none"> <li>• Develop, update and maintain the Australian Curriculum and support its implementation</li> <li>• Provide authoritative Australian Curriculum advice to stakeholders, and facilitate information sharing, collaboration, and support for the Australian Curriculum</li> <li>• Monitor the effectiveness of the Australian Curriculum and undertake research to inform national policy and practice</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The number of users accessing the Australian Curriculum information and support resources increases	The information and number of support resources being accessed from the Australian Curriculum website shows growth from the previous year
	Australian Curriculum website users report that the website is useful in supporting curriculum implementation	On track to indicate at least 70% satisfaction with the usefulness of the Australian Curriculum website
	Work samples for learning areas/subjects are made available on the Australian Curriculum website	On track to show an increase from 2025–26
	Schools and teachers are satisfied with the Australian Curriculum support resources that are available through the Australian Curriculum website	On track to show satisfaction level with support resources available through the Australian Curriculum website is at 65% or above

<sup>27</sup> Key activities and performance measures have been amended in line with ACARA’s 2025–26 Corporate Plan.

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	The number of users accessing the Australian Curriculum information and support resources increases	The information and number of support resources being accessed from the Australian Curriculum website shows annual growth
	Australian Curriculum website users report that the website is useful in supporting curriculum implementation	Teachers and school leaders indicate at least 70% satisfaction with the usefulness of the Australian Curriculum website
	Schools and teachers are satisfied with the Australian Curriculum support resources that are available through the Australian Curriculum website	There is a 65% or above satisfaction level with support resources available through the Australian Curriculum website
	The Australian Curriculum monitoring process is implemented annually	Data received from the monitoring process is shared with key stakeholders before the end of each year
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget Measures: Nil		

<b>Program 1.2 – National Assessment<sup>28</sup></b>		
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.		
<b>Key Activities</b>	<ul style="list-style-type: none"> <li>• Manage the planning development, delivery and reporting for the National Assessment Program (NAP)</li> <li>• Implement National Assessment Program (NAP) reforms</li> <li>• Research, develop, and support activities required for high-quality assessments</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	National Assessment Program (NAP) – NAPLAN and NAP sample assessments are delivered as agreed by Education Ministers	NAPLAN 2025 National Results were released on 30 July 2025  On track to release of the NAP ICTL 2025 public and technical reports
	NAP opt-in tests are available for schools	Achieved  NAP Opt-in 2025 school reports were available to schools from 31 July 2025
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	NAPLAN and NAP sample assessments are delivered as agreed by Education Ministers	National results are published 4 months from the end of the NAPLAN test window and 12 months from the end of the NAP sample test window
	NAP opt-in tests are available for schools	All schools that opt in to NAP assessments are provided with access to related reports within 10 weeks of the end of the assessment test window
	NAP Indigenous Cultural Intellectual Property (ICIP) protocols are implemented	At least 12 reading stimulus texts are developed in collaboration with First Nations authors and/or knowledge holders, with all permissions obtained
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.2 resulting from 2026–27 Budget Measures: Nil		

<sup>28</sup> Key activities and performance measures have been amended in line with ACARA's 2025–26 Corporate Plan.

<b>Program 1.3 – National Data and Reporting<sup>29</sup></b>		
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.		
<b>Key Activities</b>	<ul style="list-style-type: none"> <li>• Manage the collection and quality assurance of data, and provide national school information, including through the My School website</li> <li>• Monitor and, where necessary, review the existing national key performance measures for schools, and produce a comprehensive and authoritative national report</li> <li>• Research, develop and support activities required for high-quality assessments</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Stakeholder satisfaction with the My School website is positive	Satisfaction with My School likely to be positive
	Data relating to schooling in Australia is progressively published through the data portal	On track  Data was released on 3 December 2025 and with further data scheduled for release in February, May and June 2026
	Consultation with jurisdictions on the Measurement Framework for Schooling in Australia is undertaken	Not achieved  The process of consultation will be managed by the Australian Government Department of Education
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	Stakeholder satisfaction with the My School website is positive	Stakeholder satisfaction with the My School website is at least 60%
	Data relating to schooling in Australia is progressively published through the data portal	Data is released on the data portal at least 3 times during the year, including a high-level commentary relating to the data being released
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.3 resulting from 2026–27 Budget Measures: Nil		

<sup>29</sup> Key activities and performance measures have been amended in line with ACARA's 2025–26 Corporate Plan.

<b>Program 1.4 – National Collaboration and Leadership<sup>30</sup></b>		
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.		
<b>Key Activities</b>	<ul style="list-style-type: none"> <li>• Provide national leadership in curriculum, assessment, data collection and reporting directly and in collaboration with jurisdictions and partner agencies</li> <li>• Communicate information about ACARA's work and achievements to partners, stakeholders, and the broader community</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	An advisory structure that is fit for purpose is in place	On track to show level of satisfaction is at least 60%
	ACARA maintains good quality stakeholder relationships	On track to show level of satisfaction is at least 60%
	A transparent reporting process and structure are maintained	Progress reports were presented to both the Audit Risk and Finance Committee and the Board at their meetings of August and November 2025 and planned to be presented to their meetings held in February and June 2026
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	A transparent reporting process and structure are maintained	Progress reports against ACARA's annual work plan are submitted to 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 2027–30	As per 2025–26	Survey of advisory group members showing improvement on the 2025–26 results
		Survey of stakeholders showing improvement on the 2025–26 results
		Progress reports against ACARA's annual work plan are submitted to each meeting of the ACARA Board and ACARA's Audit, Risk and Finance Committee, and submitted to Education Ministers before the end of September
Material changes to Program 1.4 resulting from 2026–27 Budget Measures: Nil		

<sup>30</sup> Key activities and performance measures have been amended in line with ACARA's 2025–26 Corporate Plan.

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2026-27 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. ACARA's 2025-26 to 2027-28 work plan and budget and a new fourth year out (2028-29) work plan and related annual budget were approved by Education Ministers in February 2026.

The 2027-28 and the 2028-29 budgets have been approved by the Australian Government in principle, with the Australian Government's contribution for these years subject to future Federal Budget processes. ACARA's 2029-30 budget has not yet been approved by education ministers. Therefore, 2027-28, 2028-29 and 2029-30 are not reflected in the budgeted expenses, resourcing and financial statements.

ACARA is forecast to report an operating deficit of \$2.929 million in 2025-26, which is technical in nature and reflects a timing mismatch between funding received and the recognition of associated project expenditure.

### 3.2 Budgeted financial statements tables

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	21,879	20,133	-	-	-
Suppliers	14,687	16,068	-	-	-
Depreciation and amortisation	1,802	1,468	-	-	-
Finance costs	19	28	-	-	-
<b>Total expenses</b>	<b>38,387</b>	<b>37,697</b>	-	-	-
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	260	260	-	-	-
Other	17,224	18,344	-	-	-
<b>Total own-source revenue</b>	<b>17,484</b>	<b>18,604</b>	-	-	-
<b>Total own-source income</b>	<b>17,484</b>	<b>18,604</b>	-	-	-
<b>Net (cost of)/contribution by</b>	<b>(20,903)</b>	<b>(19,093)</b>	-	-	-
Revenue from Government	17,974	19,093	-	-	-
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(2,929)</b>	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(2,929)</b>	-	-	-	-
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(2,929)</b>	-	-	-	-

#### Note: Impact of Net Cash Appropriation Arrangements

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Total comprehensive income/(loss) - as per statement of Comprehensive Income</b>	<b>(2,929)</b>	-	-	-	-
plus: depreciation/amortisation expenses for ROU assets (a)	1,080	698	-	-	-
less: lease principal repayments (a)	(1,288)	(761)	-	-	-
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>(3,137)</b>	<b>(63)</b>	-	-	-

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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,127	8,152	-	-	-
Trade and other receivables	295	292	-	-	-
Other financial assets	51	51	-	-	-
<b>Total financial assets</b>	<b>8,473</b>	<b>8,495</b>	-	-	-
<b>Non-financial assets</b>					
Land and buildings	1,171	473	-	-	-
Property, plant and equipment	238	388	-	-	-
Intangibles	2,456	1,786	-	-	-
Other non-financial assets	798	798	-	-	-
<b>Total non-financial assets</b>	<b>4,663</b>	<b>3,445</b>	-	-	-
<b>Total assets</b>	<b>13,136</b>	<b>11,940</b>	-	-	-
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,250	3,154	-	-	-
Other payables	612	612	-	-	-
<b>Total payables</b>	<b>3,862</b>	<b>3,766</b>	-	-	-
<b>Interest bearing liabilities</b>					
Leases	1,224	463	-	-	-
<b>Total interest bearing liabilities</b>	<b>1,224</b>	<b>463</b>	-	-	-
<b>Provisions</b>					
Employee provisions	3,296	3,296	-	-	-
Other provisions	489	150	-	-	-
<b>Total provisions</b>	<b>3,785</b>	<b>3,446</b>	-	-	-
<b>Total liabilities</b>	<b>8,871</b>	<b>7,675</b>	-	-	-
<b>Net assets</b>	<b>4,265</b>	<b>4,265</b>	-	-	-
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Retained surplus (accumulated deficit)	4,265	4,265	-	-	-
<b>Total parent entity interest</b>	<b>4,265</b>	<b>4,265</b>	-	-	-
<b>Total equity</b>	<b>4,265</b>	<b>4,265</b>	-	-	-

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 2026-27)**

	Retained earnings \$'000	Asset revaluation Reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2026</b>					
Balance carried forward from previous period	4,265	-	-	-	4,265
<b>Adjusted opening balance</b>	<b>4,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,265</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated closing balance as at 30 June 2027</b>	<b>4,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,265</b>
<b>Closing balance attributable to the Australian Government</b>	<b>4,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,265</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from Government	35,198	37,440	-	-	-
Interest	260	260	-	-	-
<b>Total cash received</b>	<b>35,458</b>	<b>37,700</b>	-	-	-
<b>Cash used</b>					
Employees	22,414	20,133	-	-	-
Suppliers	15,341	16,164	-	-	-
Interest payments on lease liability	19	28	-	-	-
<b>Total cash used</b>	<b>37,774</b>	<b>36,325</b>	-	-	-
<b>Net cash from/(used by) operating activities</b>	<b>(2,316)</b>	<b>1,375</b>	-	-	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	245	589	-	-	-
<b>Total cash used</b>	<b>245</b>	<b>589</b>	-	-	-
<b>Net cash from/(used by) investing activities</b>	<b>(245)</b>	<b>(589)</b>	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Principal payments on lease liability	1,288	761	-	-	-
<b>Total cash used</b>	<b>1,288</b>	<b>761</b>	-	-	-
<b>Net cash from/(used by) financing activities</b>	<b>(1,288)</b>	<b>(761)</b>	-	-	-
<b>Net increase/(decrease) in cash held</b>	<b>(3,849)</b>	<b>25</b>	-	-	-
Cash and cash equivalents at the beginning of the reporting period	11,976	8,127	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,127</b>	<b>8,152</b>	-	-	-

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 2026-27)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2026</b>				
Gross book value	-	2,926	5,555	8,481
Gross book value - ROU assets	7,765	-	-	7,765
Accumulated depreciation/ amortisation and impairment	-	(2,688)	(3,099)	(5,787)
Accumulated depreciation/amortisation and impairment - ROU assets	(6,594)	-	-	(6,594)
<b>Opening net book balance</b>	<b>1,171</b>	<b>238</b>	<b>2,456</b>	<b>3,865</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - other	-	250	-	250
<b>Total additions</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>250</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(100)	(670)	(770)
Depreciation/amortisation on ROU assets	(698)	-	-	(698)
<b>Total other movements</b>	<b>(698)</b>	<b>(100)</b>	<b>(670)</b>	<b>(1,468)</b>
<b>As at 30 June 2027</b>				
Gross book value	-	3,176	5,555	8,731
Gross book value - ROU assets	7,765	-	-	7,765
Accumulated depreciation/ amortisation and impairment	-	(2,788)	(3,769)	(6,557)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,292)	-	-	(7,292)
<b>Closing net book balance</b>	<b>473</b>	<b>388</b>	<b>1,786</b>	<b>2,647</b>

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 2026-27)**

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

<b>Section 1: Entity overview and resources .....</b>	<b>107</b>
1.1 Strategic direction statement.....	107
1.2 Entity resource statement .....	109
1.3 Budget measures.....	110
<b>Section 2: Outcomes and planned performance .....</b>	<b>111</b>
2.1 Budgeted expenses and performance for Outcome 1 .....	112
<b>Section 3: Budgeted financial statements.....</b>	<b>117</b>
3.1 Budgeted financial statements .....	117
3.2 Budgeted financial statements tables.....	119



# 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 defining, elevating and supporting quality teaching and school leadership to maximise the learning of every child and young person. 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 provide national support for implementation of the *Accreditation of Initial Teacher Education programs in Australia: Standards and Procedures*. Following national endorsement of the Australian Professional Standards for Middle Leaders, AITSL is also supporting systems, sectors and schools in improving supports for those teachers in middle leadership positions, by developing a range of practical resources.

In support of quality teaching and school leadership, AITSL will carry out reviews of the Teacher Standards and Principal Standard, as agreed by Ministers and funded through a cost sharing arrangement. The final report of each review is due in May 2027 that will provide Ministers with options, and associated costings, for progressing any changes to the Standards.

AITSL will continue to provide high quality, practical support to teachers and school leaders across Australia. This will include continuing development of online professional learning under phase 3 of the Indigenous Cultural Responsiveness Initiative. AITSL will continue to elevate the teaching 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.

AITSL's 2025-2029 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 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 2026-27 as at Budget May 2026**

	<i>2025-26 Estimated actual \$'000</i>	2026-27 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>9,422</b>	<b>4,328</b>
<b>Funds from Government</b>		
Amounts from portfolio department (a)	9,304	8,525
Total amounts received from related entities	9,304	8,525
<b>Total funds from Government</b>	<b>9,304</b>	<b>8,525</b>
<b>Funds from other sources</b>		
Interest	639	391
Sale of goods and services	6,923	8,391
<b>Total funds from other sources</b>	<b>7,562</b>	<b>8,782</b>
<b>Total net resourcing for AITSL</b>	<b>26,288</b>	<b>21,635</b>
	<i>2025-26</i>	<i>2026-27</i>
<b>Average staffing level (number)</b>	<b>69</b>	<b>69</b>

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 2026-27 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](http://www.aitsl.edu.au).

The most recent annual performance statement can be found at: [www.aitsl.edu.au](http://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.**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 1.1: Assistance for Quality Teaching and Learning</b>					
Revenue from Government					
Payment from related entities	9,304	8,525	-	-	-
Revenues from other independent sources	9,081	11,242	-	-	-
<b>Total expenses for Program 1.1</b>	<b>18,385</b>	<b>19,767</b>	-	-	-
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Payment from related entities	9,304	8,525	-	-	-
Revenues from other independent sources	9,081	11,242	-	-	-
<b>Total expenses for Outcome 1</b>	<b>18,385</b>	<b>19,767</b>	-	-	-

	2025-26	2026-27
<b>Average staffing level (number)</b>	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 also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are provided.

<b>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.</b>		
<b>Program 1.1 Assistance for Quality Teaching and Learning</b>		
This program enables AITSL to work collaboratively with the 8 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.		
<b>Key Activities<sup>31</sup></b>	<ul style="list-style-type: none"> <li>• Create, promote and support the implementation of national policy frameworks and standards</li> <li>• Develop high-quality, evidence-informed tools, resources, and commissioned products</li> <li>• Support implementation of the national initial teacher education (ITE) accreditation system</li> <li>• 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</li> <li>• Deliver skills assessments for migration on behalf of the Australian Government</li> <li>• Provide nationally consistent data for an evidence-informed national approach to teacher workforce planning through the Australian Teacher Workforce Data (ATWD) initiative</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26 <sup>32</sup>	Stakeholder use of national policy frameworks and standards developed by AITSL	<ul style="list-style-type: none"> <li>• 2% annual increase in the views of the AITSL website On track</li> <li>• 2% annual increase in AITSL Mail subscribers On track</li> </ul>

<sup>31</sup> Refers to updated key activities that were published in the 2025–2029 Corporate Plan.

<sup>32</sup> Following a review by the AITSL Board of Directors which occurred subsequent to the publication of the 2024–25 Portfolio Budget Statements, selected performance measures and targets were removed or amended to reduce duplication and improve clarity from Budget Year 2025–26 onwards, in line with revised performance measures and targets published in the 2025–2029 Corporate Plan.

Year	Performance measures	Expected performance results
Current Year 2025–26 <sup>33</sup> (continued)		<ul style="list-style-type: none"> <li>• AITSL’s national standards and frameworks reflected in the websites of education systems, sectors and regulators as follows:                             <ul style="list-style-type: none"> <li>- Tier 1: <i>Australian Professional Standards for Teachers and Australian Professional Standard for Principals</i> reflected in 100% of websites  Not on track  Note: With a review of the <i>Australian Professional Standards for Teachers and Australian Professional Standard for Principals</i> to be undertaken across 2026 and into 2027, AITSL will endeavor to ensure consistent messaging with systems and sectors on their websites rather than promoting current policy frameworks</li> <li>- Tier 2: <i>Framework for Certification of HALTs and Accreditation of ITE Programs in Australia – Standards and Procedures</i> reflected in 50% of relevant certifying authority and ITE accreditation authority websites  Achieved</li> <li>- Tier 3: Remaining 7 standards and frameworks reflected in 30% of websites  On track</li> </ul> </li> </ul>
	Rate and quality of teacher inductions across Australia	<ul style="list-style-type: none"> <li>• 5% annual increase in the percentage of early career teachers (ECT; 0–2 years) who receive a formal induction  Data not yet available</li> <li>• 2% annual increase in the clicks/downloads of AITSL’s tools and resources that support teacher induction  On track</li> </ul>

<sup>33</sup> Following a review by the AITSL Board of Directors which occurred subsequent to the publication of the 2024–25 Portfolio Budget Statements, selected performance measures and targets were removed or amended to reduce duplication and improve clarity from Budget Year 2025–26 onwards, in line with revised performance measures and targets published in the 2025–2029 Corporate Plan.

Year	Performance measures	Expected performance results
Current Year 2025–26 (Continued)	Availability and use of high-quality, evidence-informed tools, resources and guidelines that support strategic initiatives	<ul style="list-style-type: none"> <li>Development and/or promotion of high-quality evidence-informed tools, resources, and commissioned products</li> </ul> <p>On track</p>
	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"> <li>5% annual increase of users of AITSL’s Indigenous Cultural Responsiveness Self-reflection Tool</li> </ul> <p>On track</p>
	Provision of: <ul style="list-style-type: none"> <li>national panel training for the ITE accreditation system, including panel chair training events, and</li> <li>interstate panellists for ITE panels, based on teacher regulatory authority requests</li> </ul>	<ul style="list-style-type: none"> <li>At least 3 national panel training events are delivered each year</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>At least 1 panel chair training is delivered each year</li> </ul> <p>Achieved</p> <ul style="list-style-type: none"> <li>All (100%) requests for interstate representation on national ITE panels are met</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>Core content is included in all (100%) panel training sessions</li> </ul> <p>On track</p>
	The proportion of ITE providers across Australia which have an endorsed teaching performance assessment (TPA)	<ul style="list-style-type: none"> <li>All accredited ITE programs (100%) across Australia have an endorsed TPA in place</li> </ul> <p>Achieved</p>
	Stakeholder engagement with national teacher certification	<ul style="list-style-type: none"> <li>Increase (&gt;1) in system and sector participation in Highly Accomplished and Lead teacher (HALT) certification</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>Sustained engagement with current HALTs including through development and distribution of 3 Expertise Matters e-newsletters</li> </ul> <p>On track</p>
	Total number of Highly Accomplished and Lead teachers (HALTs) nationally	<ul style="list-style-type: none"> <li>20% annual increase in the number of HALTs nation-wide</li> </ul> <p>On track</p>
	Delivery of robust skills assessments for prospective migrant teachers to support national workforce supply	<ul style="list-style-type: none"> <li>Deliver 90% of assessment-ready skills assessment outcomes within 8 weeks</li> </ul> <p>On track</p>

<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26 (Continued)	Number of teachers who participate in the Australian Teacher Workforce Survey	<ul style="list-style-type: none"> <li>• Maintain Teacher Survey response rates above 8%, nationally Achieved</li>   <li>• Participation of all Teacher Regulator Authorities in the ATWD initiative is maintained Achieved</li> </ul>
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	As per 2025–26	As per 2025–26
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget measures: Nil		

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2026-27 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 core objectives supporting quality teaching and school leadership.

AITSL received \$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 the Indigenous Cultural Responsiveness Initiative, which will focus on providing teachers with high-quality professional learning to improve their cultural responsiveness. The initiative is anticipated to be completed in September 2027.

AITSL will receive \$0.5 million in 2025-26 and \$2.1 million in 2026-27 to carry out reviews of the Teacher Standards and Principal Standards with work due for completion in May 2027.

The funding for the 2026-27 Budget Year will be \$8.525 million. The comparative funding in the 2025-26 year is \$9.304 million.

In the 2026-27 year, the income from Skilled Migration Visa Assessments is budgeted at \$2.888 million and \$3.301 million is included to create a longitudinal data set on the teaching workforce. Comparative income from other sources in the 2025-26 year included \$3.829 million from Skilled Migration Visa Assessments and \$2.498 million to create a longitudinal data set. The 2025-26 income of \$3.829 million for Skilled Migration Visa Assessments is considered an exceptional year. The demand decreased comparative to 2024-25 and is expected to further decline in 2026-27 due the responsibility for migration assessments of the Early Childhood Teacher occupation moving from AITSL to the Australian Education and Care Quality Authority (ACECQA) in December 2024.

AITSL is reporting technical operating deficits in the 2025-26 to 2026-27 financial years. This arises because of revenue recognised in the 2024-25 and 2025-26 financial years, with the corresponding activities and deliverables occurring over the next two 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 2026 is \$15.203 million. Total assets are \$19.365 million, comprising \$18.203 million of financial assets and \$1.162 million of non-financial assets. Total liabilities at 30 June 2026 are \$4.162 million, of which \$1.750 million is accrued employee provisions, \$0.857 million is supplier payables, \$1.379 million of lease liabilities, and \$0.176 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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	12,208	12,713	-	-	-
Suppliers	5,668	6,601	-	-	-
Depreciation and amortisation (a)	442	404	-	-	-
Other expenses	67	49	-	-	-
<b>Total expenses</b>	<b>18,385</b>	<b>19,767</b>	-	-	-
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	6,976	8,333	-	-	-
Interest	641	350	-	-	-
Other	9,304	8,525	-	-	-
<b>Total own-source revenue</b>	<b>16,921</b>	<b>17,208</b>	-	-	-
<b>Total own-source income</b>	<b>16,921</b>	<b>17,208</b>	-	-	-
<b>Net (cost of)/contribution by services</b>	<b>(1,464)</b>	<b>(2,559)</b>	-	-	-
Revenue from Government	-	-	-	-	-
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(1,464)</b>	<b>(2,559)</b>	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(1,464)</b>	<b>(2,559)</b>	-	-	-
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(1,464)</b>	<b>(2,559)</b>	-	-	-

**Note: Impact of Net Cash Appropriation Arrangements**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Total comprehensive income/(loss) - as per statement of Comprehensive Income</b>	(1,464)	(2,559)	-	-	-
plus: depreciation/amortisation expenses for ROU assets (a)	400	400	-	-	-
less: lease principal repayments (a)	(417)	(452)	-	-	-
<b>Net Cash Operating Surplus/(Deficit)</b>	<b>(1,481)</b>	<b>(2,611)</b>	-	-	-

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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,328	9,754	-	-	-
Trade and other receivables	642	531	-	-	-
Other investments	13,233	5,000	-	-	-
<b>Total financial assets</b>	<b>18,203</b>	<b>15,285</b>	-	-	-
<b>Non-financial assets</b>					
Land and buildings	1,132	732	-	-	-
Property, plant and equipment	4	-	-	-	-
Other non-financial assets	26	26	-	-	-
<b>Total non-financial assets</b>	<b>1,162</b>	<b>758</b>	-	-	-
<b>Total assets</b>	<b>19,365</b>	<b>16,043</b>	-	-	-
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	857	754	-	-	-
Other payables	150	150	-	-	-
<b>Total payables</b>	<b>1,007</b>	<b>904</b>	-	-	-
<b>Interest bearing liabilities</b>					
Leases	1,379	927	-	-	-
<b>Total interest bearing liabilities</b>	<b>1,379</b>	<b>927</b>	-	-	-
<b>Provisions</b>					
Employee provisions	1,750	1,541	-	-	-
Other provisions	26	27	-	-	-
<b>Total provisions</b>	<b>1,776</b>	<b>1,568</b>	-	-	-
<b>Total liabilities</b>	<b>4,162</b>	<b>3,399</b>	-	-	-
<b>Net assets</b>	<b>15,203</b>	<b>12,644</b>	-	-	-
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Reserves	2	2	-	-	-
Retained surplus (accumulated deficit)	15,201	12,642	-	-	-
<b>Total parent entity interest</b>	<b>15,203</b>	<b>12,644</b>	-	-	-
<b>Total equity</b>	<b>15,203</b>	<b>12,644</b>	-	-	-

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 2026-27)**

	Retained earnings	Revaluation Asset Reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2026</b>					
Balance carried forward from previous period	15,201	2	-	-	15,203
<b>Adjusted opening balance</b>	<b>15,201</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>15,203</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(2,559)	-	-	-	(2,559)
<b>Total comprehensive income</b>	<b>(2,559)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,559)</b>
of which:					
Attributable to the Australian Government	(2,559)	-	-	-	(2,559)
<b>Estimated closing balance as at 30 June 2027</b>	<b>12,642</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>12,644</b>
<b>Closing balance attributable to the Australian Government</b>	<b>12,642</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>12,644</b>

Prepared on Australian Accounting Standards basis.

\* The non-controlling interest disclosure is not required if an entity does not have non-controlling interests.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from Government	9,304	8,525	-	-	-
Sale of goods and rendering of services	6,923	8,391	-	-	-
Interest	639	391	-	-	-
Net GST received	10	12	-	-	-
<b>Total cash received</b>	<b>16,876</b>	<b>17,319</b>	-	-	-
<b>Cash used</b>					
Employees	12,287	12,922	-	-	-
Suppliers	5,754	6,704	-	-	-
Interest payments on lease liability	66	48	-	-	-
<b>Total cash used</b>	<b>18,107</b>	<b>19,674</b>	-	-	-
<b>Net cash from/(used by) operating activities</b>	<b>(1,231)</b>	<b>(2,355)</b>	-	-	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Investments	-	8,233	-	-	-
<b>Total cash received</b>	-	<b>8,233</b>	-	-	-
<b>Cash used</b>					
Purchase of financial instruments	3,446	-	-	-	-
<b>Total cash used</b>	<b>3,446</b>	-	-	-	-
<b>Net cash from/(used by) investing activities</b>	<b>(3,446)</b>	<b>8,233</b>	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Principal payments on lease liability	417	452	-	-	-
<b>Total cash used</b>	<b>417</b>	<b>452</b>	-	-	-
<b>Net cash from/(used by) financing activities</b>	<b>(417)</b>	<b>(452)</b>	-	-	-
<b>Net increase/(decrease) in cash held</b>	<b>(5,094)</b>	<b>5,426</b>	-	-	-
Cash and cash equivalents at the beginning of the reporting period	9,422	4,328	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4,328</b>	<b>9,754</b>	-	-	-

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 2026-27)**

	Buildings	Other property, plant and equipment	Heritage and cultural	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2026</b>				
Gross book value	-	123	26	149
Gross book value - ROU assets	2,199	-	-	2,199
Accumulated depreciation/ amortisation and impairment	-	(119)	-	(119)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,067)	-	-	(1,067)
<b>Opening net book balance</b>	<b>1,132</b>	<b>4</b>	<b>26</b>	<b>1,162</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(4)	-	(4)
Depreciation/amortisation on ROU assets	(400)	-	-	(400)
<b>Total other movements</b>	<b>(400)</b>	<b>(4)</b>	<b>-</b>	<b>(404)</b>
<b>As at 30 June 2027</b>				
Gross book value	-	123	26	149
Gross book value - ROU assets	2,199	-	-	2,199
Accumulated depreciation/ amortisation and impairment	-	(123)	-	(123)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,467)	-	-	(1,467)
<b>Closing net book balance</b>	<b>732</b>	<b>-</b>	<b>26</b>	<b>758</b>

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 2026-27)**

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

# **Australian Research Council**

## **Entity resources and planned performance**



# Australian Research Council

<b>Section 1: Entity overview and resources .....</b>	<b>129</b>
1.1 Strategic direction statement.....	129
1.2 Entity resource statement .....	131
1.3 Budget measures .....	133
<b>Section 2: Outcomes and planned performance .....</b>	<b>134</b>
2.1 Budgeted expenses and performance for Outcome 1 .....	135
<b>Section 3: Budgeted financial statements.....</b>	<b>143</b>
3.1 Budgeted financial statements .....	143
3.2 Budgeted financial statements tables.....	144



# 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 as an independent body under the *Australian Research Council Act 2001* (ARC Act).

The ARC's outcome is the growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing research policy advice.

The ARC makes a distinctive contribution to Australia's research capability by shaping a research system that delivers fundamental knowledge for the social, environmental, cultural, and economic benefits of all Australians. The ARC's strategic goals centre on collaborative and influential leadership, championing the value of research, and empowering a diverse and talented research workforce. Through targeted and strategic delivery of the National Competitive Grants Program (NCGP), the ARC supports excellent early-stage<sup>34</sup> (non-medical) research that creates high-impact outcomes. The ARC's capability to provide expert advice and evaluation remains central to its purpose, supporting Australian governments, businesses, and communities with evidence-based insights to inform policy development and decision making on research matters.

Guided by a new ARC Strategy during 2026–27, the ARC Board will continue to shape the way the ARC supports research excellence; to strengthen Australia's capacity to respond to national challenges; and to nurture the next generation of researchers.

ARC key priorities for the year:

- Following agreement from government, implement improvements to the design and settings of the NCGP to ensure it is strategic, targeted, well designed, aligned to government priorities, and able to deliver visible returns on public investment.
- Strengthen safeguards relating to research security. The ARC will continue to work with universities, the Department of Education, national security agencies and other stakeholders to address the threat of foreign interference to Australia's research sector.
- Build trust in Australian research by delivering effective research integrity frameworks, in partnership with the National Health and Medical Research Council, universities, and other stakeholders, to uphold high standards of research conduct. This includes ensuring all applicants understand their obligations under Australian law, specifically relevant hate speech and anti-discrimination law.

---

<sup>34</sup> The term 'early-stage research' refers to pure basic research, strategic basic research and applied research.

- Develop a new approach to evaluating the excellence, impact and depth of Australian university research. The Research Insights Capability will be data driven and offer greater insights to the research sector, Government and the Australian community. This new approach will replace the discontinued Excellence in Research for Australia and Engagement and Impact.
- Lead efforts to support First Nations researchers by enabling research across all disciplines, advancing First Nations leadership, and strengthening engagement with Aboriginal and Torres Strait Islander communities and organisations through the ARC's grants program.
- Support the effective and efficient operation of the ARC by enhancing the equity, fairness, and transparency of grant processes, while reducing administrative burden for both the sector and the agency.
- Work across government to improve the visibility and connection of research funding opportunities throughout the sector, contributing to nationally coordinated approaches, and continuing to partner with other Commonwealth entities to support the delivery of their research grants.
- Enhance Australia's international research reputation and maintain regular dialogue and collaboration with key international partners.
- Leverage data, analytics and communication capabilities to offer greater insight into the Australian research landscape and champion the value and impact of ARC-funded research.
- Capitalise on opportunities to strengthen the Research Management System (RMS) application's capability, scalability, and cyber security posture. Enhancing the RMS platform will continue to support efficient and effective research management while safeguarding the interests of the ARC's stakeholders.

## 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 2026-27 as at Budget May 2026**

	2025-26 <i>Estimated actual \$'000</i>	2026-27 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	8,312	8,387
Departmental appropriation (b)	23,009	23,636
s74 External Revenue (c)	255	595
Departmental capital budget (d)	1,333	1,358
Total departmental annual appropriations	<u>32,909</u>	<u>33,976</u>
<b>Total departmental resourcing</b>	<b>32,909</b>	<b>33,976</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	10,137	10,138
Outcome 1	<u>1,040,015</u>	<u>1,088,766</u>
Total administered annual appropriations	<u>1,050,152</u>	<u>1,098,904</u>
<b>Total administered resourcing</b>	<b>1,050,152</b>	<b>1,098,904</b>
<b>Total resourcing for Australian Research Council</b>	<b>1,083,061</b>	<b>1,132,880</b>
	<u>2025-26</u>	<u>2026-27</u>
<b>Average staffing level (number)</b>	<b>140</b>	<b>140</b>

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) 2026-2027.

(b) Excludes departmental capital budget (DCB). The Annual Appropriation amounts appearing for '2025-26 Expected actual' do not include the Appropriation Bill 2025-26 (No.5) as this Bill has not been enacted at the time of publication. A reclassification of Departmental Capital Budget (DCB) to departmental operating expenditure of \$1.0 million is expected. This change is neutral on the entity's total resourcing as the DCB is simultaneously reduced by an equivalent amount. The 2025-26 Portfolio Supplementary Additional Estimates Statements provides detail on this amount.

(c) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) Departmental Capital budgets and Administered payments to other jurisdictions are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, capital budget appropriations have been designated as a 'contribution by owner'.

### 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 2026-27 Budget measures**

**Part 1: Measures announced since the 2025-26 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>Payment measures</b>						
Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses – one year extension (a)	1					
Administered payment		-	-	-	-	-
Departmental payments		-	-	-	-	(428)
<b>Total</b>		-	-	-	-	<b>(428)</b>
<b>Total payment measures</b>						
Administered		-	-	-	-	-
Departmental		-	-	-	-	<b>(428)</b>
<b>Total</b>		-	-	-	-	<b>(428)</b>

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 2026-27 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](http://www.arc.gov.au).

The most recent annual performance statement can be found at: [www.arc.gov.au](http://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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</b>					
<b>Program 1.1: Discovery - Research and Research Training</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	629,808	649,020	671,399	690,863	708,134
<b>Total expenses for Program 1.1</b>	<b>629,808</b>	<b>649,020</b>	<b>671,399</b>	<b>690,863</b>	<b>708,134</b>
<b>Program 1.2: Linkage - Cross Sector Research Partnerships</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	406,406	435,820	450,836	463,902	475,500
ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i> )	-	-	-	-	-
<b>Total expenses for Program 1.2</b>	<b>406,406</b>	<b>435,820</b>	<b>450,836</b>	<b>463,902</b>	<b>475,500</b>
<b>Program 1.3: Excellence in Research for Australia</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	3,801	3,926	4,024	4,125	4,228
<b>Total expenses for Program 1.3</b>	<b>3,801</b>	<b>3,926</b>	<b>4,024</b>	<b>4,125</b>	<b>4,228</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ARC - Departmental</b>					
Departmental expenses					
Departmental appropriation	24,009	23,636	23,826	24,160	24,538
s74 External Revenue (a)	255	595	68	51	14
Expenses not requiring appropriation in the Budget year (b)	2,667	2,401	1,770	1,331	821
<b>Total expenses for Departmental</b>	<b>26,931</b>	<b>26,632</b>	<b>25,664</b>	<b>25,542</b>	<b>25,373</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	1,040,015	1,088,766	1,126,259	1,158,890	1,187,862
Special accounts	-	-	-	-	-
<b>Administered total</b>	<b>1,040,015</b>	<b>1,088,766</b>	<b>1,126,259</b>	<b>1,158,890</b>	<b>1,187,862</b>
Departmental expenses					
Departmental appropriation	24,009	23,636	23,826	24,160	24,538
s74 External Revenue (a)	255	595	68	51	14
Expenses not requiring appropriation in the Budget year (b)	2,667	2,401	1,770	1,331	821
<b>Departmental total</b>	<b>26,931</b>	<b>26,632</b>	<b>25,664</b>	<b>25,542</b>	<b>25,373</b>
<b>Total expenses for Outcome 1</b>	<b>1,066,946</b>	<b>1,115,398</b>	<b>1,151,923</b>	<b>1,184,432</b>	<b>1,213,235</b>
	2025-26	2026-27			
<b>Average staffing level (number)</b>	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, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 1 – Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</b>		
<b>Program 1.1 – Discovery – Research and Research Training</b>		
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.		
<b>Key Activities</b> <sup>35</sup>	<ul style="list-style-type: none"> <li>• Fund high-quality and impactful research</li> <li>• Safeguard research integrity and security</li> <li>• Provide research policy advice</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the timeframes published on the ARC website  On track
	The proportion of appeals received for NCGP applications	Target: The percentage of appeals received for all NCGP applications is less than 1%  On track
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of research projects involve international collaboration  On track
	The percentage of submitted final reports reviewed on time	Target: More than 90% of completed final reports submitted are reviewed by the ARC within 90 days of submission  On track

<sup>35</sup> Key activities reflect the ARC 2025–26 Corporate Plan.

Year	Performance measures	Expected performance results
Current Year 2025–26 (continued)	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 average  Not on track – interim results indicate that investigations are actioned within 33.5 working days on average
	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  On track (2024–25 result: 2.01%)
	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%) approved projects  On track
	The ARC peer review process identifies research excellence	Target: The ARC uses 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: Providing timely and expert advice on research across government  On track
Year	Performance measures	Planned performance results
Budget Year 2026–27	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the timeframes published on the ARC website
	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 average
	The proportion of funded Chief Investigators who are Aboriginal and/or Torres Strait Islander researchers	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

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27 (continued)	The ARC peer review process supports the identification of research excellence	Target: The ARC uses 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 advice on research across government	Target: Providing timely advice on research across government
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget measures: Nil		

<b>Program 1.2 – Linkage – Cross sector research partnerships</b>		
<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>		
<b>Key Activities<sup>36</sup></b>	<ul style="list-style-type: none"> <li>• Fund high-quality and impactful research</li> <li>• Safeguard research integrity and security</li> <li>• Provide research policy advice</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the published timeframes on the ARC website  On track
	The proportion of appeals received for NCGP applications	Target: The percentage of appeals received for all NCGP applications is less than 1%  On track
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of research projects involve international collaboration  On track
	The percentage of submitted final reports reviewed on time	Target: More than 90% of completed final reports submitted are reviewed by the ARC within 90 days of submission  On track
	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 (2024–25 result: \$1.48)
	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 average  Not on track – interim results indicate that investigations are actioned within 33.5 working days on average

<sup>36</sup> Key activities reflect the ARC 2025–26 Corporate Plan.

<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current 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  On track (2024–25 result: 2.01%)
	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%) approved projects  On track
	The ARC peer review process identifies research excellence	Target: The ARC uses 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: Providing timely and expert advice on research across government  On track
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the timeframes published on the ARC website
	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 average
	The proportion of funded Chief Investigators who are Aboriginal and/or Torres Strait Islander researchers	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 ARC peer review process supports the identification of research excellence	Target: The ARC uses 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 advice on research across government	Target: Providing timely advice on research across government
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.2 resulting from 2026–27 Budget Measures: Nil		

<p><b>Program 1.3 – Excellence in Research for Australia<sup>37</sup></b>                  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 Australian 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.</p>		
<p><b>Key Activities<sup>38</sup></b></p>	<ul style="list-style-type: none"> <li>• Assess research quality, engagement, and impact</li> <li>• Provide research policy advice</li> </ul>	
<p><b>Year</b></p>	<p><b>Performance measures</b></p>	<p><b>Expected performance results</b></p>
<p>Current Year 2025–26</p>	<p>Design a new approach for evaluating the excellence, impact and depth of Australian university research</p>	<p>Target: The ARC develops a new research evaluation framework to evaluate research excellence, impact and depth in Australia</p> <p>On track</p>
	<p>The ARC provides expert advice on research across government</p>	<p>Target: The ARC uses 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</p> <p>On track</p>
<p><b>Year</b></p>	<p><b>Performance measures</b></p>	<p><b>Planned performance results</b></p>
<p>Budget Year 2026–27</p>	<p>The ARC provides advice on research across government</p>	<p>Target: Providing timely advice on research across government</p>
<p>Forward Estimates 2027–30</p>	<p>As per 2026–27</p>	<p>As per 2026–27</p>
<p>Material changes to Program 1.3 resulting from 2026–27 Budget Measures: Nil</p>		

<sup>37</sup> The 2023 Excellence in Research for Australia (ERA) round was discontinued, and the Australian Universities Accord has made recommendations regarding a future National Research Evaluation and Impact Framework. The Government is currently considering the recommendations made in the Australian Universities Accord Final Report.

<sup>38</sup> Key activities reflect the ARC 2025–26 Corporate Plan.

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2026-27 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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	20,073	20,649	20,579	21,208	21,606
Suppliers	2,828	2,559	2,258	1,909	1,831
Depreciation and amortisation (a)	3,770	3,164	2,606	2,244	1,831
Finance costs	260	260	221	181	105
<b>Total expenses</b>	<b>26,931</b>	<b>26,632</b>	<b>25,664</b>	<b>25,542</b>	<b>25,373</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	255	595	68	51	14
Other	64	64	64	64	64
<b>Total own-source revenue</b>	<b>319</b>	<b>659</b>	<b>132</b>	<b>115</b>	<b>78</b>
<b>Total own-source income</b>	<b>319</b>	<b>659</b>	<b>132</b>	<b>115</b>	<b>78</b>
<b>Net (cost of)/contribution by services</b>	<b>(26,612)</b>	<b>(25,973)</b>	<b>(25,532)</b>	<b>(25,427)</b>	<b>(25,295)</b>
Revenue from Government	24,009	23,636	23,826	24,160	24,538
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</b>
<b>Total comprehensive income/(loss)</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</b>

**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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Total comprehensive income/(loss) - as per statement of Comprehensive Income</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</b>
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	2,389	2,159	1,601	1,239	757
plus: depreciation/amortisation expenses for ROU assets (b)	1,381	1,005	1,005	1,005	1,074
less: lease principal repayments (b)	(1,167)	(827)	(900)	(977)	(1,074)
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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). 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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	295	295	295	295	295
Trade and other receivables	8,281	8,281	8,281	8,281	8,281
<b>Total financial assets</b>	<b>8,576</b>	<b>8,576</b>	<b>8,576</b>	<b>8,576</b>	<b>8,576</b>
<b>Non-financial assets</b>					
Land and buildings	6,310	5,305	4,300	3,295	2,221
Property, plant and equipment	744	751	1,638	2,596	3,737
Intangibles	3,210	2,402	1,291	487	-
Other non-financial assets	659	659	659	659	659
<b>Total non-financial assets</b>	<b>10,923</b>	<b>9,117</b>	<b>7,888</b>	<b>7,037</b>	<b>6,617</b>
<b>Total assets</b>	<b>19,499</b>	<b>17,693</b>	<b>16,464</b>	<b>15,613</b>	<b>15,193</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	198	198	198	198	198
Other payables	847	847	847	847	847
<b>Total payables</b>	<b>1,045</b>	<b>1,045</b>	<b>1,045</b>	<b>1,045</b>	<b>1,045</b>
<b>Interest bearing liabilities</b>					
Leases	6,440	5,613	4,713	3,736	2,662
<b>Total interest bearing liabilities</b>	<b>6,440</b>	<b>5,613</b>	<b>4,713</b>	<b>3,736</b>	<b>2,662</b>
<b>Provisions</b>					
Employee provisions	5,193	5,193	5,193	5,193	5,193
Other provisions	1,036	1,036	1,036	1,036	1,036
<b>Total provisions</b>	<b>6,229</b>	<b>6,229</b>	<b>6,229</b>	<b>6,229</b>	<b>6,229</b>
<b>Total liabilities</b>	<b>13,714</b>	<b>12,887</b>	<b>11,987</b>	<b>11,010</b>	<b>9,936</b>
<b>Net assets</b>	<b>5,785</b>	<b>4,806</b>	<b>4,477</b>	<b>4,603</b>	<b>5,257</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	45,378	46,736	48,113	49,506	50,917
Asset revaluation reserve	29	29	29	29	29
Retained surplus (accumulated deficit)	(39,622)	(41,959)	(43,665)	(44,932)	(45,689)
<b>Total parent entity interest</b>	<b>5,785</b>	<b>4,806</b>	<b>4,477</b>	<b>4,603</b>	<b>5,257</b>
<b>Total equity</b>	<b>5,785</b>	<b>4,806</b>	<b>4,477</b>	<b>4,603</b>	<b>5,257</b>

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 2026-27)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2026</b>				
Balance carried forward from previous period	(39,622)	29	45,378	5,785
<b>Adjusted opening balance</b>	<b>(39,622)</b>	<b>29</b>	<b>45,378</b>	<b>5,785</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(2,337)	-	-	(2,337)
<b>Total comprehensive income</b>	<b>(2,337)</b>	<b>-</b>	<b>-</b>	<b>(2,337)</b>
of which:				
Attributable to the Australian Government	(2,337)	-	-	(2,337)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Departmental Capital Budget (DCB)	-	-	1,358	1,358
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1,358</b>	<b>1,358</b>
<b>Estimated closing balance as at 30 June 2027</b>	<b>(41,959)</b>	<b>29</b>	<b>46,736</b>	<b>4,806</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(41,959)</b>	<b>29</b>	<b>46,736</b>	<b>4,806</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	23,934	23,636	23,826	24,160	24,538
Sale of goods and rendering of services	255	595	68	51	14
Net GST received	452	492	463	464	570
<b>Total cash received</b>	<b>24,641</b>	<b>24,723</b>	<b>24,357</b>	<b>24,675</b>	<b>25,122</b>
<b>Cash used</b>					
Employees	19,998	20,649	20,579	21,208	21,606
Suppliers	2,764	2,495	2,194	1,845	1,767
Net GST paid	452	492	463	464	570
Interest payments on lease liability	260	260	221	181	105
<b>Total cash used</b>	<b>23,474</b>	<b>23,896</b>	<b>23,457</b>	<b>23,698</b>	<b>24,048</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,167</b>	<b>827</b>	<b>900</b>	<b>977</b>	<b>1,074</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	333	1,358	1,377	1,393	1,411
<b>Total cash used</b>	<b>333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>Net cash from/(used by) investing activities</b>	<b>(333)</b>	<b>(1,358)</b>	<b>(1,377)</b>	<b>(1,393)</b>	<b>(1,411)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	333	1,358	1,377	1,393	1,411
<b>Total cash received</b>	<b>333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>Cash used</b>					
Principal payments on lease liability	1,167	827	900	977	1,074
<b>Total cash used</b>	<b>1,167</b>	<b>827</b>	<b>900</b>	<b>977</b>	<b>1,074</b>
<b>Net cash from/(used by) financing activities</b>	<b>(834)</b>	<b>531</b>	<b>477</b>	<b>416</b>	<b>337</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	295	295	295	295	295
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>295</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	1,333	1,358	1,377	1,393	1,411
<b>Total new capital appropriations</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,333	1,358	1,377	1,393	1,411
<b>Total items</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - DCB (a)	1,333	1,358	1,377	1,393	1,411
<b>TOTAL</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,333	1,358	1,377	1,393	1,411
<b>Total cash used to acquire assets</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>

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 2026-27)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2026</b>				
Gross book value	-	2,269	25,256	27,525
Gross book value - ROU assets	7,038	-	-	7,038
Accumulated depreciation/ amortisation and impairment	-	(1,525)	(22,046)	(23,571)
Accumulated depreciation/amortisation and impairment - ROU assets	(728)	-	-	(728)
<b>Opening net book balance</b>	<b>6,310</b>	<b>744</b>	<b>3,210</b>	<b>10,264</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	552	806	1,358
<b>Total additions</b>	<b>-</b>	<b>552</b>	<b>806</b>	<b>1,358</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(545)	(1,614)	(2,159)
Depreciation/amortisation on ROU assets	(1,005)	-	-	(1,005)
<b>Total other movements</b>	<b>(1,005)</b>	<b>(545)</b>	<b>(1,614)</b>	<b>(3,164)</b>
<b>As at 30 June 2027</b>				
Gross book value	-	2,821	26,062	28,883
Gross book value - ROU assets	7,038	-	-	7,038
Accumulated depreciation/ amortisation and impairment	-	(2,070)	(23,660)	(25,730)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,733)	-	-	(1,733)
<b>Closing net book balance</b>	<b>5,305</b>	<b>751</b>	<b>2,402</b>	<b>8,458</b>

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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	447	454	464	474	1,073
Suppliers	6,949	7,188	7,370	7,557	7,158
Grants	1,032,619	1,081,124	1,118,425	1,150,859	1,179,631
<b>Total expenses administered on behalf of Government</b>	<b>1,040,015</b>	<b>1,088,766</b>	<b>1,126,259</b>	<b>1,158,890</b>	<b>1,187,862</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Other revenue	9,721	9,721	9,721	9,721	9,721
<b>Total non-taxation revenue</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Net (cost of)/contribution by services</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Surplus/(deficit) before income tax</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Surplus/(deficit) after income tax</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,070	2,070	2,070	2,070	2,070
Trade and other receivables	312	312	312	312	312
<b>Total financial assets</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>
<b>Non-financial assets</b>					
Other non-financial assets	86	86	86	86	86
<b>Total non-financial assets</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
<b>Total assets administered on behalf of Government</b>	<b>2,468</b>	<b>2,468</b>	<b>2,468</b>	<b>2,468</b>	<b>2,468</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	962	962	962	962	962
Grants	164,011	164,011	164,011	164,011	164,011
Other payables	8	8	8	8	8
<b>Total payables</b>	<b>164,981</b>	<b>164,981</b>	<b>164,981</b>	<b>164,981</b>	<b>164,981</b>
<b>Provisions</b>					
Employee provisions	23	23	23	23	23
<b>Total provisions</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
<b>Total liabilities administered on behalf of Government</b>	<b>165,004</b>	<b>165,004</b>	<b>165,004</b>	<b>165,004</b>	<b>165,004</b>
<b>Net assets/(liabilities)</b>	<b>(162,536)</b>	<b>(162,536)</b>	<b>(162,536)</b>	<b>(162,536)</b>	<b>(162,536)</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	956	956	956	956	956
Other	9,721	9,721	9,721	9,721	9,721
<b>Total cash received</b>	<b>10,677</b>	<b>10,677</b>	<b>10,677</b>	<b>10,677</b>	<b>10,677</b>
<b>Cash used</b>					
Grant	1,032,619	1,081,124	1,118,425	1,150,859	1,179,631
Suppliers	6,949	7,188	7,370	7,557	7,158
Net GST paid	956	956	956	956	956
Employees	447	454	464	474	1,073
<b>Total cash used</b>	<b>1,040,971</b>	<b>1,089,722</b>	<b>1,127,215</b>	<b>1,159,846</b>	<b>1,188,818</b>
<b>Net cash from/(used by) operating activities</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Net increase/(decrease) in cash</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
Cash and cash equivalents at beginning of reporting period	2,070	2,070	2,070	2,070	2,070
Cash from Official Public Account for:					
- Appropriations	1,041,971.00	1,088,766	1,126,259	1,158,890	1,187,862
<b>Total cash from Official Public Account</b>	<b>1,041,971</b>	<b>1,088,766</b>	<b>1,126,259</b>	<b>1,158,890</b>	<b>1,187,862</b>
Cash to Official Public Account for:					
- Appropriations	11,677	9,721	9,721	9,721	9,721
<b>Total cash to Official Public Account</b>	<b>11,677</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>

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 2026-27)**

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

<b>Section 1: Entity overview and resources .....</b>	<b>159</b>
1.1 Strategic direction statement.....	159
1.2 Entity resource statement .....	162
1.3 Budget measures .....	164
<b>Section 2: Outcomes and planned performance .....</b>	<b>165</b>
2.1 Budgeted expenses and performance for Outcome 1 .....	166
<b>Section 3: Budgeted financial statements.....</b>	<b>178</b>
3.1 Budgeted financial statements .....	178
3.2 Budgeted financial statements tables.....	179



# 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 regulator 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 Australian higher education qualifications 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. Registration and accreditation assessments focus on assuring that higher education providers are compliant with the *Higher Education Standards Framework (Threshold Standards) 2021*. TEQSA also investigates potential non-compliance, 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. TEQSA's work supports all Australian higher education providers and delivers qualifications in line with the requirements of the Act, the ESOS Act and the Threshold Standards.

TEQSA will continue to focus its regulatory work to achieve the below regulatory goals:

- protect and enhance Australia's reputation for quality higher education
- protect and enhance Australia's international competitiveness in the higher education sector
- protect and enhance excellence, diversity and innovation in higher education in Australia
- promote a higher education sector that supports Australia's social and economic needs for a highly educated and skilled population
- protect higher education students
- protect and enhance the academic integrity of courses provided by higher education providers.

TEQSA's work will be informed by key trends in higher education, including in trans-national education (TNE) delivered by Australian higher education providers, provider governance, racism and student wellbeing, and the imperative to maintain academic integrity.

Our regulatory goals will be delivered through a range of activities, including developing capability, focussing on data-driven analysis, providing guidance to the sector, developing regulatory expectations for key sector risks, and enhancing our compliance practices. Some of this work will involve cross-agency collaboration with other regulators, and alignment with whole-of government initiatives.

TEQSA's priorities in the coming year include:

- supporting effective governance practices in Australian universities
- supporting all higher education providers to have effective policies and practices to prevent and respond to racism
- supporting TNE delivered by Australian higher education providers to be the same standard as Australian delivered qualifications
- supporting Australia's reputation for quality higher education
- modernising TEQSA's regulatory approach to ensure that it is utilising its regulatory powers to achieve its regulatory goals
- developing and publishing relevant guidance and information, to support good practice and provider self-assurance
- working closely with the Department of Education and the Australian Tertiary Education Commission
- reviewing TEQSA's approach to cost recovery to ensure it is appropriate and equitable.

TEQSA will manage key challenges to achieving its regulatory goals by:

- minimising regulatory burden on higher education providers through incorporating or acknowledging the outcomes of other legislative obligations and other requirements, for example through the implementation of TEQSA's and the Australian Skills Quality Authority's Joint Dual Sector Regulatory Strategy
- ensuring our activities are informed by an understanding of the concerns of students, including First Nations, Jewish and Muslim students, students who live with disability, international students and others who experience discrimination and challenges participating in higher education
- supporting students access appropriate pathways to resolve individual disputes or concerns, and responding to provider level issues
- utilising data to monitor performance and risks to individual providers, as well as analysis of emerging and known risks across the higher education sector.

### **Strengthening TEQSA’s powers**

The government will progress work to provide TEQSA additional powers and tools to support the efficient and effective regulation of the higher education sector, through potential amendments to the Act. These reforms will ensure TEQSA is able to respond to systemic risk in the sector such as governance failures at universities and ensure all higher education providers are taking appropriate steps to prevent and respond to racism, including antisemitism. To effectively implement these new powers and respond to serious risks facing the sector TEQSA will receive \$9.4 million in funding between 2026-27 and 2029-30.

## **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 2026-27 as at Budget May 2026**

	<i>2025-26 Estimated actual \$'000</i>	<i>2026-27 Estimate \$'000</i>
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	17,043	15,152
Departmental appropriation (b)	22,587	24,760
s74 External Revenue (c)	655	650
Departmental capital budget (d)	191	908
Total departmental annual appropriations	<u>40,476</u>	<u>41,470</u>
<b>Total departmental resourcing</b>	<b>40,476</b>	<b>41,470</b>
<b>Administered</b>		
Total administered special appropriations	200	200
<b>Total administered resourcing</b>	<b>200</b>	<b>200</b>
<b>Total resourcing for TEQSA</b>	<b>40,676</b>	<b>41,670</b>
	<u>2025-26</u>	<u>2026-27</u>
<b>Average staffing level (number)</b>	<b>109</b>	<b>123</b>

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) 2026-2027.

(b) Excludes Departmental Capital Budget (DCB).

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

(d) Departmental Capital budgets and Administered payments to other jurisdictions are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, capital budget appropriations have 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 2026-27 Budget measures**  
**Part 1: Measures announced since the 2025-26 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>Receipt measures</b>						
Tertiary Education Quality and Standards Agency – additional powers (a)	1.1					
Administered receipt		-	2,697	2,736	2,057	1,901
Departmental receipt		-	-	-	-	-
<b>Total</b>		-	<b>2,697</b>	<b>2,736</b>	<b>2,057</b>	<b>1,901</b>
<b>Total receipt measures</b>						
Administered		-	2,697	2,736	2,057	1,901
Departmental		-	-	-	-	-
<b>Total</b>		-	<b>2,697</b>	<b>2,736</b>	<b>2,057</b>	<b>1,138</b>
<b>Payment measures</b>						
Tertiary Education Quality and Standards Agency – additional powers (a)	1.1					
Administered payment		-	-	-	-	-
Departmental payment		-	2,697	2,736	2,057	1,901
<b>Total</b>		-	<b>2,697</b>	<b>2,736</b>	<b>2,057</b>	<b>1,901</b>
Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses – one year extension (b)	1.1					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	(763)
<b>Total</b>		-	-	-	-	<b>(763)</b>
<b>Total payment measures</b>						
Administered		-	-	-	-	-
Departmental		-	2,697	2,736	2,057	1,138
<b>Total</b>		-	<b>2,697</b>	<b>2,736</b>	<b>2,057</b>	<b>1,138</b>

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 Education. The full measure description and package details appear in the *2026-27 Budget Paper No. 2* under the Education Portfolio.

(b) The full measure description and package details appear in *2026-27 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**

**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.**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 1.1: Regulatory and Quality Assurance</b>					
Departmental expenses					
Departmental appropriations	22,871	23,992	24,291	23,154	22,955
s74 External Revenue (a)	655	650	650	650	650
Expenses not requiring appropriation in the Budget year (b)	1,493	1,662	1,516	1,562	1,356
<b>Departmental total</b>	<b>25,019</b>	<b>26,304</b>	<b>26,457</b>	<b>25,366</b>	<b>24,961</b>
<b>Total expenses for program 1.1</b>	<b>25,019</b>	<b>26,304</b>	<b>26,457</b>	<b>25,366</b>	<b>24,961</b>

#### Outcome 1 Totals by appropriation type

Departmental expenses					
Departmental appropriations	22,871	23,992	24,291	23,154	22,955
s74 External Revenue (a)	655	650	650	650	650
Expenses not requiring appropriation in the Budget year (b)	1,493	1,662	1,516	1,562	1,356
<b>Departmental total</b>	<b>25,019</b>	<b>26,304</b>	<b>26,457</b>	<b>25,366</b>	<b>24,961</b>
<b>Total expenses for Outcome 1</b>	<b>25,019</b>	<b>26,304</b>	<b>26,457</b>	<b>25,366</b>	<b>24,961</b>

	2025-26	2026-27
<b>Average staffing level (number)</b>	109	123

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, amortisation 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 also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are provided.

<b>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.</b>		
<b>Program 1.1 Regulation and Quality Assurance</b> TEQSA provides higher education regulation and quality assurance with reference to standards established under the TEQSA and ESOS Acts:		
<ul style="list-style-type: none"> <li>Objective 1: Promote and support good practice and effective self-assurance across the sector.</li> <li>Objective 2: Identify, analyse, and respond to risks in the sector.</li> <li>Objective 3: Ensure compliance with applicable legislation through effective and efficient regulation.</li> </ul>		
Objective 1: Promote and support good practice and effective self-assurance across the sector		
Key Activities	<ul style="list-style-type: none"> <li>Develop and publish education and guidance materials, in consultation with the sector, to support good practice and provider self-assurance</li> <li>Engage with higher education peak bodies, registered providers, and students, to uphold student interests and support effective regulation and quality assurance</li> <li>Work closely with the Department of Education and the Higher Education Standards Panel on joint projects regarding the Higher Education Standards Framework (HESF) 2021</li> <li>Advise and make recommendations to the Minister on matters relating to the quality and regulation of higher education providers</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current 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 On track
	Website-based guidance is current and relevant to providers	<ul style="list-style-type: none"> <li>Publication of 3-4 sector guidance notes or resource packs annually</li> </ul> On track  <ul style="list-style-type: none"> <li>100% of the website pages visited most frequently (top 30% visits) have been reviewed and (if required) updated within the last 12 months</li> </ul> On track

Year	Performance measures	Expected performance results
<p>Current Year 2025–26 (continued)</p>	<p>Extent of stakeholder satisfaction with TEQSA-developed resources</p>	<p>Peak bodies and providers report substantive contribution to TEQSA's good practice materials and guidance</p> <p>Data not yet available</p>
	<p>Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to:</p> <ul style="list-style-type: none"> <li>i. sector trends, risks, and challenges</li> <li>ii. applications for registration and accreditation</li> <li>iii. implementation of cost recovery</li> <li>iv. the annual conference and other events</li> </ul>	<p>Peak bodies and providers generally report constructive and effective engagement with TEQSA</p> <p>Data not yet available</p> <p>(i) Peak bodies and providers report substantive contribution to TEQSA's identification and response of sector trends and risk</p> <p>Data not yet available</p> <p>(ii) Peak bodies and providers report substantive contribution to reformed TEQSA regulatory model and practice</p> <p>Data not yet available</p> <p>(iii) Peak bodies register satisfaction with engagement on, and further development of the cost recovery model</p> <p>Data not yet available</p> <p>(iv)</p> <ul style="list-style-type: none"> <li>• 80% of stakeholders are satisfied as per Conference Survey, webinar feedback and Provider Survey results</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>• Increase of student attendance at the conference compared to previous years</li> </ul> <p>Not achieved</p> <p>Student attendance at the conference was 126 in 2024 compared to 110 in 2025</p> <p>However, TEQSA also conducted a pre-conference student forum with student delegates, and is establishing a Student Advisory Panel to inform ongoing engagement with students</p>

<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26 (continued)	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  Not applicable  The FY2025–26 attendance records for online provider information events do not differentiate high risk providers from other attendees, thereby no data will be available for this financial year
	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  Not on track  Website visits to the 'Students' section of the TEQSA website increased by 3.4% compared to the same period in the previous year, against a target of 10%. However, work on new resources and the launch of the Student Advisory Panel (SAP) is expected to lead to some increased traffic
	Participation and substantive contribution to joint projects	TEQSA annually participates and substantively contributes to at least 3 joint projects aligned with the HESF  On track
	Provide advice to the Minister with regard to key trends, risks and issues across the sector and regarding high-risk providers	Provide advice and recommendations to 4-5 policy initiatives relevant to key trends, risks, and issues across the sector annually  On track
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	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"> <li>• Publication of 3-4 sector guidance notes or resource packs annually</li> <li>• 100% of the website pages visited most frequently (top 30% visits) have been reviewed and (if required) updated within the last 12 months</li> </ul>
	Extent of stakeholder satisfaction with TEQSA-developed resources	Peak bodies and providers report substantive contribution to TEQSA's good practice materials and guidance

Year	Performance measures	Planned performance results
Budget Year 2026–27 (continued)	Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: <ol style="list-style-type: none"> <li>i. sector trends, risks, and challenges</li> <li>ii. applications for registration and accreditation</li> <li>iii. implementation of cost recovery</li> <li>iv. the annual conference and other events</li> </ol>	<p>Peak bodies and providers generally report constructive and effective engagement with TEQSA</p> <p>(i) Peak bodies and providers report substantive contribution to TEQSA's identification and response of sector trends and risk</p> <p>(ii) Peak bodies and providers report substantive contribution to reformed TEQSA regulatory model and practice</p> <p>(iii) Peak bodies register satisfaction with engagement on, and further development of the cost recovery model</p> <p>(iv)</p> <ul style="list-style-type: none"> <li>• 80% of stakeholders are satisfied as per Conference Survey, webinar feedback and Provider Survey results</li> <li>• Increase of student attendance at the conference compared to previous years</li> </ul>
	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
	Participation and substantive contribution to joint projects	TEQSA annually participates and substantively contributes to at least 3 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 4-5 policy initiatives relevant to key trends, risks, and issues across the sector per annum
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget Measures: Nil		

<b>Objective 2: Identify, analyse, and respond to risks in the sector</b>		
Key Activities	<ul style="list-style-type: none"> <li>• Monitor the performance of registered providers, identify risks, assess provider responses and where necessary, take regulatory or other action</li> <li>• Maintain a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students</li> <li>• 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</li> <li>• Further develop the activity of the TEQSA Higher Education Integrity Unit in relation to commercial academic cheating, cyber security, and foreign interference</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Complete and report on the annual risk assessment of providers and share key themes with the sector	<p>Publish TEQSA’s annual Compliance Report by 30 March, and Annual Report by 30 September</p> <p>Not on track</p> <p>Delivery of the Compliance Report has been delayed and is expected to be delivered in Q2 2026. Furthermore, the 2024–25 Annual Report was published on 3 October 2025 (prior to the legislative deadline for provision to the Minister on 15 October, but after the target of 30 September)</p>
	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"> <li>• Complete 2 Compliance Annual Plan sector risk monitoring or compliance activities</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>• Findings of the annual sector risk monitoring activities are shared with the sector in written and seminar format by end of FY</li> </ul> <p>On track</p>
	Assess provider financial risk as part of the annual risk assessments	<p>Financial risk assessment will be completed for providers who have been in operation for &gt;3 years, as part of annual risk assessment</p> <p>Achieved</p>
	Sector compliance activity involving student wellbeing	<p>Annual Compliance Plan will be modified each year to target relevant priority issues</p> <p>Achieved</p>

Year	Performance measures	Expected performance results
Current Year 2025–26 (continued)	Demonstrated improvements in sector awareness, identification, analysis, and response to integrity risks	<ul style="list-style-type: none"> <li>• Additional prosecutions under Section 114 of the TEQSA Act</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>• 90% of websites advertising or offering commercial academic cheating services blocked</li> </ul> <p>Not applicable</p> <p>For FY2025–26, to date 83 websites have been blocked. However, as TEQSA relies on sector intelligence and its own investigations to identify sites advertising or offering commercial academic cheating services, it is not possible to assess what proportion of all sites this represents</p> <ul style="list-style-type: none"> <li>• Ongoing program of work to remove posts and accounts from social media, with a target of at least 500 removals per financial year</li> </ul> <p>Not on track</p> <p>For FY2025–26, to date 31 social media posts and accounts have been removed</p> <ul style="list-style-type: none"> <li>• 80% of providers have had at least one staff member complete the masterclass in deterring and detecting commercial academic cheating</li> </ul> <p>Not on track</p> <p>As of Feb 2026, 71% of providers have had at least one staff member complete the masterclass, a decrease from the 72% at the end of 2024–25. The decrease is due to having 7 new Institutes of Higher Education for FY2025–26 with none of them having participated in the masterclass</p> <ul style="list-style-type: none"> <li>• Comprehensive suite of resources delivered to Institutes of Higher Education to support enhanced cyber security awareness and maturity</li> </ul> <p>On track</p>

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	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"> <li>• Complete 2 Compliance Annual Plan sector risk monitoring or compliance activities</li> <li>• Findings of the annual sector risk monitoring activities are shared with the sector in written and seminar format by end of FY</li> </ul>
	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"> <li>• Additional prosecutions under Section 114 of the TEQSA Act</li> <li>• 90% of websites advertising or offering commercial academic cheating services blocked</li> <li>• Ongoing program of work to remove posts and accounts from social media, with a target of at least 500 removals per financial year</li> <li>• 80% of providers have had at least one staff member complete the masterclass in deterring and detecting commercial academic cheating</li> <li>• Comprehensive suite of resources delivered to Institutes of Higher Education to support enhanced cyber security awareness and maturity</li> </ul>
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget Measures: Nil		

<b>Objective 3: Ensure compliance with applicable legislation through effective and efficient regulation</b>		
Key Activities	<ul style="list-style-type: none"> <li>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</li> <li>Align risk and compliance approach with legislated requirements and principles of regulatory necessity, risk and proportionality</li> <li>Ensure regulatory assessments are streamlined and coordinated to ensure regulatory activity is undertaken efficiently</li> <li>Recover regulatory costs consistent with Cross Recovery Implementation Statement (CRIS) and relevant framework or guidelines</li> <li>Implement key strategic projects in relation to organisational capability</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current 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  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)  Data not yet available
	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
	Percentage of providers satisfied TEQSA is reducing administrative burden	In 2026, 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

Year	Performance measures	Expected performance results
Current Year 2025–26 (continued)	Recovery consistent with approved CRIS and with support of providers	<ul style="list-style-type: none"> <li>• Full implementation of CRIS, as amended through annual consultation framework</li> </ul> <p>Achieved</p> <ul style="list-style-type: none"> <li>• 70% provider ratings in annual survey rate the process as transparent and information or consultation as good</li> </ul> <p>Data not yet available</p> <ul style="list-style-type: none"> <li>• TEQSA systems mature and efficient</li> </ul> <p>On track</p>
	Strategic projects progressively implemented, on time and on budget	<ul style="list-style-type: none"> <li>• PMS fully implemented and mature, with full consideration of further updates</li> </ul> <p>Not on track</p> <p>TEQSA is replacing its existing customer management relationship (CRM) system, and due to some procurement delays, delivery of the minimum viable product is now targeted for completion by 30 June 2026</p> <ul style="list-style-type: none"> <li>• Records management fully digitised and consistent with archival and other requirements</li> </ul> <p>Achieved</p> <ul style="list-style-type: none"> <li>• Student records for provider closures complete and available on demand</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>• HRMIS effectively utilised and further modules considered and implemented</li> </ul> <p>On track</p> <ul style="list-style-type: none"> <li>• TEQSA's external facing communications tools reflect best practice, including in accessibility</li> </ul> <p>Achieved</p> <ul style="list-style-type: none"> <li>• TEQSA employees report strong and positive organisational culture reflecting APS best-practice</li> </ul> <p>Achieved</p>

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	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
	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 2027, 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"> <li>• Full implementation of CRIS, as amended through annual consultation framework</li> <li>• 70% provider ratings in annual survey rate the process as transparent and information or consultation as good</li> <li>• TEQSA systems mature and efficient</li> </ul>

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27 (continued)	Strategic projects progressively implemented, on time and on budget	<ul style="list-style-type: none"> <li>• PMS fully implemented and mature, with full consideration of further updates</li> <li>• Records management fully digitised and consistent with archival and other requirements</li> <li>• Student records for provider closures complete and available on demand</li> <li>• HRMIS effectively utilised and further modules considered and implemented</li> <li>• TEQSA's external facing communications tools reflect best practice, including in accessibility</li> <li>• TEQSA employees report strong and positive organisational culture reflecting APS best-practice</li> </ul>
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget measures: <ul style="list-style-type: none"> <li>• Tertiary Education Quality and Standards Agency – additional powers</li> </ul>		

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2026–27 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 2026-27 is estimated to be \$24.8 million. This is an increase of \$2.2 million compared to \$22.6 million in 2025-26.

Expenses in 2026-27 are estimated to be \$26.3 million, comprising \$18.1 million in employee expenses, \$6.5 million in supplier expenses, \$1.6 million in depreciation and amortisation expenses, and \$0.1 million in finance expenses.

TEQSA is budgeting for a balanced budget in 2026-27 and 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 estimated to be \$21.5 million in 2026-27. This is an increase of \$2.7 million compared to \$18.8 million in 2025-26, reflecting the entity’s increased cost recovery for its 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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	15,060	18,135	18,645	18,586	18,970
Suppliers	8,423	6,482	6,291	5,234	4,674
Depreciation and amortisation (a)	1,443	1,612	1,466	1,512	1,306
Finance costs	93	75	55	34	11
<b>Total expenses</b>	<b>25,019</b>	<b>26,304</b>	<b>26,457</b>	<b>25,366</b>	<b>24,961</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	650	650	650	650	650
<b>Total own-source revenue</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>
<b>Gains</b>					
Sale of Assets	5	-	-	-	-
Other	50	50	50	50	50
<b>Total gains</b>	<b>55</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Total own-source income</b>	<b>705</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
<b>Net (cost of)/contribution by services</b>	<b>(24,314)</b>	<b>(25,604)</b>	<b>(25,757)</b>	<b>(24,666)</b>	<b>(24,261)</b>
Revenue from Government	22,587	24,760	25,112	24,032	23,892
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(1,727)</b>	<b>(844)</b>	<b>(645)</b>	<b>(634)</b>	<b>(369)</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,727)</b>	<b>(844)</b>	<b>(645)</b>	<b>(634)</b>	<b>(369)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(1,727)</b>	<b>(844)</b>	<b>(645)</b>	<b>(634)</b>	<b>(369)</b>

**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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Total comprehensive income/(loss) - as per statement of Comprehensive Income</b>	<b>(1,727)</b>	<b>(844)</b>	<b>(645)</b>	<b>(634)</b>	<b>(369)</b>
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	889	1,056	909	956	750
plus: depreciation/amortisation expenses for ROU assets (b)	554	556	557	556	556
less: lease principal repayments (b)	(716)	(768)	(821)	(878)	(937)
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 DCB under Appropriation 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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	558	558	558	558	558
Trade and other receivables	15,262	15,262	15,262	15,262	15,262
<b>Total financial assets</b>	<b>15,820</b>	<b>15,820</b>	<b>15,820</b>	<b>15,820</b>	<b>15,820</b>
<b>Non-financial assets</b>					
Buildings	3,879	2,969	2,057	1,147	237
Plant and equipment	292	816	1,388	1,905	2,485
Intangibles - computer software	785	467	263	77	46
Other non-financial assets	464	464	464	464	464
<b>Total non-financial assets</b>	<b>5,420</b>	<b>4,716</b>	<b>4,172</b>	<b>3,593</b>	<b>3,232</b>
<b>Total assets</b>	<b>21,240</b>	<b>20,536</b>	<b>19,992</b>	<b>19,413</b>	<b>19,052</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	594	594	594	594	594
Other payables	418	418	418	418	418
<b>Total payables</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>
<b>Interest bearing liabilities</b>					
Leases	3,415	2,647	1,826	948	11
<b>Total interest bearing liabilities</b>	<b>3,415</b>	<b>2,647</b>	<b>1,826</b>	<b>948</b>	<b>11</b>
<b>Provisions</b>					
Employee provisions	2,420	2,420	2,420	2,420	2,420
<b>Total provisions</b>	<b>2,420</b>	<b>2,420</b>	<b>2,420</b>	<b>2,420</b>	<b>2,420</b>
<b>Total liabilities</b>	<b>6,847</b>	<b>6,079</b>	<b>5,258</b>	<b>4,380</b>	<b>3,443</b>
<b>Net assets</b>	<b>14,393</b>	<b>14,457</b>	<b>14,734</b>	<b>15,033</b>	<b>15,609</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	18,405	19,313	20,235	21,168	22,113
Asset revaluation reserve	257	257	257	257	257
Retained surplus (accumulated deficit)	(4,269)	(5,113)	(5,758)	(6,392)	(6,761)
<b>Total parent entity interest</b>	<b>14,393</b>	<b>14,457</b>	<b>14,734</b>	<b>15,033</b>	<b>15,609</b>
<b>Total equity</b>	<b>14,393</b>	<b>14,457</b>	<b>14,734</b>	<b>15,033</b>	<b>15,609</b>

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 2026-27)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2026</b>				
Balance carried forward from previous period	(4,269)	257	18,405	14,393
<b>Adjusted opening balance</b>	<b>(4,269)</b>	<b>257</b>	<b>18,405</b>	<b>14,393</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(844)	-	-	(844)
<b>Total comprehensive income</b>	<b>(844)</b>	<b>-</b>	<b>-</b>	<b>(844)</b>
<b>Contributions by owners</b>				
Departmental Capital Budget (DCB)	-	-	908	908
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>908</b>	<b>908</b>
<b>Estimated closing balance as at 30 June 2027</b>	<b>(5,113)</b>	<b>257</b>	<b>19,313</b>	<b>14,457</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(5,113)</b>	<b>257</b>	<b>19,313</b>	<b>14,457</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	23,587	24,760	25,112	24,032	23,892
Sale of goods and rendering of services	650	650	650	650	650
Net GST received	713	730	702	649	649
<b>Total cash received</b>	<b>24,950</b>	<b>26,140</b>	<b>26,464</b>	<b>25,331</b>	<b>25,191</b>
<b>Cash used</b>					
Employees	15,060	18,135	18,645	18,586	18,970
Suppliers	8,373	6,432	6,241	5,184	4,624
Net GST paid	713	730	702	649	649
Interest payments on lease liability	93	75	55	34	11
<b>Total cash used</b>	<b>24,239</b>	<b>25,372</b>	<b>25,643</b>	<b>24,453</b>	<b>24,254</b>
<b>Net cash from/(used by) operating activities</b>	<b>711</b>	<b>768</b>	<b>821</b>	<b>878</b>	<b>937</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	5	-	-	-	-
<b>Total cash received</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	191	908	922	933	945
<b>Total cash used</b>	<b>191</b>	<b>908</b>	<b>922</b>	<b>933</b>	<b>945</b>
<b>Net cash from/(used by) investing activities</b>	<b>(186)</b>	<b>(908)</b>	<b>(922)</b>	<b>(933)</b>	<b>(945)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	191	908	922	933	945
<b>Total cash received</b>	<b>191</b>	<b>908</b>	<b>922</b>	<b>933</b>	<b>945</b>
<b>Cash used</b>					
Principal payments on lease liability	716	768	821	878	937
<b>Total cash used</b>	<b>716</b>	<b>768</b>	<b>821</b>	<b>878</b>	<b>937</b>
<b>Net cash from/(used by) financing activities</b>	<b>(525)</b>	<b>140</b>	<b>101</b>	<b>55</b>	<b>8</b>
<b>Net increase/(decrease) in cash held</b>					
Cash and cash equivalents at the beginning of the reporting period	558	558	558	558	558
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>558</b>	<b>558</b>	<b>558</b>	<b>558</b>	<b>558</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	191	908	922	933	945
<b>Total new capital appropriations</b>	<b>191</b>	<b>908</b>	<b>922</b>	<b>933</b>	<b>945</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	191	908	922	933	945
<b>Total items</b>	<b>191</b>	<b>908</b>	<b>922</b>	<b>933</b>	<b>945</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by Capital Appropriation - DCB (a)	191	908	922	933	945
<b>TOTAL</b>	<b>191</b>	<b>908</b>	<b>922</b>	<b>933</b>	<b>945</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	191	908	922	933	945
<b>Total cash used to acquire assets</b>	<b>191</b>	<b>908</b>	<b>922</b>	<b>933</b>	<b>945</b>

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 2026-27)**

	Buildings	Plant and equipment	Intangibles - computer software	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2026</b>				
Gross book value	1,906	507	6,197	8,610
Gross book value - ROU assets	4,453	-	-	4,453
Accumulated depreciation/ amortisation and impairment	(356)	(215)	(5,412)	(5,983)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,124)	-	-	(2,124)
<b>Opening net book balance</b>	<b>3,879</b>	<b>292</b>	<b>785</b>	<b>4,956</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	-	908	-	908
<b>Total additions</b>	<b>-</b>	<b>908</b>	<b>-</b>	<b>908</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(354)	(384)	(318)	(1,056)
Depreciation/amortisation on ROU assets	(556)	-	-	(556)
<b>Total other movements</b>	<b>(910)</b>	<b>(384)</b>	<b>(318)</b>	<b>(1,612)</b>
<b>As at 30 June 2027</b>				
Gross book value	1,906	1,415	6,197	9,518
Gross book value - ROU assets	4,453	-	-	4,453
Accumulated depreciation/ amortisation and impairment	(710)	(599)	(5,730)	(7,039)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,680)	-	-	(2,680)
<b>Closing net book balance</b>	<b>2,969</b>	<b>816</b>	<b>467</b>	<b>4,252</b>

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2026-2027 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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Non-taxation revenue</b>					
Fees and fines	18,846	21,543	21,582	20,903	18,838
<b>Total non-taxation revenue</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Net (cost of)/contribution by services</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Surplus/(deficit) before income tax</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Surplus/(deficit) after income tax</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Total comprehensive income/(loss)</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	68	68	68	68	68
<b>Total financial assets</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>
<b>Total assets administered on behalf of Government</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>
<b>Net assets/(liabilities)</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	18,846	21,543	21,582	20,903	18,838
<b>Total cash received</b>	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Net cash from/(used by) operating activities</b>					
	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
<b>Net increase/(decrease) in cash held</b>					
	<b>18,846</b>	<b>21,543</b>	<b>21,582</b>	<b>20,903</b>	<b>18,838</b>
Cash and cash equivalents at beginning of reporting period					
	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	200	200	200	200	200
<b>Total cash from Official Public Account</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
Cash to Official Public Account for:					
- Appropriations	(19,046)	(21,743)	(21,782)	(21,103)	(19,038)
<b>Total cash to Official Public Account</b>	<b>(19,046)</b>	<b>(21,743)</b>	<b>(21,782)</b>	<b>(21,103)</b>	<b>(19,038)</b>
<b>Cash and cash equivalents at end of reporting period</b>					
	-	-	-	-	-

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 2026-27)**

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



# Portfolio Glossary and Acronyms

<b>Term</b>	<b>Meaning</b>
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 in May 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.
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.

<b>Term</b>	<b>Meaning</b>
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.
Special Account	Balances existing within the Consolidated Revenue Fund (CFR) that are supported by standing appropriations (PGPA Act, s78 and s80). Special accounts allow money in the CFR 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> ).

<b>Term</b>	<b>Meaning</b>
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

AASB	Australian Accounting Standards Board
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
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
PSAES	Portfolio Supplementary 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