

Appendix A: Expenses by function and sub-function

Table A.1 sets out Australian Government general government sector expenses by function and sub-function for 2025–26.

Table A.1: Australian Government general government sector expenses by function and sub-function

	2024-25 Outcome	2025-26 Estimate at 2026-27 Budget	2025-26 Outcome	Change on 2026-27 Budget
	\$m	\$m	\$m	\$m
General public services				
Legislative and executive affairs	2,406	2,105	1,994	-111
Financial and fiscal affairs	10,764	10,270	10,107	-163
Foreign affairs and economic aid	7,488	10,168	9,264	-904
General research	4,346	4,557	4,281	-277
General services	1,748	1,915	2,932	1,017
Government superannuation benefits	6,136	5,944	5,942	-1
Total general public services	32,887	34,959	34,520	-439
Defence	47,785	52,854	54,130	1,276
Public order and safety				
Courts and legal services	1,944	2,156	2,104	-53
Other public order and safety	6,573	7,444	7,298	-146
Total public order and safety	8,517	9,601	9,401	-199
Education				
Higher education	11,399	12,040	11,951	-89
Vocational and other education	2,325	2,749	2,632	-117
Schools	31,071	33,009	32,887	-122
<i>Non-government schools</i>	<i>19,372</i>	<i>20,568</i>	<i>20,453</i>	<i>-116</i>
<i>Government schools</i>	<i>11,699</i>	<i>12,440</i>	<i>12,434</i>	<i>-6</i>
School education – specific funding	905	945	925	-20
Student assistance	4,848	15,880	15,839	-41
General administration	354	352	350	-1
Total education	50,901	64,974	64,584	-389
Health				
Medical services and benefits	41,957	44,768	45,091	323
Pharmaceutical benefits and services	21,414	23,318	23,143	-175
Assistance to the states for public hospitals	30,217	33,925	33,951	25
Hospital services	1,092	1,220	1,173	-47
Health services	31,259	16,796	17,841	1,045
General administration	4,946	5,691	5,427	-264
Aboriginal and Torres Strait Islander health	1,363	1,297	1,412	115
Total health	132,249	127,015	128,037	1,021
Social security and welfare				
Assistance to the aged	101,767	109,975	107,968	-2,007
Assistance to veterans and dependants	22,016	13,431	15,684	2,253
Assistance to people with disabilities	86,338	93,358	92,867	-491
Assistance to families with children	48,193	51,750	48,861	-2,888

Table A.1: Australian Government general government sector expenses by function and sub-function (continued)

	2024-25 Outcome	2025-26 Estimate at 2026-27 Budget	2025-26 Outcome	Change on 2026-27 Budget
	\$m	\$m	\$m	\$m
Social security and welfare (continued)				
Assistance to the unemployed and the sick	16,728	17,641	17,852	211
Other welfare programs	1,703	1,801	1,779	-22
Assistance for Indigenous Australians nec	3,031	3,938	3,546	-392
General administration	5,704	5,912	5,826	-85
Total social security and welfare	285,479	297,805	294,383	-3,421
Housing and community amenities				
Housing	3,297	4,374	3,839	-535
Urban and regional development	2,821	2,056	1,611	-445
Environment protection	2,211	2,401	2,176	-225
Total housing and community amenities	8,330	8,831	7,626	-1,205
Recreation and culture				
Broadcasting	1,792	1,857	1,842	-15
Arts and cultural heritage	2,531	2,329	2,305	-25
Sport and recreation	809	939	876	-63
National estate and parks	834	859	928	70
Total recreation and culture	5,966	5,984	5,951	-33
Fuel and energy	14,954	19,160	20,248	1,088
Agriculture, forestry and fishing				
Wool industry	46	56	54	-2
Grains industry	269	329	288	-41
Dairy industry	60	59	59	1
Cattle, sheep and pig industry	261	314	291	-23
Fishing, horticulture and other agriculture	521	613	508	-106
General assistance not allocated to specific industries	46	53	52	-1
Rural assistance	299	443	307	-136
Natural resources development	849	1,299	1,011	-288
General administration	1,449	1,550	1,454	-96
Total agriculture, forestry and fishing	3,801	4,715	4,024	-691
Mining, manufacturing and construction	4,937	5,358	3,690	-1,668
Transport and communication				
Communication	1,723	1,223	1,158	-65
Rail transport	4,245	5,031	5,434	404
Air transport	412	534	467	-67
Road transport	8,957	9,138	9,897	758
Sea transport	499	646	618	-28
Other transport and communication	407	357	328	-29
Total transport and communication	16,244	16,928	17,902	974

Table A.1: Australian Government general government sector expenses by function and sub-function (continued)

	2024-25 Outcome	2025-26 Estimate at 2026-27 Budget	2025-26 Outcome	Change on 2026-27 Budget
	\$m	\$m	\$m	\$m
Other economic affairs				
Tourism and area promotion	196	198	193	-5
Vocational and industry training	2,113	2,476	2,303	-173
Labour market assistance to job seekers and industry	2,268	2,559	2,448	-111
Industrial relations	1,044	1,088	1,115	28
Immigration	3,758	4,536	4,312	-224
Other economic affairs nec	3,516	3,811	3,763	-48
Total other economic affairs	12,895	14,669	14,135	-534
Other purposes				
Public debt interest	23,868	27,629	27,716	87
Nominal superannuation interest	14,250	14,803	14,807	4
General purpose inter-government transactions	99,937	107,887	107,717	-171
Natural disaster relief	7,071	2,936	3,245	309
Contingency reserve	0	-4,045	0	4,045
Total other purposes	145,126	149,210	153,485	4,275
Total expenses	770,071	812,063	812,117	54