

Purpose of Budget Paper No. 4

Budget Paper No. 4 presents information on the full allocation of resources across the General Government Sector.¹ In 2025–26, agencies will be responsible for managing approximately \$785.7 billion to deliver services for individuals, families and businesses.

Budget Paper No. 4 sets out the departmental funding for agencies, administered funding managed by agencies, the nature of funding sources and the purposes of funding as defined by Outcome Statements for each agency.

Additionally, information is provided on the staffing resources allocated to agencies delivering services to the Australian community.

¹ The General Government Sector provides public services that are mainly non-market in nature and for the collective consumption of the community or involve the transfer or distribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding (Budget 2025–26, Budget Paper No. 1, *Statement 9, Appendix A*).

Preface

The Australian Government continues to deliver better outcomes for all Australians, through a stronger public service that reflects the community it serves. Millions of Australians and Australian businesses interact with the Australian Public Service every day for a multitude of reasons. New parents engage with staff at Services Australia to process their parental leave claims and get their newborns added to their Medicare card. Young people taking their first steps into the workforce will rely on staff at the Australian Taxation Office to generate their tax file number. A business may seek support on exporting products or receive a payment for an apprentice.

It is public servants who process passports, and who are Border Force and biosecurity officers at airports and ports, protecting our borders and safeguarding Australian industries and the environment. Every day, Australian Federal Police officers and staff across Defence and Home Affairs work to protect our nation and keep Australians safe.

Public servants working at Services Australia, the Bureau of Meteorology and the National Emergency Management Agency prepare for, manage and coordinate disaster preparedness and relief responses, including most recently for Ex-Tropical Cyclone Alfred.

The public service is a truly national institution operating from 583 locations around Australia, in remote areas, regional towns and cities and in all state and territory capitals. These are public servants living in, working with and understanding the communities they serve – assisting the government to respond to situations as they arise and ensuring that decisions are carefully considered and well informed.

Safe and quality care for our veterans, our children, people with a disability, and people in aged care is only possible due to the support provided by the public service, in partnership with many non-government organisations and businesses.

Over successive budgets since the 2022–23 October Budget, the Australian Government has invested in the capacity, capability and strength of the public service. The 2025–26 Budget continues to improve the delivery of government services, strengthen Australia’s national security and build Australia’s future.

Investing in an efficient public service that delivers for Australians

The role of the public service has changed over the past 20 years. New and emerging technologies, a growing and ageing population, the changing geo-strategic environment and increasing economic complexities means that the Australian Government has had to expand services and enter new fields of responsibility.

The public service is now supporting the energy transition, delivering services like the National Disability Insurance Scheme (NDIS), managing the impacts of an ageing population, and managing heightened international and regional security challenges.

Services Australia has grown in line with increased demand for services as the combined impact of our ageing population, changing demographics and new support payments like Paid Parental Leave, have driven a 35 per cent increase in Medicare and Centrelink claims since 2012.

The Australian Government has also established dedicated roles and functions to ensure that the Australian Public Service plays a leadership role in responding to issues of national importance. This includes the establishment of agencies such as the Australian Centre for Disease Control, the Domestic, Family and Sexual Violence Commission, the National Anti-Corruption Commission, the Australian Submarine Agency, the Office of the Inspector-General of Aged Care and the Net Zero Economy Authority.

Investments since the 2022–23 October Budget have rebuilt the public service to meet the expectations of the Australian community. At the same time, the relative size of the public service has remained below historical levels when measured as a proportion of the total Australian population and the labour force. Today, federal public servants make up 1.5 per cent of the labour force and 0.8 per cent of the total population. In 2006–07, federal public servants comprised 1.6 per cent of the labour force and 0.8 per cent of the population.

The Australian Government's investment in Australia's public service capability has gone hand in hand with delivering on its election commitment to reduce the public service's reliance on consultants, contractors, and labour hire. This has delivered \$4.7 billion in savings since the 2022–23 October Budget, including an additional \$718.8 million in the 2025–26 Budget.

The Australian Government has also delivered on its commitment to abolish the Average Staffing Level (ASL) cap. Under the previous government, the ASL cap placed arbitrary restrictions on the size of the public service and led to agencies outsourcing their work to a shadow workforce comprising contractors, consultants, outsourced service providers and labour hire to deliver on the work that needed to be done. This resulted in an artificially low headcount of the public service that came at a costly premium for taxpayers. The 2021–22 Audit of Employment found that, in 2021–22, 112 agencies across the public service

that employed staff under the *Public Service Act 1999* had outsourced arrangements for 53,900 staff on a full-time equivalent basis at a cost of \$20.8 billion.

While the ASL cap was in place, funding to government agencies continued to increase, while ASL growth was suppressed, directly leading to the overreliance on contractors and consultants. Departmental spending rose 35.2 per cent in nominal terms between 2012–13 and 2021–22, whereas ASL numbers fell by 4.5 per cent over the same period.

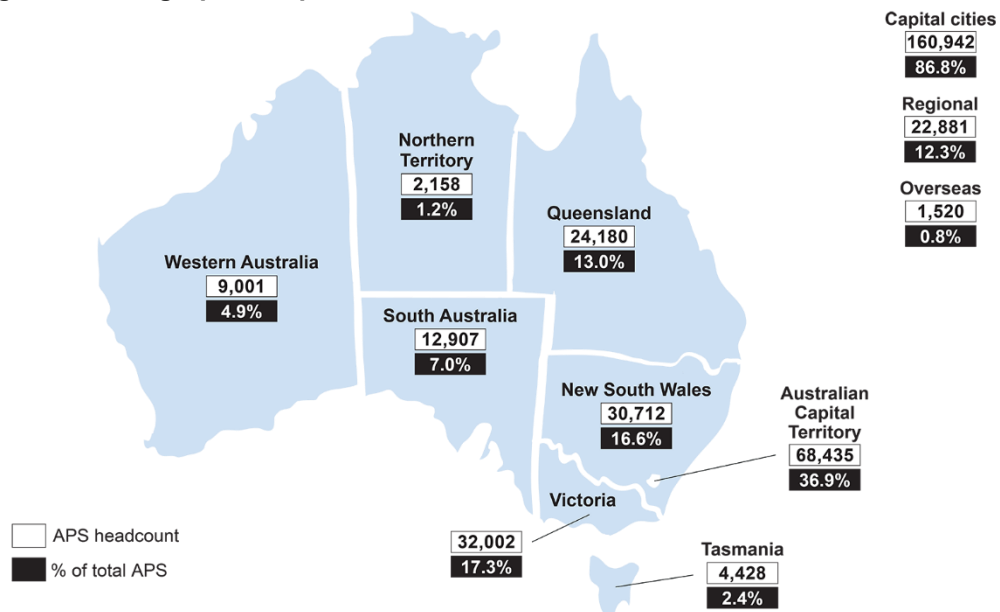
The Australian Government's *APS Strategic Commissioning Framework* seeks to rectify this by requiring core government work to be done by public service employees. The Australian Government has also established an in-house consulting function, Australian Government Consulting, to support the public service to do its work in-house. The 2025–26 Budget includes funding to continue the work of Australian Government Consulting which has directly displaced external consultancy spending, completing 19 projects since its establishment in 2023, with additional projects underway.

The Australian Government's investment has rebalanced and rebuilt the capability of the public service, creating over 11,800 new public service roles to replace work previously undertaken by consultants and contractors. This accounts for more than a quarter of total ASL increases under the Australian Government, including 2,986 additional roles in the 2025–26 Budget that are now being performed by public servants instead of through outsourced arrangements. This includes 2,603 ASL in the National Disability Insurance Agency to improve outcomes for NDIS participants and ensure every dollar of NDIS funding goes to those who need it most.

Investing in the public service to improve services and support Australians

The Australian Government has significantly invested in frontline service delivery agencies across the country to deliver improved services and supports for Australians. As at June 2024 the majority (63 per cent) of the Australian Public Service was located outside of Canberra, with 12 per cent located in regional communities across Australia. Since the 2022–23 October Budget, 71 per cent of all new Australian Public Service positions have been created outside of Canberra.

Figure 1 – Geographical spread of the APS workforce



Source: Australian Public Service Commission, as at 30 June 2024 (headcount)

Since the 2022–23 October Budget, the Australian Government has invested in the capacity and capability of key service delivery agencies, including Services Australia, National Disability Insurance Agency, Department of Veterans’ Affairs, and the Australian Taxation Office, as well as regulators such as the Aged Care Quality and Safety Commission and the NDIS Quality and Safety Commission. Investments in the Department of Health and Aged Care and supporting agencies have also reflected the Australian Government’s priorities to strengthen Medicare, ensure the viability and quality of aged care, and modernise the healthcare system through My Health Record.



Investing in Services Australia

An increase of over 3,400 staff since the 2022–23 October Budget into Services Australia is ensuring Australians can get the help they need, when and where they need it. While the agency was temporarily resourced to respond to the COVID-19 pandemic and natural disaster events, its funding dropped off in the immediate aftermath in the former government’s 2022–23 March Budget, resulting in a reduction in Service Australia’s customer service delivery workforce, and an overreliance on a contracted workforce. This meant that Services Australia was not able to maintain timely processing of incoming claims or provide the level of customer service which Australians expect.

The Australian Government’s investment in new staff from November 2023 have supported:

- the completion of 1.2 million Centrelink claims and Medicare activities in 2023–24
- Aged Pension claims being processed 52 days faster
- Medicare patient claims taking just two days to process instead of seven
- Paid Parental Leave claims taking three days to process instead of 31
- PBS Safety Net processing times taking just two days instead of 146

This means more financial supports are getting to Australians faster to help deal with cost-of-living pressures. Staff are also supporting Services Australia emergency response capability, to assist Australians in times of natural disasters and crisis, with over 18,600 calls being answered most recently for Ex-Tropical Cyclone Alfred.

This investment of \$4.0 billion since the 2022–23 October Budget in modernising Services Australia’s service offer has also improved the customer experience, including improving and sustaining the myGov platform which is now one of the most downloaded and used apps in Australia, with 864,000 logins per day as at 30 June 2024. Over 1.6 million customers have also accessed the Medicare Claims Tracker more than 3.9 million times since August 2024.

Since the 2024–25 Budget, the Australian Government has continued to invest in the public service to improve service delivery and meet Australians’ expectations of the services they need, including:

- The National Disability Insurance Agency (NDIA) to fulfil service standards for NDIS participants and for a new planning framework, and for the NDIS Quality and Safeguards Commission to improve the quality and safety of the NDIS supports.
- Funding for the Department of Health and Aged Care to ensure the viability and quality of aged care and support a growing number of older Australians to remain in their homes as they age, through the new *Support at Home* Program. Support has also been provided to ensure the viability of the sector, so that aged care providers can attract the investment needed to keep facilities open, improve quality and build new facilities.
- Continued investment in a modernised My Health Record and the Australian Digital Health Agency to drive a digitally connected healthcare system for all Australians, ensuring Australians have a safe and secure place to keep their key health information, available at any time, including in an emergency. Since March 2022, the volume of My Health Records with data in them has grown by over 1.6 million, for a total of 24.1 million records as at December 2024. Records uploaded by healthcare providers have also grown from 607 million clinical and medicine records in March 2022, to over 1.6 billion as at December 2024. In addition, further resourcing across the Health and Aged Care portfolio has been provided to support primary care services and a regulatory model for vaping products.
- Continuation of funding for the Department of Social Services to support the operation of the National Redress Scheme for survivors of institutional child sexual abuse.
- Protecting the integrity of the tax system by the Australian Taxation Office’s compliance taskforce, which is securing additional tax revenue from large public groups, multinationals, wealthy individuals and private groups.

This complements the Australian Government’s investments in the public service since the 2022–23 October Budget, with the Australian Government committed to improving outcomes for Australians and enhancing the community’s experience in interactions with Australian Government service providers, including:

- Increasing NDIS baseline resourcing to support people with a disability to be more independent and ensure that every dollar of NDIS funding goes to those who need it most. The NDIS Fraud Fusion Taskforce has launched more than 500 investigations and referred 50 people to court. The NDIA has also supported thousands of NDIS participants who may have been impacted by fraudulent providers to transition to safer arrangements. Additional funding supports the NDIS Quality and Safeguards Commission to target disability support providers doing the wrong thing. This has resulted in 2,059 compliance and enforcement activity outcomes, including 1,218 refusals of registration.

- Implementation of the New Aged Care Regulatory Framework and addressing the findings of the *2023 Final Report – Independent Capability Review of the Aged Care Quality and Safety Commission*. The report found the Aged Care Quality and Safety Commission had significant issues in attracting and retaining staff, leading to poorer outcomes for older Australians. The Australian Government’s additional investment will support the Commission undertake its important role of ensuring the safety and wellbeing of older Australians.
- Ensuring the Department of Veterans’ Affairs is well resourced to support veterans and their families. The *Royal Commission into Defence and Veteran Suicide* found the ASL cap led to more labour hire and higher staff turnover resulting in longer claims processing timeframes and poorer outcomes for veterans. The Australian Government made it a priority over successive economic updates to provide significant resourcing for the Department of Veterans’ Affairs, including 500 ongoing ASL in the 2022–23 October Budget. This has helped clear a claims backlog of 41,799 claims, with over 98 per cent completed as at February 2025. Since 2022, an additional \$13 billion in payments to veterans has been made as a result of more claims being processed.
- Investing in the Department of Education to safeguard the Child Care Subsidy program from fraud and non-compliance and target unsafe practices, and ensure child care workers are paid a fair wage, with a 15 per cent wage increase phased in by December 2026, all of which supports delivery of quality and safe services for Australian children.
- Investing in the Australian Competition and Consumer Commission (ACCC) to promote competition in markets and improved pricing to benefit consumers, business and communities. This includes for the *Supermarket Inquiry 2024–25* to review the price-setting practices and profit margins of our supermarkets, and pricing and charging behaviour of child care providers in its *Childcare Inquiry 2023*. The newly established National Anti-Scam Centre within the ACCC has driven a 33 per cent reduction in scam losses reported in 2024 compared to 2023. The Australian Government has also implemented legislation to establish the Scams Prevention Framework to put Australia at the forefront of scam prevention and supporting consumers.
- Supporting the Australian Taxation Office to target tax avoidance and fraud in our taxation system, go after shadow economies, and to work with industry and stakeholders on the Payday superannuation policy, to ensure employees are paid their super at the same time as their salary and wages. The Australian Taxation Office has also worked with employers to action unpaid super, with \$932 million of previously unpaid superannuation reaching the retirement accounts of 797,000 employees in 2023–24.
- Increasing the baseline resourcing of the Office of the eSafety Commissioner to continue to support Australians online, including for families and parents and older Australians, including through enhanced educational, outreach and investigatory activities.

Investing in the public service to secure our region, build resilience and protect Australians

The Australian Government has a strong focus on keeping Australians safe, both at home and overseas, in times of need and crisis. This includes in the areas of defence and national security, biosecurity, and building disaster and public health resilience and preparedness.

From the 2022–23 October Budget, the Australian Government's investment in the public service has helped secure our region and protect our communities. Around 7,730 additional staff have been engaged across agencies to protect Australia's national security, including Defence, the Department of Foreign Affairs and Trade, the Department of Home Affairs, the Australian Federal Police, the Office of National Intelligence, the Attorney-General's Department, the Australian Transaction Reports and Analysis Centre, and the Australian Submarine Agency.

- Investing in Defence, and a strong Australian Defence industry, has created more jobs in regional communities, including for naval shipbuilding and nuclear-powered submarines. Establishing the Australian Submarine Agency has created 883 new jobs to support the delivery of a conventionally-armed nuclear-powered submarine capability for Australia, with significant benefits for Australian jobs within defence industry. This contributes to the delivery of the *2024 National Defence Strategy* and the *2024 Integrated Investment Program*. The AUKUS Pillars I and II requires a highly skilled and specialised public service and industry workforce to deliver new and accelerated defence capability.
- The Australian Government has supported the capability of the Australian Federal Police, including its training, cyber investigations and protective security services. It has strengthened Australia's arrangements for high-risk terrorist offenders, with public servants across the Department of Home Affairs, Attorney-General's Department and the Australian Federal Police working together to support community safety.
- The Australian Government has made significant investments in cyber security, with the establishment of the National Cyber Security Coordinator in the Department of Home Affairs to respond to major cyber incidents and additional resourcing to the Australian Federal Police to investigate and disrupt cyber crime. It is also working with business and industry, including telecommunication providers, hospitals and banks to improve their infrastructure and protect them from attacks.
- With Australia as a member of the Pacific family, the Australian Government is committed to the region's stability, security and its citizens' prosperity. Investment in the public service has supported more Australian Federal Police working across the Pacific to combat crime including through the Pacific Policing Initiative, and support Defence's Pacific Maritime Security Program. Additional resourcing for the Department of Foreign Affairs and Trade has also supported the development of the Pacific Region, through the Official Development Assistance fund and the Australian Infrastructure Financing Facility for the Pacific.

In the 2025–26 Budget, the Australian Government has made it a priority to go after the illicit black market tobacco trade, with public servants in the Australian Criminal Intelligence Commission, Commonwealth Director of Public Prosecutions, Australian Transaction Reports and Analysis Centre, Australian Federal Police, Australian Taxation Office, the Department of Health and Aged Care and the Department of Home Affairs working together to combine their expertise and specialist skills and help curb the illegal market. This will help protect Australians from poorer health outcomes and cut off revenue to criminal gangs.

In addition, public servants are helping to keep Australia free from diseases and protecting our agricultural industries, coordinating our national response to emergencies and resourcing our airports and ports. Investments by the Australian Government include:

- Establishing the Australian Centre for Disease Control, which will be permanently in place from 1 January 2026, to improve Australia’s preparedness and response for public health emergencies. Public servants at the interim Australian Centre for Disease Control have been working to better connect state and territory data sets and further build the nation’s strengths and capabilities, drive better health outcomes for all Australians, and help protect the country from whatever nationally significant health threats it may face in the future.
- Establishing the National Emergency Management Agency to support Australia’s response and preparedness in the face of disasters such as Ex-Tropical Cyclone Alfred. Public servants working at the agency ensure Australian Government funding of up to \$1 billion through the Disaster Ready Fund is distributed to support impacted communities across the country, and enacts the National Coordination Mechanism to work collaboratively across the nation to find solutions to stabilise crises quickly.
- Strengthened and sustainably funded biosecurity, to protect Australia’s agriculture, wildlife and farming sector from outside pests and diseases. This includes protecting Australia against the recent global threat of a serious and highly contagious H5 bird flu strain that has moved quickly around the world, but with Australia currently the only continent free from this stain. Investment has also supported actions to address the border and biosecurity threats from illegal fishing activities around Australia’s northern waters.
- Additional biosecurity officers and Australian Border Force staff at seaports in Wyndham, Dampier and Ashburton, for front-line biosecurity services to enforce Australia’s rigorous biosecurity standards, and ensure people and goods entering and leaving Australia adhere to our strict border controls. In addition, more border staff and biosecurity officers are supporting airports across the country, including in Perth, Newcastle, Sunshine Coast, Broome, Hobart and Western Sydney.

Investing in our public service to support Australia’s economic transformation and build a stronger economy

The Australian Government has made targeted investments in public service capacity to implement the reforms that are needed to advance Australia’s economic transformation. This is delivering the energy transition necessary to effectively address climate change, while supporting our energy, resources, small business sectors, and investing in skills, training and employment pathways to create jobs and boost the economy.

Investment in the public service continues to support significant policies and programs to drive our country’s climate action, to transform our energy system to deliver cheaper, more reliable power, conserve, protect and sustainably manage our natural resources, support our businesses and invest in targeted skills, training and employment measures to support our economic transformation, including:

- Establishing the Net Zero Economy Authority to promote a net zero economic transformation for Australia through facilitating investment, supporting workers, fostering inclusive engagement, and ensuring coherent and effective policies to empower communities, regions, and industries.
- Additional resourcing in the Industry, Science and Resources and Climate Change, Energy, the Environment and Water portfolios is driving the Future Made in Australia agenda, including administering the Future Made in Australia Innovation Fund. This includes working with states and territories and industry to modernise our electricity grid, supporting the \$1 billion Household Energy Upgrades Fund to help homeowners fast track their transition to cheaper, cleaner energy, and establishment of the National Reconstruction Fund to support Australian projects that drive high-value industry transformation.
- Over 375 staff at the Department of Climate Change, Energy, the Environment and Water continue to improve the on-time approval rate of environmental approvals. This builds on the Australian Government’s establishment and resourcing of the Department in the 2022–23 October Budget to lead the Australian charge to fight climate change, support our industries, and protect our environment. Environment approvals processed by public servants have doubled the average on-time rate, with one large solar farm approved within 20 working days.
- Supporting the Whyalla Steelworks to protect local jobs and facilitate longterm transformation of the Australian steel industry.
- Investing in the Australian Taxation Office and the Australian Securities and Investments Commission to continue their support for small businesses. This includes going after illegal phoenix activity by businesses, which often directly impacts sub-contractors, creditors and employees as they are left unpaid and out of pocket, and upgrades and stabilisation of the Australian Securities and Investments Commission business registers, which reported more than 318 million searches of their registers in 2024 and 3.2 million updates processed.

- Partnering with states and territories to put TAFE at the heart of the Vocational Education and Training sector, through the establishment of Free TAFE and continuing to build a national network of TAFE Centres of Excellence. This investment creates opportunities for individuals as well as builds the future of our country.
- Additional resourcing to the Department of Employment and Workplace Relations to support reforms to employment and pre-employment services programs, to ensure everyone in Australia can access secure jobs and participate in the Australian labour market. This includes working with employment providers and families through the new voluntary Parents Pathway to provide personalised assistance and financial support to eligible parents and carers. Public servants also work with Australian employers through the Pacific Australia Labour Mobility Scheme so that they can hire workers from the Pacific and Timor Leste when there are not enough local workers available. This helps fill labour gaps in rural and regional Australia, and in the agriculture and agriculture-related food product manufacturing sectors.

Building Australia’s Future

An investment in our public service and its capability is an investment in the future security and prosperity of Australia. The Australian Government recognises that it cannot deliver outcomes for Australians without the foundations of a strong public service.

While the Australian Government has made great progress in rebuilding the public service after almost a decade of outsourcing, underinvestment and reduced service outcomes, this is a multiyear project that requires continued commitment.

The 2025–26 Budget continues that work to ensure that the public service can keep delivering critical services, stepping up when times are difficult and working to build Australia’s future.



Senator the Hon Katy Gallagher
Minister for Finance
Minister for Women
Minister for the Public Service
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