

Part 1: Agency Financial Resourcing

Appropriations Framework

An appropriation is a legal entitlement to draw money from the Consolidated Revenue Fund (CRF). Appropriations are either annual appropriations or special appropriations. Annual appropriations are contained in the annual Appropriation Acts. Special appropriations are contained in other Acts.

The CRF is a concept established in section 81 of the Constitution to represent all Commonwealth money. All revenues or moneys raised or received by the Executive Government of the Commonwealth, or any person or organisation acting on behalf of the Commonwealth, automatically form part of the CRF. This includes for example taxes, charges, levies, borrowings, loan repayments and moneys held on behalf of others or in trust. Money automatically forms part of the CRF upon receipt, regardless of whether the money is deposited in a bank account.

Section 83 of the Constitution provides that no money shall be drawn from the Treasury of the Commonwealth except under an appropriation made by law (the 'Treasury' of the Commonwealth equates to the CRF). Section 81 provides that appropriations from the CRF must be applied for expenditure of the Commonwealth. Together, sections 81 and 83 provide that before money may be spent there must be an appropriation, made by law, for the purposes of the Commonwealth. These requirements for an appropriations framework safeguard the constitutional control by the Parliament over Australian Government spending.

The appropriations and expenditure framework for agencies in the Australian Government is based on the accounting concept of control. Where an agency has substantial control, the related appropriation and expenditure is classified as *departmental* and where an agency does not have control, expenditure is classified as *administered*. This classification is unique to government and is not used elsewhere in the Australian economy and is in accordance with the Australian Accounting Standard AASB 1050 *Administered Items*. Whether an agency has *administered* or *departmental* control over resources is based largely on the level of discretion the agency has in using those resources.

Departmental appropriations are available to meet expenditure over which an agency has substantial control and are typically used for agency operational expenditure, such as for employees and supplier expenses. *Administered* appropriations are administered by an agency on behalf of the government for the benefit of, or payment to, parties who are external to the agency and not part of the internal operations of that agency.

Administered appropriations are typically used for expenditure such as government grants, subsidies and obligations that arise from legislated eligibility rules and conditions. Further information on the appropriations framework can be found on the Finance website.

Machinery of Government Changes

The term ‘machinery of government changes’ (MoG changes) describes a variety of organisational or functional changes affecting the Commonwealth. MoG changes often arise from amendments to the Administrative Arrangements Order (AAO) following a Prime Ministerial decision to abolish or create a department or to move functional responsibilities between agencies.

Since the 2024–25 Budget, there have been a number of AAO amendments and other Government decisions resulting in the following MoG changes:

- establishment of the Administrative Review Tribunal as a non-corporate Commonwealth entity in the Attorney-General’s portfolio. The Administrative Review Tribunal replaces the Administrative Appeals Tribunal, formerly a non-corporate Commonwealth entity in the same portfolio, which was abolished
- establishment of the National Commission for Aboriginal and Torres Strait Islander Children and Young People as a non-corporate Commonwealth entity in the Social Services portfolio
- establishment of the Net Zero Economy Authority as a non-corporate Commonwealth entity in the Prime Minister and Cabinet portfolio
- abolishment of the National Mental Health Commission, a non-corporate Commonwealth entity in the Health and Aged Care portfolio. The Department of Health and Aged Care, in the same portfolio, adopted the functions of the National Mental Health Commission
- transfer of the Australian Security Intelligence Organisation, a non-corporate Commonwealth entity, from the Home Affairs portfolio to the Attorney-General’s portfolio
- transfer of responsibility for business registers from the Australian Taxation Office to the Australian Securities and Investment Commission
- transfer of emergency management support functions of the Australian Climate Service from the Bureau of Meteorology to the National Emergency Management Agency.

The AAO documents and further information on AAOs can be found on the website of the Department of the Prime Minister and Cabinet, or on the Federal Register of Legislation. For information on how MoG changes impact on portfolios, refer to the *2024–25 Portfolio Additional Estimates Statements* and the *2025–26 Portfolio Budget Statements* of relevant portfolios.

Advance to the Finance Minister

The Advance to the Finance Minister (AFM) provisions under the annual Appropriation Acts enable urgently required allocations to be issued to entities during the financial year. Allocations are made through a determination by the Minister for Finance up to a statutory limit in the annual Appropriation Acts.

In 2024–25, AFM provisions totalling \$1 billion were available across *Appropriation Acts (Nos. 1 and 2) 2024–2025* for other urgent and unforeseen expenditure.

At the time of publication, no AFMs have been issued under the 2024–25 annual appropriations.

The Supply Bills (Nos. 1 and 2) 2025–2026 (known as the Supply Bills) will be introduced to provide for interim supply beyond 1 July 2025. Supply Bills are usually required when an election is due in close proximity to the end of the financial year, because a normal sitting calendar would not afford enough time for the Appropriation Bills (Nos. 1 and 2) 2025–2026 (known as the Budget Bills) to secure their passage.

Together the Supply and Budget Bills present a complete view of the expected annual appropriations for the coming financial year (respectively covering the first five months and the remaining seven months of 2025–2026). The Budget Bills also include the 2025–2026 Budget measures.

The Supply Bills include two separate AFM provisions, comprising:

- \$400 million in Supply Bill (No. 1) 2025–2026
- \$600 million in Supply Bill (No. 2) 2025–2026.

The Budget Bills replicate the AFM splits in the Supply Bills, with the exception that no more than \$1 billion in total can be allocated across the Supply Bills and the Budget Bills (if both set of Bills are enacted). Given the proximity of the Budget to the period when an election is due to be called, the Budget Bills are likely to lapse when the Parliament is dissolved, which means that successor appropriation Bills (which will contain the same titles as the Budget Bills) must be introduced after the election. The total AFM allocation limit will remain at no more than \$1 billion across the Supply Acts and the successor Bills (once enacted).

Further information on AFMs allocated in prior years can be found on the Finance website.

Overview of Agency Resourcing Table

The Agency Resourcing Table presents a consolidated view of estimated Commonwealth public sector financial resources, which will be managed in the Budget year by agencies, that is, Commonwealth entities and Commonwealth companies subject to the *Public Governance, Performance and Accountability Act 2013*.⁵ The Agency Resourcing Table is organised by portfolio and agency, and by agency Outcome.⁶ Corporate Commonwealth entities are denoted by a * in the Agency Resourcing Table and Commonwealth companies are denoted by a #.

The Agency Resourcing Table differentiates the sources of funding, which are annual Appropriation Bills, External Revenue, Special Appropriations and Special Accounts. The amounts are classified into *departmental and administered* resourcing, except for special accounts, which can be classified as either or both. The Agency Resourcing Table includes inter-governmental transactions, which occur when one agency in the GGS pays another agency in the GGS for goods and/or services. To eliminate inter-governmental transactions would not accurately represent the financial resources managed by a particular agency.

Amounts in the Agency Resourcing Table can be matched with amounts in the annual Appropriation Bills, Special Appropriations Table and Special Accounts Table. Examples are in Figures 1 to 4 of the section entitled *Guide to Resourcing Tables*.

Appropriations for corporate entities, shown as *administered* in the annual Appropriation Bills, are regarded as *departmental* funding when received by the corporate entities. This is consistent with accounting and reporting requirements and shown as such in the Agency Resourcing Table.

5 The total amounts in the Agency Resourcing Table cannot be used to calculate consolidated Commonwealth financial resources. This is because they do not include Public Financial Corporations, Public Non-Financial Corporations and the Australian National University. These are public corporations that typically operate in the commercial sphere, are not in the GGS, and are mostly self-funded. Further information on the nature and classification of agencies can be found in the *Flipchart of PGPA Act Commonwealth entities and companies*, which is available on the Finance website.

6 The text of the approved Outcomes which apply to each agency is set out at *Appendix A: Agency Outcome Statements*.

The column headed *External Revenue* in the Agency Resourcing Table presents income received from sources that are not appropriated by Parliament to the agency, including amounts received from other government agencies, individuals, and non-government bodies. In large part, these amounts are for the provision of services.

The column headed *Special Accounts* in the Agency Resourcing Table shows estimated amounts to be credited to one or more special accounts. This column presents estimated income expected from other government agencies, individuals and non-government bodies. This column is located between the *departmental* and *administered* sides of the Agency Resourcing Table because depending on the legislated purposes of a special account, the resources may be used for *departmental* and/or *administered* expenditure. It is consistent with amounts presented in the *Receipts (non-appropriated)* column of the Special Accounts Table.

The Agency Resourcing Table includes only those special appropriations and special accounts that have been established in law at the time of publication. The Agency Resourcing Table and Special Accounts Table exclude moneys held by an agency on trust for a person other than the Commonwealth. These amounts are not considered resourcing available to the agency, as they are not held on account of the Commonwealth and are not for the use or benefit of the Commonwealth.