



Budget 2024–25

MID-YEAR ECONOMIC AND FISCAL OUTLOOK 2024–25

Statement by

The Honourable Jim Chalmers MP

Treasurer of the Commonwealth of Australia

and

Senator the Honourable Katy Gallagher

Minister for Finance, Minister for Women,
Minister for the Public Service of the Commonwealth of Australia

For the information of honourable members



Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



Budget

2024–25

MID-YEAR ECONOMIC AND FISCAL OUTLOOK 2024–25

Statement by

The Honourable Jim Chalmers MP

Treasurer of the Commonwealth of Australia

and

Senator the Honourable Katy Gallagher

Minister for Finance, Minister for Women,

Minister for the Public Service of the Commonwealth of Australia

For the information of honourable members

© Commonwealth of Australia 2024

ISSN 0728 7194 (print); 1326 4133 (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, third-party content and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/4.0/legalcode>.



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

Commonwealth of Australia material used 'as supplied'.

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

Source: *The Commonwealth of Australia*.

Derivative material

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

Based on Commonwealth of Australia 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).

Other uses

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

Manager
Media Unit
The Treasury
Langton Crescent
Parkes ACT 2600
Email: media@treasury.gov.au

Internet

A copy of this document is available on the central Budget website at: www.budget.gov.au.

Printed by CanPrint Communications Pty Ltd.

Foreword

The *Mid-Year Economic and Fiscal Outlook 2024–25* (MYEFO) has been prepared in accordance with the *Charter of Budget Honesty Act 1998*. The Charter requires that the Government provide a mid-year budget report which provides updated information on the Government’s fiscal position.

Consistent with these requirements:

- **Part 1: Overview** – contains summary information on the key fiscal and economic indicators and outlook and an outline of the key policy decisions taken since the 2024–25 Budget
- **Part 2: Economic Outlook** – discusses the domestic and international economic forecasts and projections that underpin the budget estimates
- **Part 3: Fiscal Strategy and Outlook** – provides a discussion of the fiscal strategy and outlook, in addition to a summary of the factors explaining variations in the cash flow statement, the operating statement and the balance sheet since the 2024–25 Budget
- **Part 4: Debt Statement** – provides information on current and estimated Government debt
- **Part 5: Sensitivity Analysis** – presents analysis which illustrates the sensitivity of the forecasts to changes in key variables
- **Part 6: Statement of Risks** – provides details of general developments or specific events that may have an impact on the fiscal position, and contingent liabilities which are costs the government may possibly face, some of which are quantified
- **Part 7: Australian Government Budget Financial Statements** – provides financial statements for the general government sector, the public non-financial corporations sector, the total non-financial public sector, the public financial corporations sector and notes to the general government sector financial statements
- **Appendix A: Policy Decisions taken since the 2024–25 Budget** – provides details of decisions taken since the 2024–25 Budget that affect payment and receipt estimates
- **Appendix B: Supplementary Expense Tables and the Contingency Reserve** – provides estimates of general government expenses by function and sub-function and outlines the role of the Contingency Reserve
- **Appendix C: Australia’s Federal Financial Relations** – provides information on payments for specific purposes and general revenue assistance provided to the states and territories

- **Appendix D: Tax Expenditures** – provides information on the largest measured Australian Government tax expenditures
- **Appendix E: Historical Australian Government Data** – provides historical data for the Australian Government's key fiscal aggregates

Contents

Foreword	iii
Part 1: Overview	1
Updated economic and fiscal outlook.....	3
National priorities	8
Part 2: Economic Outlook	31
Overview	31
International economic outlook	34
Domestic economic outlook	37
Part 3: Fiscal Strategy and Outlook	49
Overview	49
Economic and Fiscal Strategy.....	52
Fiscal Outlook	56
The Government's balance sheet	75
Other fiscal aggregates	80
Accrual aggregates	80
Structural budget balance estimates	86
Part 4: Debt Statement	89
Australian Government Securities issuance.....	89
Estimates of AGS on issue	90
Changes in AGS on issue since the 2024–25 Budget.....	91
Breakdown of AGS currently on issue.....	92
Non-resident holdings of AGS on issue	95
Net debt	95
Interest on AGS	97
Part 5: Sensitivity Analysis	101
Movements in the iron ore price	101
Alternative pathways for yields.....	102
Part 6: Statement of Risks	105
Risks to the Budget – Overview	105
Agriculture, Fisheries and Forestry	113
Attorney-General's	114
Climate Change, Energy, the Environment and Water.....	115
Defence.....	116
Employment and Workplace Relations	116
Foreign Affairs and Trade	117

Home Affairs	118
Industry, Science and Resources.....	119
Infrastructure, Transport, Regional Development, Communications and the Arts.....	120
Social Services	122
Treasury.....	124
Government loans.....	128
Agriculture, Fisheries and Forestry	132
Climate Change, Energy, the Environment and Water.....	134
Education	135
Employment and Workplace Relations	135
Foreign Affairs and Trade	137
Infrastructure, Transport, Regional Development, Communications and the Arts.....	137
Prime Minister and Cabinet.....	139
Social Services	139
Treasury.....	140
Part 7: Australian Government Budget Financial Statements	143
Australian Government Budget Financial Statements.....	144
Notes to the general government sector financial statements.....	159
Financial reporting standards and budget concepts.....	174
Appendix A: Policy decisions taken since the 2024–25 Budget	183
Receipt Measures	183
Payment Measures	199
Appendix B: Supplementary Expenses Table and the Contingency Reserve	305
Expenses	305
Contingency Reserve.....	308
Appendix C: Australia’s Federal Financial Relations	309
Overview of payments to the states	309
Payments for specific purposes	311
General revenue assistance	319
Appendix D: Tax Expenditures	325
Appendix E: Historical Australian Government Data	329
Data sources.....	329
Comparability of data across years.....	329
Revisions to previously published data	331
Notes	353

Part 1: Overview

The Australian Government's responsible economic and fiscal management has delivered the first back-to-back budget surpluses in nearly two decades, the largest nominal budget improvement in a Parliamentary term, worked with monetary policy to return inflation to the target band for the first time since 2021, preserved most of the labour market gains with over a million jobs created since May 2022, and eased cost-of-living pressures for millions of Australians.

The budget position has improved by around a cumulative \$200 billion over the six years to 2027–28, compared to the 2022 Pre-election Economic and Fiscal Outlook (PEFO). As a result, debt is \$177 billion lower in 2024–25, helping to avoid around \$70 billion in interest costs over the decade.

The 2024–25 Mid-Year Economic and Fiscal Outlook (MYEFO) continues the Government's responsible approach. It improves the budget position for this financial year and makes structural improvements to the budget over the medium term. Fiscal policy settings remain consistent with inflation sustainably returning to the Reserve Bank of Australia's (RBA) target band.

The Government has been able to deliver improvements to the budget despite challenging economic conditions and the need to fund unavoidable spending and payment variations, including automatic adjustments to demand-driven programs. These factors are the primary drivers of the deterioration in the underlying cash balance over the forward estimates since the 2024–25 Budget.

In the face of significant economic headwinds, the Australian economy is on track for a soft landing. The economy has slowed due to a combination of higher interest rates, cost-of-living pressures and global economic uncertainty. Despite these difficult circumstances, there has been encouraging progress on a number of fronts. The economy has continued to grow, inflation has moderated substantially, over a million jobs have been created since the middle of 2022, the participation rate is near record highs, real wage and disposable income growth has returned, the gender pay gap is at record lows and business investment is at near decade highs.

The Government's economic plan is focused on fighting inflation without ignoring the risks to growth, delivering responsible cost-of-living relief and building a more productive, dynamic and resilient economy. The combination of moderating inflation and responsible cost-of-living relief is supporting growth in real wages and real household disposable incomes. After going backwards since early 2022, real per capita incomes have returned to growth. Real income growth is expected to pick up in the period ahead due to a combination of the Government's cost-of-living tax cuts, anticipated moderation in inflation and solid wage and income growth.

This MYEFO advances our economic plan, with new measures that provide relief to Australians, repair the budget and reform the economy.

This MYEFO is helping people now and building Australia’s future by:

- easing cost-of-living pressures – by rolling out responsible relief, taking the next steps to build a universal early childhood education and care system, further investments to build more secure and affordable rentals, supporting students and graduates, helping consumers get a better deal and building a more competitive economy
- investing in a Future Made in Australia – by investing in cleaner cheaper energy, establishing a Front Door for investors, delivering transport infrastructure and reforming our education system
- strengthening Medicare and the care economy – by supporting the care workforce, making healthcare and medicines more accessible and affordable, and improving the quality and sustainability of aged care and disability services
- broadening opportunity and advancing equality – by supporting legal assistance for vulnerable Australians, advancing gender equality, promoting Aboriginal and Torres Strait Islander economic empowerment, broadening labour market opportunities and looking after Australia’s veterans
- safeguarding our people and environment – by responding to changes in technology and the global economy to ensure Australians remain safe at home, abroad and online, protecting the environment and boosting the resilience of communities and our region.

The Government is taking the pressure off Australians by delivering responsible cost-of-living relief and building a more competitive and dynamic economy. Tax cuts for every Australian taxpayer and energy bill relief continue to be rolled out, and this MYEFO provides further relief by reducing student loan debts and compulsory repayments, offering more Free TAFE opportunities, improving the energy performance of social housing and delivering a better deal for consumers.

The Government is building a universal early childhood education and care system, and revitalising competition policy, which will help with the cost of living and make our economy more dynamic and productive.

Many Australians are struggling to get into the housing market. The recent passage of the Help to Buy legislation will bring homeownership back into reach for 40,000 Australians by providing an equity contribution of up to 40 per cent. Build to Rent reforms will boost the supply of rental housing in Australia through tax incentives to encourage investment and construction in the build-to-rent sector. These complement the Government’s substantial housing agenda that supports the national goal of building an extra 1.2 million homes.

The Government is building a Future Made in Australia through establishing a Front Door for investors in major, transformational projects and incentivising private investment in national priority areas. This MYEFO makes further investments in modernising the energy grid to facilitate the net zero transformation, reforming education and training sectors and delivering transport infrastructure.

This MYEFO further strengthens Medicare, makes medicines cheaper and more accessible, and invests in the care economy. This includes delivering a 15 per cent pay rise for early childhood educators, a further pay rise for aged care workers, critical investments in mental health care, pandemic preparedness, primary care and supports for people with chronic conditions. The Government has legislated historic aged care reforms to ensure the viability and quality of aged care, while supporting growing numbers of older Australians choosing to retain their independence and remain in their homes as they age.

This MYEFO also includes measures that respond to the Disability Royal Commission and the Royal Commission into Defence and Veteran Suicide, progresses reforms to the National Disability Insurance Scheme (NDIS) to ensure funding goes to those who need it most, and provides further investment to end gender-based violence as part of the Government's strategy to achieve gender equality. This includes a critical uplift in funding for legal assistance and additional investment in frontline service delivery.

The Government is also continuing to broaden labour market opportunities, including for First Nations people, through place-based and community-driven employment initiatives such as the new Remote Jobs and Economic Development and enhanced Local Jobs programs.

The Government is responding to our changing global environment to keep Australians safe at home and abroad. This includes a focus on online safety, supporting our regional partners and key allies, and bolstering defence force recruitment and retention. There are also initiatives to improve pest, disease and disaster preparedness and measures to protect our natural environment.

Updated economic and fiscal outlook

The impact of higher interest rates, cost-of-living pressures and global economic uncertainty has weighed on the Australian economy more than anticipated. Despite these difficult circumstances, the Australian economy has outperformed many advanced economies and is on track for a soft landing. The economy has continued to grow and inflation has moderated substantially. In the labour market, more than a million jobs have been created since May 2022, the participation rate is near record highs, real wages and household incomes are growing again, and the gender pay gap is the narrowest it has ever been. Business investment is at its highest level since the early 2010s.

Economic growth in Australia is expected to increase from 1.4 per cent in 2023–24 to 1¾ per cent in 2024–25, and then to 2¼ per cent in 2025–26. The pick-up in growth is expected to be supported by a gradual recovery in household consumption. The Government's cost-of-living tax cuts, together with the anticipated easing in inflationary pressures and continuing employment and wage growth are expected to drive growth in real household disposable incomes in 2024–25.

Inflation has moderated substantially in the Australian economy across both headline and underlying measures. Inflation returned to the RBA’s target band for the first time since 2021 in the September quarter 2024. This was supported by the Government’s cost-of-living relief in the 2024–25 Budget, which is expected to directly reduce annual inflation by ½ of a percentage point in 2024–25.

Underlying inflation fell by 0.5 percentage points in the September quarter to its lowest level in almost three years. The easing of underlying inflation has largely been driven by the normalisation of goods price inflation. Services inflation has also moderated from its peak. Inflation is expected to sustainably return to the RBA’s target band around the end of 2025.

Over a million jobs have been created in the Australian economy since the middle of 2022. Most of these gains in employment are expected to be preserved, with employment growth expected to remain positive but moderate over time. Labour force participation is forecast to remain near its peak. The unemployment rate is low by historical standards and is expected to remain comparatively low over the forecast period, rising modestly to 4½ per cent by June 2025.

Nominal wage growth has eased but is expected to remain above its 10-year pre-pandemic average of 2.7 per cent. Real wages are expected to grow over the forecast period due to a combination of solid wage growth and moderating inflation.

Investment will support growth in the economy in the period ahead, with business investment forecast to remain at around decade highs and dwelling investment expected to pick up.

While growth in public demand remains below its five-year pre-pandemic average, it has played an important role in ensuring the Australian economy remains on track for a soft landing. Without the contribution of public demand in the September quarter, growth in the economy would have been much weaker. State and local government spending was the major driver in public final demand.

Table 1.1: Major economic parameters ^(a)

	Outcome		Forecasts		
	2023–24	2024–25	2025–26	2026–27	2027–28
Real GDP	1.4	1 3/4	2 1/4	2 1/2	2 3/4
Employment	2.2	1 3/4	1	1 1/2	1 3/4
Unemployment rate	4.1	4 1/2	4 1/2	4 1/2	4 1/4
Consumer price index	3.8	2 3/4	2 3/4	2 1/2	2 1/2
Wage price index	4.1	3	3	3 1/4	3 1/2
Nominal GDP	4.1	3 1/4	3 1/2	5	5 1/2

a) Real GDP and nominal GDP are percentage change on preceding year. Employment, the consumer price index and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force Survey, Australia; Consumer Price Index, Australia; Wage Price Index, Australia; and Treasury.

After recording the first back-to-back surpluses in almost two decades and the largest nominal back-to-back surpluses on record, a deficit of \$26.9 billion is forecast for 2024–25. This is \$20 billion better than the deficit forecast at the PEFO and an improvement on the 2024–25 Budget.

This MYEFO shows an improvement in the underlying cash balance by around \$200 billion over the six years to 2027–28, relative to the PEFO. Gross debt is significantly lower, expected to stabilise at 36.7 per cent of GDP, 8.2 percentage points lower than the peak at the PEFO. As a share of the economy gross debt is lower in every year relative to the PEFO.

The Government is delivering on its Economic and Fiscal Strategy and continues to exercise spending restraint. Since coming to government and over the forward estimates period, average real payments growth has been limited to 1.5 per cent per year, around half the 30-year average of 3.2 per cent. Between 2024–25 and 2027–28 average real payments growth is estimated at 2.8 per cent per year. In this MYEFO, the Government has identified \$14.6 billion in savings and reprioritisations, with a total of \$92.0 billion since the PEFO. Since coming to government and over the forward estimates, 78 per cent of tax receipt upgrades have been returned to the budget. By improving the budget position compared to the PEFO, the Government has kept gross debt down and avoided around \$70 billion in interest payments over the 11 years to 2032–33.

The Government has been able to deliver these improvements to the budget despite challenging economic conditions and the need to fund payment variations and unavoidable spending, which are the primary drivers of the deterioration in the underlying cash balance over the forward estimates relative to the 2024–25 Budget. This MYEFO includes \$8.8 billion in unavoidable policy decisions. Parameter and other variations excluding GST have increased payments by \$16.3 billion, which includes automatic adjustments to indexation and funding increased demand for government payments and services.

These variations provide funding to ensure our veterans receive their entitlements, index pensions, increase support to families to assist with the cost of child care, support disaster recovery, increase support for schools, pass on the recent Fair Work Commission decision on aged care worker wage rises, and support increased demand for Medicare and the Pharmaceutical Benefits Scheme.

Tax receipts upgrades are much smaller than the \$80 billion upgrade on average across the last four budget updates. Excluding GST and policy decisions, tax receipts have been revised up by \$7.3 billion over the four years to 2027–28. For the first time since the 2020–21 Budget, company tax receipts have been revised downwards reflecting weaker commodity volumes amid emerging challenges in the Chinese economy.

The underlying cash balance as a share of the economy is better in every year of the medium term than the PEFO and broadly unchanged since the 2024–25 Budget. The underlying cash balance is projected to improve over the medium term, returning to balance by 2034–35. Gross debt is expected to stabilise at 36.7 per cent of GDP at 30 June 2027, before declining to 31.4 per cent of GDP by 30 June 2035.

Table 1.2: Budget aggregates

	Estimates							
	2024–25		2025–26		2026–27		2027–28	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
Underlying cash balance								
MYEFO	-26.9	-1.0	-46.9	-1.6	-38.4	-1.3	-31.7	-1.0
<i>Budget</i>	-28.3	-1.0	-42.8	-1.5	-26.7	-0.9	-24.3	-0.8
Gross debt(a)								
MYEFO	940.0	34.0	1,028.0	36.0	1,100.0	36.7	1,161.0	36.7
<i>Budget</i>	934.0	33.9	1,007.0	35.1	1,064.0	35.2	1,112.0	34.9
Net debt(b)								
MYEFO	540.0	19.6	609.3	21.3	669.2	22.3	708.6	22.4
<i>Budget</i>	552.5	20.0	615.5	21.5	660.0	21.8	697.5	21.9

a) Gross debt measures the face value of Australian Government Securities (AGS) on issue.

b) Net debt is the sum of interest bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

Responsible economic management

The Government is continuing to deliver on its Economic and Fiscal Strategy by prioritising responsible economic management. This is demonstrated by the Government’s discipline in returning 78 per cent of tax upgrades to the budget since the PEFO, restraining real growth in payments to an average of 1.5 per cent per year over the six years to 2027–28, and delivering \$119.9 billion in savings, reprioritisations and budget improvements since the PEFO up to 2027–28.

The Government’s responsible economic and fiscal management has seen fiscal policy work alongside monetary policy to return headline inflation to the RBA’s target band in 2024–25 for the first time since 2021. The Government’s fiscal settings are consistent with bringing inflation sustainably back to target.

In the 2024–25 Budget and previous updates, the Government took decisions to provision for anticipated future expenditure, including in early childhood education and care. In this MYEFO, \$4.7 billion of policy decisions were funded by provisions from previous updates, and therefore do not worsen the underlying cash balance in this update.

Since the PEFO, the Government has delivered structural spending improvements, including:

- the *Getting the NDIS Back on Track No. 1 Act* that progresses key Independent NDIS Review recommendations to make the NDIS more sustainable, delivering on National Cabinet’s commitment to the NDIS Financial Sustainability Framework
- ensuring the sustainability of aged care, by introducing an improved structure of co-contributions across residential and home care, as recommended by the Aged Care Taskforce

- the reprioritisation of \$72.8 billion over the decade in the rebuilt Defence Integrated Investment Program
- avoiding public debt interest costs.

Building on these efforts in this MYEFO, the Government has identified a further \$14.6 billion in savings and reprioritisations over the five years to 2027–28. These demonstrate the Government’s continued commitment to fiscal restraint and focus on identifying opportunities to improve the efficiency, quality, and sustainability of spending. The Government has identified a total of \$92.0 billion in savings and spending reprioritisations up to 2027–28 since the PEFO.

This MYEFO also includes measures to continue to improve the integrity and administration of the tax system, improving the budget by \$361.2 million over four years. This includes funding for the Australian Taxation Office to modernise tax administration systems and extend and enhance tax compliance activities focusing on illegal phoenix activity and the shadow economy, as well as strengthening the tax penalty system.

The Government has taken \$8.8 billion in unavoidable decisions in this MYEFO, including to extend terminating programs to safeguard the services Australians rely on. Unavoidable policy decisions taken in this MYEFO include:

- support for frontline legal assistance through a new National Access to Justice Partnership
- new and amended Pharmaceutical Benefits Scheme listings
- extending terminating funding for the National Disability Insurance Agency (NDIA) and the NDIS Quality and Safeguards Commission
- preparing and protecting Australia against avian influenza
- funding infrastructure project cost pressures
- extending terminating health and aged care programs.

National priorities

Easing cost-of-living pressures

In this MYEFO, the Government continues to take the pressure off Australians by prioritising responsible cost-of-living relief for households and businesses, charting the course to universal early childhood education and care and investing in more secure and affordable rentals. Key measures that help ease cost-of-living pressures include the continued roll out of tax cuts for every Australian taxpayer, energy bill relief, reducing student loan debts and compulsory repayments, improving the energy performance of social housing, and reforms to build a more competitive economy and ensure consumers get a better deal.

Tax cuts for every Australian taxpayer

The Government is delivering tax cuts for all 13.6 million Australian taxpayers from 1 July 2024 to provide cost-of-living relief, return bracket creep and boost labour supply. The Government's tax changes provide bigger tax cuts for more taxpayers without adding to inflationary pressures.

Energy bill relief

As announced in the 2024–25 Budget, the Government is continuing to roll out energy bill relief to over ten million households and around one million small businesses. This energy bill relief will help manage increasing costs for households and directly reduce inflation pressures.

Support for students and graduates

Student loan relief

The Government has committed to reducing Higher Education Loan Program (HELP) and other student debts by 20 per cent before indexation is applied on 1 June 2025, removing \$16 billion in student loan debt, subject to the passage of legislation. This builds on the Government's 2024–25 Budget initiative to make HELP indexation fairer and reduce the indexation applied in 2023 and 2024, which will reduce student debt by \$3 billion. Combined, these reforms will cut more than \$19 billion in student debt for more than three million Australians.

The Government is also committing \$182.2 million over four years from 2024–25 (and \$402.3 million from 2028–29 to 2034–35) to reform the repayment system for the HELP and other student loan schemes, taking effect from 1 July 2025, subject to the passage of legislation. This will deliver significant and immediate cost-of-living relief to Australians with student debt, allowing them to keep more of what they earn. The reforms will deliver a fairer student loan repayment system that is based on marginal rates and increase the amount people can earn before they are required to start repaying their loan.

Skills and TAFE

This Government is supporting Australians to gain well-paid, secure jobs. In the first 18 months since commencement in 2023, there have been over 508,000 Free TAFE enrolments in courses linked to key priority areas across the economy. The Government will commit \$253.7 million over two years (and \$1.4 billion from 2028–29 to 2034–35) to make 100,000 Free TAFE places ongoing from 1 January 2027, subject to the passage of legislation. Ongoing Free TAFE will provide certainty and ease cost-of-living pressures for students while supporting them to obtain secure employment.

Reforming early childhood education and care

This MYEFO, the Government is paving the way towards universal early childhood education and care. Improving the accessibility and affordability of child care can encourage attendance and take pressure off parents with young children.

The Government is also supporting the early childhood education and care workforce by delivering a historic wage increase, which helps to maintain the quality of education and care provided to young children, and is capping fee growth for providers in receipt of these worker retention payments.

Box 1.1: Next steps in building a universal early childhood education and care system

The Government is committed to building a universal early childhood education and care system where every child is guaranteed access to at least three days of quality early education and care, which is simple and affordable for every family.

Early childhood education and care is an essential part of Australia’s education system and is a powerful lever for increasing workforce participation, especially for women. Participation in quality early childhood education and care has important developmental, social, and educational benefits for children, helping to set them up for school. This can support long term productivity by increasing educational attainment for children. Early childhood education and care can also support productivity from parents by minimising career disruptions and enabling accumulation of labour market experience. Together the productivity and participation benefits can support potential economic growth and reduce fiscal costs.

In this MYEFO, the Government is investing \$5.0 billion over five years from 2024–25, including provisioning \$500 million to deliver on the Government’s commitment. The Government will improve the accessibility and affordability of early childhood education and care, including for the children who will benefit the most from it but are currently the least likely to attend.

continued over next page

Box 1.1: Next steps in building a universal early childhood education and care system (continued)

Changes are informed by the Productivity Commission’s inquiry report *A pathway to universal early childhood education and care* and the Australian Competition and Consumer Commission’s *2023 Childcare Inquiry*.

Investments include:

- \$3.6 billion over four years from 2024–25 to support a wage increase for the early childhood education and care workforce through a Worker Retention Payment. This will deliver a 10 per cent increase on top of the current national award rate in the first year from December 2024 and a further 5 per cent in the second year from December 2025. This commitment will support retention of early childhood educators and teachers and attract new employees to the sector, and recognises the essential role this majority female workforce plays in our economy and society.
- \$1.0 billion to establish the Building Early Education Fund to increase early childhood education and care places across Australia and drive supply of high quality care, including:
 - \$529.6 million over four years from 2024–25 (and an additional \$1.2 million in 2028–29) for targeted capital grant rounds to establish new child care services and to increase the capacity of existing services in under-served and unserved areas, including in the outer suburbs and the regions
 - \$2.3 million over two years from 2024–25 to the Department of Education to undertake a business case for the Commonwealth to invest in owning and leasing a portfolio of early childhood education and care centres to increase the supply of early childhood education and care services, with \$500 million provisioned for future investments.
- \$291.2 million over three years from 2025–26 (and \$129.0 million per year ongoing) to replace the existing Child Care Subsidy activity test with a new 3 Day Guarantee from January 2026. Families will have access to three days per week (72 hours per fortnight) of subsidised care, and families with First Nations children will have a greater entitlement of 100 hours per fortnight, regardless of parents’ level of work, training, study or other activity
- \$10.4 million over three years from 2024–25 to develop an Early Education Service Delivery Price to determine the reasonable cost of providing high-quality early childhood education and care and underpin future reform
- \$6.4 million over two years from 2025–26 to Services Australia to upgrade the Child Care Subsidy system to support the reforms.

continued over next page

Box 1.1: Next steps in building a universal early childhood education and care system (continued)

These investments strengthen two fundamental pillars of the system – workforce participation and accessibility of services – and build a strong foundation for moving towards a high-quality universal system, where every child is guaranteed access to at least three days of high-quality early education and care, which is simple, affordable and accessible for every family.

Making it easier to buy and rent a home

Help to Buy

The Government has now legislated and is establishing the Help to Buy scheme. This program will support 40,000 Australians to buy homes with lower deposits and smaller mortgages.

Administered by Housing Australia, Help to Buy will support eligible Australians to purchase a home of their own with an equity contribution from the Government of up to 40 per cent for new homes and 30 per cent for existing homes. This will bring home ownership back into reach for thousands of Australians who have been locked out of the housing market. The Government is working closely with the states, which will need to pass legislation for it to operate in their jurisdictions, and territories to enable the delivery of the scheme.

Build to Rent

The Government is boosting the supply of rental housing in Australia through tax incentives to encourage investment and construction in the build-to-rent sector.

The new incentives, now legislated, will apply to build-to-rent projects consisting of 50 or more dwellings made available for rent to the general public. The dwellings must be retained under a single ownership for at least 15 consecutive years and a minimum 10 per cent of dwellings in a development need to be made available as affordable tenancies. All tenancies must be offered for a minimum of five years and build-to-rent operators will be prevented from using no-fault evictions. A proportion of affordable dwellings will be reserved for lower- and moderate-income earners, and such tenancies will be required to be managed in partnership with registered, not-for-profit community housing organisations.

The incentives will operate alongside state and territory initiatives designed to support the build-to-rent sector. Attracting more investment in housing will support the Government's commitment to build 1.2 million new, well-located homes over five years from 1 July 2024.

Improving energy efficiency for vulnerable households

The Government is committing \$500 million to expand the existing Social Housing Energy Performance Initiative (SHEPI) to improve energy efficiency and access to solar and batteries, in partnership with states and territories. With the expansion, the SHEPI is now expected to reach more than 100,000 social housing properties, saving tenants up to 25 per cent of their energy usage, and helping to keep homes warmer in winter and cooler in summer.

A more competitive and dynamic economy

Revitalising National Competition Policy

On 29 November 2024, Commonwealth, state and territory treasurers signed a landmark agreement to revitalise National Competition Policy to drive growth and put downward pressure on prices. The Government has committed \$900 million over the period to 2035–36 for payments to states and territories to implement pro-competitive reforms. This includes commercial land use and planning reforms and reforms to level the playing field for modern methods of construction to drive down housing costs. The Government will also fast-track adoption of product safety standards to improve access to safe and affordable products and make progress towards broader ‘rights to repair’ to drive down repair costs.

The Government’s Competition Review will continue to examine other opportunities to improve competition and economic dynamism as part of the Government’s five pillar Productivity Agenda.

Reforming merger settings to support competitive markets

In this MYEFO, the Government is allocating \$56.6 million over three years from 2025–26 (and \$21.2 million per year ongoing) to the Australian Competition and Consumer Commission (ACCC) to support the introduction of a mandatory and suspensory administrative merger system. This is the biggest reform to the merger control system in 50 years, making it stronger, faster, simpler, more targeted and more transparent. The ACCC will also be notified of every merger in the supermarket sector, ensuring adequate scrutiny of the competition effects of these transactions.

A better deal for consumers

The Government is committing \$40.9 million to the ACCC to boost its capability to make sure consumers get a better deal. This includes cracking down on unfair surcharging practices and tackling misconduct in the supermarket and retail sector.

The Government has also announced a preparedness to ban debit card surcharges, subject to further work by the RBA and safeguards to ensure both small businesses and consumers can benefit from lower costs. The Government will mandate that businesses must accept cash when selling essential items, with appropriate exemptions, including for small businesses.

To make it easier for Australians affected by scams to seek compensation, up to \$14.7 million will be made available over two years from 2024–25 to the Australian Financial Complaints Authority to ensure it has capacity to provide a clear, single dispute resolution pathway for complaints relating to the three initial sectors to be designated under the Scams Prevention Framework.

Additionally, the Government has announced consultation on the design of proposed reforms to the Australian Consumer Law to ban a range of unfair trading practices, addressing unfair subscription-related practices, drip pricing and hidden fees, dynamic pricing and barriers to accessing customer support.

The Government is also committed to strengthening the Unit Pricing Code, including by introducing substantial penalties for supermarkets which breach the Unit Pricing Code.

Payday Super

The Government is providing an additional \$404.1 million over four years from 2024–25 to implement Payday Super, the cornerstone of the *Securing Australians' Superannuation Package*. From 1 July 2026, employers will be required to pay their employees' super at the same time as their salary and wages. While most employers do the right thing, the Australian Taxation Office estimates \$5.2 billion worth of super went unpaid in 2021–22.

The Government will also introduce legislation to recalibrate penalties and charges, incentivising employers to promptly rectify missed payments, with more severe consequences for deliberate and repeated failures. These reforms will help reduce the amount of superannuation guarantee that goes unpaid to workers each year leaving millions of Australians better off at retirement.

A Future Made in Australia

The global transformation to net zero alongside geostrategic competition are changing the value of countries' natural resources, disrupting trade patterns, and creating new markets that require adaptability and reward innovation. The Future Made in Australia agenda will help Australia build a stronger, more resilient economy powered by renewable energy. It will create more secure, well-paid and productive jobs, and encourage the private sector investment required to make the most of the world's structural shift.

Since the 2024–25 Budget, the Government has progressed the broad range of reforms that underpin the Future Made in Australia agenda. This has included legislating the *Future Made in Australia Act 2024* and the Guarantee of Origin scheme, and introducing legislation for production tax incentives for critical minerals processing and renewable hydrogen.

In this MYEFO, the Government is building on its existing \$22.7 billion investment in the Future Made in Australia agenda, by modernising energy infrastructure and advancing the transition to a net zero economy, introducing reforms to ensure a fairer and stronger education sector and delivering transport infrastructure. These initiatives will help maximise the economic and industrial benefits of the international move to net zero and secure Australia's place in the changing global economic and strategic landscape.

A Front Door for investors

Following its announcement in the 2024–25 Budget and consultation with stakeholders on the high-level design, the Government is establishing the Front Door for investors with major transformational proposals within the Treasury portfolio. The Front Door will make it simpler to invest in Australia and attract more global and domestic capital. It will act as a single point of entry for investors, helping the Government identify priority projects and providing those projects with coordinated facilitation services.

The Government will establish an Investor Council to support the Front Door to prioritise proposals, coordinate public financing and facilitate information sharing on potential investment opportunities. The Investor Council will be chaired by the Front Door and its members will include the Government’s Specialist Investment Vehicles, the Future Fund, and other relevant government agencies.

The Government will provide \$11.2 million over two years to undertake the detailed design of the Front Door’s prioritisation and facilitation functions from 1 January 2025 and pilot service delivery from September 2025.

Supporting the transition to a net zero economy

The Government’s recent Safeguard Mechanism reforms, coupled with the maturing Australian Carbon Credit Unit market, the New Vehicle Efficiency Standard and the Capacity Investment Scheme, mean that around half of Australia’s emissions are now covered by credible, binding policies to drive emissions reductions. Importantly, these market-based mechanisms allow businesses to identify the lowest cost ways of meeting their emission reduction requirements. The Government is also supporting business in the transition through the Powering the Regions Fund.

Accelerating the delivery of cleaner, cheaper energy

The Government is ensuring that Australian consumers enjoy the benefits of cleaner and cheaper renewable energy by investing in our electricity grid and reducing delays to delivering new renewable generation projects.

Building on its \$20 billion Rewiring the Nation program, the Government is investing an additional \$1.2 billion to modernise and deliver new and upgraded transmission infrastructure. It is also investing \$36.9 million over six years in new innovations and technologies to deliver more energy through the existing infrastructure, including integrating batteries and other demand management technologies into local grids, and new technologies like digital twins to improve reliability.

Supporting this investment, the Government’s new \$10.1 million Accelerated Connections Fund will help reduce bottlenecks and accelerate the connection of new renewable generation. The Government is also working in partnership with the states and territories to reduce regulatory costs impacting the net zero transformation, and with investors, with institutional investors representing \$2.2 trillion in capital endorsing the Government’s

target of reaching 82 per cent of renewable electricity by 2030 through the Investor Roundtable Energy Compact.

Building a better and fairer education system

A stronger higher education sector

The Government is committed to increasing tertiary attainment to meet the skills needs of the future, and has set a target for 80 per cent of the working age population to have a tertiary qualification by 2050. To achieve this goal, the Government is taking further steps to implement recommendations of the Universities Accord by establishing a new university funding and governance model for the tertiary education sector.

The Government is providing \$20.2 million over four years to establish a new Australian Tertiary Education Commission (ATEC) in an interim capacity from 1 July 2025 and permanently from 1 January 2026, subject to the passage of legislation. The ATEC will provide advice to Government on higher education pricing matters, tertiary sector harmonisation and sector performance to ensure that tertiary education remains strong and responsive to future needs to help build a future made in Australia.

The Government will also invest \$2.5 billion over 11 years to provide more university places and introduce a demand-driven system for students from underrepresented backgrounds, to help more students enrol in universities and complete their degrees. The new funding system will incentivise universities to enrol and support students from underrepresented backgrounds, with per-student funding to ensure students from underrepresented backgrounds receive the support they need to succeed and to help meet the additional costs faced by regional universities.

This work builds on reforms including the introduction of the first Commonwealth Prac Payment, the expansion of FEE-Free Uni Ready Courses and reforming the indexation of student debts to make sure debts do not increase faster than wages.

A new Better and Fairer Schools Agreement

The Government has agreed a new 10-year Better and Fairer Schools Agreement (BFSA), with Western Australia, Tasmania, the Northern Territory and the Australian Capital Territory. This investment increases the Australian Government's share of the Schooling Resource Standard for government schools from 20 per cent to 22.5 per cent by 2026, and from 20 per cent to 40 per cent by 2029 for the Northern Territory. New South Wales, Victoria, Queensland and South Australia have signed an interim 1-year school funding agreement that maintains existing funding arrangements.

The BFSA was informed by the 2023 Productivity Commission Review of the National School Reform Agreement and the 2023 Independent Review to Inform a Better and Fairer Education System. The BFSA ties new funding to reforms to help lift student outcomes, set targets and improves school funding transparency.

Delivering transport infrastructure

The Government will provide \$926.9 million to the Infrastructure Investment Program to address cost pressures on road and rail projects with the states and territories. This additional funding will support the delivery of existing projects across the transport network.

Enhancing community infrastructure

The Government will provide \$201.1 million over three years from 2024–25 to support sustainable urban and regional development in Australia. This includes additional funding for the Thriving Suburbs Program and the Stronger Communities Programme. Funding will deliver social benefits for local communities across Australia.

Strengthening Medicare and the care economy

In this MYEFO, the Government is building upon significant investments made in the 2024–25 Budget to support the care and health of all Australians.

The Government is continuing its commitment to strengthen Medicare and secure essential services for people with disability and older Australians, with investments that deliver a more sustainable and productive health, care and support economy.

Strengthening Medicare

Improvements to the Medicare Benefits Schedule

The Government is committing \$246.9 million in additional funding to support access to Medicare services through the Medicare Benefits Schedule (MBS). This includes support to access treatments for prostate cancer, expected to benefit over 1,500 patients per year by 2028. The measure will also reduce wait times and improve access to surgery with an expansion of MBS items for nurse practitioners to provide surgical assistance services.

Support for primary care

The Government is investing \$143.1 million to provide better access and more affordable primary care for all Australians. This includes funding to support after hours, multicultural and homelessness services, and to incentivise general practices to undertake continuous quality improvement activities. An additional \$71.2 million has also been committed to strengthen and support the health workforce, including to improve access to primary care services in thin markets, such as rural and remote areas.

Mental health and wellbeing support

The Government is providing \$448.3 million to support the mental health of Australians, and for suicide prevention and postvention initiatives. This includes \$272.1 million to extend the Commonwealth Psychosocial Support Program for a further two years ensuring 25,000 Australians with severe mental illness can continue to receive supports to build

day-to-day living and social skills. This builds on the \$888.1 million committed in the 2024–25 Budget to strengthen Australia’s mental health system.

To improve the access, quality and safety of healthcare and wellbeing services for Australia’s LGBTIQ+ communities, the Government has committed \$15.5 million as part of its response to the first 10-Year National Action Plan for the Health and Wellbeing of LGBTIQ+ people.

Making medicines cheaper and more accessible

The Government is providing \$2.5 billion for new and amended listings on the Pharmaceutical Benefits Scheme (PBS), including treatments for dermatitis, heart disease, endometriosis and breast cancer. The Government is also providing \$20.0 million to state and territory governments for 18 months from 2024–25 for children and young adults with high-risk neuroblastoma to get early access to the cancer treatment DFMO (difluoromethylornithine) at no cost.

Improving health outcomes

The Government is providing \$187.9 million to extend funding for research and critical patient support services for Australians with chronic conditions, including diabetes and stroke, and for newborn bloodspot screening programs. This will provide further support for the almost half of all Australians who live with one or more chronic conditions, which are the leading causes of illness, disability and death in Australia. This funding will also support men’s health by providing \$4.0 million to continue the Australian Longitudinal Study on Male Health.

Funding will support additional cancer screening and specialist programs, including \$26.3 million for the National Bowel Cancer Screening Program, the Prostate Cancer Specialist Nurses Program and Canteen’s Youth Cancer Services Program.

Health prevention and emergency management

The Government is continuing to protect Australians’ health and preparedness by investing in Australia’s vaccine stockpile, including committing \$174.5 million to provide pregnant women with free access to the maternal respiratory syncytial virus (RSV) vaccine (Abrysvo®) under the National Immunisation Program. RSV is one of the leading causes of childhood hospitalisation, with around 12,000 babies admitted every winter. The Government is also committing \$22.1 million to increase and diversify Australia’s stockpile of readily deployable vaccines for protection against High Pathogenicity Avian Influenza H5.

The Government will deliver better pandemic preparedness by providing \$251.7 million to establish the Australian Centre for Disease Control as an independent agency.

The Government is also investing in critical medical research capability, including over \$30 million for Genomics Australia to support the development of genomics to improve disease testing, diagnosis and treatment.

Better and more sustainable aged care

The Government's aged care reform package means older Australians and their loved ones will now access a better system that puts quality care and safety first. Around 1.4 million Australians will benefit from the new Support at Home Program by 2035, helping them remain independent in their home and community for longer. These reforms are essential to ensure the viability and quality of aged care and support for the growing numbers of older Australians choosing to retain their independence and remain in their homes as they age, while making aged care spending more sustainable.

Support at Home

The Government is investing \$5.4 billion in a new Support at Home program from 1 July 2025. This investment will shorten assessment wait times, provide more tailored support, allow for home modifications of up to \$15,000 and provide access to assistive technology. Support at Home will support 300,000 more older Australians over the next ten years, including more than 83,000 participants in 2025–26.

The Government is also creating a more equitable and sustainable in-home care system for older Australians through the introduction of a new framework for participant co-contributions based on their means.

The Government is providing \$101.7 million to release 7,615 additional Home Care Packages in 2024–25 to reduce wait times ahead of the commencement of Support at Home. This builds on the 24,100 packages announced at the 2024–25 Budget.

Residential aged care

The Government is amending residential aged care settings to ensure providers can attract the investment they need to keep facilities open, improve quality, and build new facilities. As recommended by the Aged Care Taskforce, the Government is introducing new means tested contributions for new entrants, a higher maximum room price and the retention of a small portion of refundable accommodation deposits by providers. The treatment of the family home does not change under these changes and the Government continues to fund all clinical care costs in residential aged care.

New Aged Care Act

The Government's new *Aged Care Act 2024* empowers older Australians to exercise their rights when accessing government-funded aged care services. The Act includes a Statement of Rights for older Australians in aged care, new quality standards to drive high-quality care and continuous improvements, and stronger regulatory powers to protect people from harm.

Supporting the care economy workforce

The Government is getting wages moving again with a further investment of \$3.8 billion over four years to support a higher standard of care for older Australians by funding pay rises for workers from 1 January 2025. This support builds on the \$11.3 billion already allocated to support an interim wage increase of 15 per cent for aged care workers. These wage increases support gender pay equality as 86 per cent of aged care workers are women. The Government is also supporting the care economy workforce by providing \$3.6 billion over four years to support a wage increase for early childhood education and care workers.

Better and more sustainable disability services

Getting the NDIS back on track

The Government is committed to improving outcomes for NDIS participants and ensuring every dollar of NDIS funding goes to those who need it most. Funding of \$280.0 million will be provided to the NDIA in 2025–26 to support the transition of NDIS participants to a new planning framework.

The Government has passed legislation to address growing pressures on the NDIS. The reforms being undertaken by Government are expected to continue to moderate growth in NDIS expenditure and contribute to the sustainability of the Scheme, ensuring it can continue to provide support to future generations of Australians.

Response to the Disability Royal Commission

In this MYEFO, the Government is providing a further \$104.9 million towards the first phase of its response to the Disability Royal Commission, including \$58.7 million to protect the rights of people with disability, \$35.6 million to promote inclusion and access and \$21.2 million to strengthen safeguards.

This investment brings the Government's commitment towards the first phase of its response to the Disability Royal Commission to \$371 million and builds on over \$3 billion of investment since the PEFO to improve the lives and safety of people with disability in Australia.

Broadening opportunity and advancing equality

The Government is broadening opportunity and advancing equality by supporting legal assistance for vulnerable Australians, advancing gender equality, promoting First Nations economic empowerment, broadening labour market opportunities and looking after Australia's veterans.

Supporting legal assistance for vulnerable Australians

The Government is investing a total of \$3.9 billion over five years from 2025–26 to support frontline legal assistance services. The funding will be delivered through a new National Access to Justice Partnership which will commence on 1 July 2025. The investment includes an increase of \$800 million for Commonwealth priorities, including family law matters, supporting people experiencing gender-based violence, particularly First Nations women and children, Closing the Gap and reducing incarceration rates for First Nations adults and youth.

The Government has committed to provide funding for the National Access to Justice Partnership on an ongoing basis, providing much-needed funding certainty to the sector.

In addition to the investment in frontline legal services, the increased funding delivered through the National Access to Justice Partnership will support an update to the indexation rate applied to funding and reduce pay disparity across the legal assistance sector. These features will help support the ongoing viability of the sector and the continued provision of legal assistance to vulnerable Australians. Addressing pay parity will improve the sector's capacity to attract and retain its workforce, particularly in rural, regional and remote areas.

This funding is a component of the \$4.4 billion Commonwealth package agreed by National Cabinet on 6 September 2024.

Advancing gender equality

MYEFO continues to deliver investments in the Government's commitment to advance gender equality. *Working for Women: A Strategy for Gender Equality (Working for Women)* sets out a vision for an Australia where people are safe, treated with respect, have choices and access to resources, and equal outcomes no matter their gender. This update is the second since the launch of Working for Women in March 2024 and was informed by its five priorities: gender-based violence; paid and unpaid care; economic equality and security; health; and leadership, representation and decision-making.

Box 1.2: MYEFO investments delivering on Working for Women priorities**Gender-based violence**

The Government is providing an additional \$534.5 million over six years from 2024–25 in this MYEFO, bringing total investments to support women’s safety and the *National Plan to End Violence against Women and Children 2022–32* to \$4.0 billion since the 2022–23 October Budget. Additional funding includes:

- \$366.9 million over five years from 2025–26 to extend the National Partnership Agreement on Family, Domestic and Sexual Violence Responses. This funding will support frontline service delivery, with a focus on specialist services for women and children and working with men. The agreement will include matched funding from states and territories and deliver over \$700 million across governments.
- \$82.4 million over four years from 2024–25 to strengthen responses to high-risk and serial perpetrators of family and domestic violence, including by improving information sharing across systems and jurisdictions, and intervening early to stop violence escalating.
- \$81.3 million over six years from 2024–25 to enhance and expand child centric trauma informed supports for children and young people to help break the cycle of violence. This will include specific focus on First Nations children and young people through culturally safe consultation and expertise.

The Government is also making additional investments to break cycles of violence and prevent further harm with a focus on men’s behaviour change standards, updating the *National Framework for action to preventing alcohol-related family violence* and conducting an audit of Commonwealth systems to identify where they are being weaponised by perpetrators of family and domestic violence.

These investments are in addition to funding committed this MYEFO for legal assistance, and build on ongoing commitments in housing and improved supports for single parents that contribute to supporting women and children experiencing gender-based violence.

Paid and unpaid care

In this MYEFO, the Government is investing \$5.0 billion over five years from 2024–25 to take the next steps in building a universal early childhood education and care system. This includes:

- \$3.6 billion over four years from 2024–25 to support a pay rise for the early childhood education and care workforce. This will particularly benefit women, who make up around 92 per cent of workers in the sector.

continued over next page

Box 1.2: MYEFO investments delivering on Working for Women priorities (continued)

- \$1.0 billion to establish the Building Early Education Fund to increase the supply of high-quality early childhood education and care places across Australia, especially in under-served markets. Increasing availability will help more families, particularly mothers, who spend more time caring, to access quality early childhood education and care and support their preferred level of workforce participation.
- \$291.2 million over three years from 2025–26 (and \$129.0 million per year ongoing) to replace the Child Care Subsidy activity test and introduce a new 3 Day Guarantee from January 2026. This will simplify the system and improve affordability and access for lower-income families, particularly single parents and those working in insecure or casual employment, the majority of whom are women. The changes will enable people to spend more time on other activities, including working.

The Government is also providing \$3.8 billion over four years to support the Fair Work Commission’s decision to further increase the wages of aged care workers from 1 January 2025. This will particularly benefit women, who make up 86 per cent of the aged care workforce.

These investments build on the Government’s earlier care investments including expanding the Government’s Paid Parental Leave (PPL) scheme and paying superannuation on Government-funded PPL.

Economic equality and security

The Government is also working to accelerate closing of the gender pay gap. The Government is committed to reducing gender segregation and helping to address workforce shortages by supporting more women to pursue careers in key high-demand industries. This includes progressing work on the implementation of the Future Made in Australia Community Benefit Principles to promote safe and secure jobs and develop more skilled and inclusive workforces, including for women.

The Government is also providing \$16.4 million over two years to pilot workplace and industry-level initiatives that will improve gender equality in gender-segregated workplaces.

The Government will support more women to obtain a VET qualification by making Free TAFE an enduring program with 100,000 places a year. Free TAFE is targeted towards priority cohorts, including unpaid carers, women facing economic insecurity and women undertaking study in non-traditional fields. Women made up 62 per cent of enrolments in Free TAFE between January 2023 and June 2024.

continued over next page

Box 1.2: MYEFO investments delivering on Working for Women priorities (continued)

As of 30 June 2024, women hold 61 per cent of outstanding HELP debts and will benefit from the Government's commitments to make student loan repayments fairer and reduce outstanding debts.

Health

The Government is continuing to make significant investments in women's health and wellbeing through improved access to essential health services and addressing gendered barriers to health.

The Government is improving women's access to medicines with the addition of Vissane®, to treat endometriosis, and Enhertu®, to treat patients with metastatic breast cancer, on the Pharmaceutical Benefits Scheme.

To improve access to maternal and reproductive health, the Government is continuing services including Birthing on Country for First Nations women and babies, perinatal mental health screening, and the YourIVFSuccess website to support Australian couples with advice and information on fertility services and IVF.

The Government is also providing support for the Australian Red Cross Lifeblood's donor human milk service for premature babies, as well as the Australian Breastfeeding Association's National Breastfeeding Helpline, which provides a free-call service on breastfeeding to women and their families.

To support bereaved parents and reduce the stillbirth rate in Australia, the Government is providing further funding to maintain the perinatal pathology and perinatal loss workforce, and extending a range of services to ensure high quality care is provided to families who experience stillbirth.

Leadership, representation and decision-making

The Government is leading efforts to ensure women are at the centre of policy and decision-making, including through Australia's gender responsive budgeting framework.

The Government is continuing to support representation of women and girls in sport by providing \$15.0 million over two years to Football Australia for the delivery of the Women's Asian Cup 2026 to be held in Australia.

Promoting First Nations economic empowerment

Establishing a First Nations Economic Partnership and Framework

First Nations economic empowerment is a priority for the Government, which requires working in genuine partnership with First Nations people to ensure that Government initiatives and investment support the aspirations of First Nations communities.

The Government will provide \$16.9 million over five years from 2024–25 to support development of a First Nations Economic Framework and establish a First Nations Economic Partnership (the Partnership). Funding for the Partnership will support participation by First Nations representatives in collaborative policy development, by undertaking policy research and developing reform options to support an economic empowerment agenda.

The Government will also develop a First Nations Economic Framework to draw together views on the fundamentals needed to drive Government action across portfolios. It will be developed in partnership with First Nations leaders, communities, businesses, and other stakeholders.

Building the resources of Indigenous Business Australia

The Government has introduced legislation to amend the *Aboriginal and Torres Strait Islander Act 2005* to remove and replace specific restrictions on the ability of Indigenous Business Australia (IBA) to borrow and raise capital.

The amendments will enhance IBA's ability to leverage its capital to invest in First Nations communities and businesses as part of the Future Made in Australia agenda, and will also enable IBA to commercially structure its investments to support First Nations economic self-determination. This aligns with the Government's commitments in relation to Closing the Gap and the economic empowerment of First Nations peoples.

First Nations Clean Energy Strategy

The inaugural First Nations Clean Energy Strategy will embed First Nations expertise in the clean energy transition. The Government is providing \$70.0 million over three years from 2025–26 to establish the First Nations Clean Energy Futures Implementation and Grants Programs, which will reduce barriers to accessing clean energy for First Nations communities and support new First Nations led clean energy projects. This measure will support the implementation of the Future Made in Australia Community Benefit Principles and the First Nations engagement standard.

Broadening labour market opportunities

Enhancing place-based approaches

The Government is improving place-based employment services by providing \$62.6 million over three years from 2024–25 to extend and improve the Local Jobs Program. This program helps bring a local focus to employment services and supports employment outcomes. Key changes include two Employment Hub pilots with the Victorian and Tasmanian state governments testing stronger linkages to local employers, skills and services to create better job pathways, and simplifying funding arrangements to support region-specific pre-employment and employment projects.

A new remote jobs program

In line with the principles set out in *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, the Government is working to establish a high-quality and community-focused employment service system. The Government will provide \$1.5 billion over four years from 2024–25 to implement a new remote employment services program, which will focus on more community-informed participation and sustainable employment of people in remote areas, the majority of whom are Aboriginal and Torres Strait Islander. This program will replace the Community Development Program.

Looking after Australia's veterans

The Government has released its response to the Final Report of the Royal Commission into Defence and Veteran Suicide setting out a plan for real, meaningful and enduring reform for Defence personnel, veterans and families.

The Government will provide \$5.0 million to establish a new statutory entity, to oversee enduring reform and drive better outcomes for serving and ex-serving Australian Defence Force (ADF) personnel. The Department of Veterans' Affairs (DVA) will receive \$4.5 million to co-design with the veteran community a new agency focused on veteran wellbeing and to continue consultation on a new national peak body for ex-service organisations.

The Government is also providing \$30.4 million so that DVA can meet increased demand for downstream services.

Safeguarding our people and environment

The Government is continuing its commitment to ensure Australians remain safe and secure at home, abroad and online. This MYEFO continues to invest in protecting our natural environment, helps create a more resilient Australia, supports regional partners and key allies and responds to the new challenges of a digitally connected community.

Protecting our environment

Murray–Darling Basin

The Government is committed to implementing the Murray–Darling Basin Plan in full. On 11 June 2024, it announced that it will provide \$300 million for a Sustainable Communities Program to help Basin communities affected by voluntary water purchase to create and support local jobs and businesses.

Securing Antarctic operations

The Government is securing Tasmania as Australia’s gateway to the Antarctic by contributing \$188.2 million over five years from 2024–25 to construct a new Macquarie Wharf 6 in the Port of Hobart. The funding will ensure the RSV Nuyina has long-term access to a fit-for-purpose wharf to support its operations. RSV Nuyina is the main lifeline to Australia’s Antarctic research stations and the central platform for Australia’s Antarctic research.

Redeveloping the Great Barrier Reef Aquarium

The Government is committing \$161.1 million over five years from 2024–25 to redevelop the Great Barrier Reef Aquarium “Reef HQ” in Townsville. Redeveloping the aquarium will enhance its role as Australia’s national centre for the Great Barrier Reef and boost the local and regional economy. The aquarium will educate visitors about the world’s most iconic reef ecosystem and how to protect it.

Protecting the Maugean skate

The Government will provide \$28.6 million over three years from 2024–25 to protect the endangered Maugean skate. Funding will enhance water quality and improve environmental conditions at Macquarie Harbour. It will expand the Maugean skate captive breeding program and support monitoring, compliance, and community engagement.

A more resilient Australia

Pest, disease and disaster preparedness

The Government is providing \$249.6 million over two years from 2024–25 to further prepare and protect the nation against High Pathogenicity Avian Influenza, which poses significant risks to our agricultural industries, wildlife and the national economy. This builds on top of more than \$1 billion of additional biosecurity funding announced in the 2023–24 Budget.

The Government has provided \$1.8 billion over five years from 2024–25 to build resilience and support recovery for disaster impacted communities. In addition, the Government is providing \$23.3 million over four years from 2024–25 to improve emergency preparedness and safety on the Cocos (Keeling) Islands.

Investing in water infrastructure

The Government is allocating a further \$278.2 million over six years from 2024–25 through the National Water Grid Fund towards important water infrastructure projects. This includes more than \$150 million to deliver the Greater South East Irrigation Scheme in Tasmania. The project will improve agricultural productivity and boost the Tasmanian economy by increasing irrigation in the region and enhancing farmers' water security.

Supporting our partners

Support for the Pacific

Following a record \$2 billion in development assistance to the Pacific in 2024–25, the Government is investing further in a peaceful, prosperous and secure Pacific region. This includes \$120.6 million over four years from 2024–25 to deliver the Nauru–Australia Treaty and \$256.5 million over four years from 2024–25 to establish a Papua New Guinea National Rugby League franchise.

Recognising that the security of the Pacific is the shared responsibility of the Pacific family, the Government is committing \$219.5 million over four years from 2024–25 and \$59.4 million per year ongoing to establish an additional three police training Centres of Excellence in the Pacific as part of the Pacific Policing Initiative.

Strengthening economic links with Southeast Asia

The Government is making a US\$50 million (approximately \$75 million) equity investment in the Financing Asia's Transition Partnership. The initiative, led by the Singapore Government, will support lending to sustainable infrastructure projects in Southeast Asia. This will be the first investment under the Southeast Asia Investment Financing Facility and will support the region's net zero transition. This investment sends a strong signal to Australian and regional businesses that we want to boost trade and investment in Southeast Asia, in line with *Invested: Australia's Southeast Asia Economic Strategy to 2040*.

Support for Ukraine

Australia will provide \$545.5 million over two years to continue supporting the defence of Ukraine against the Russian invasion. The Government is donating 49 M1A1 Abrams tanks valued at \$246.9 million to the Ukrainian military and will gift 14 inflatable rigid hull boats through the latest round of military assistance. The Government is also providing air-to-ground weapons, anti-tank weapons and air defence missiles, along with support, training and advice for Ukrainian soldiers.

Sustaining our multicultural success story

Government response to the Multicultural Framework Review

On 24 July 2024, the Government released the Multicultural Framework Review which was the first major examination of Australian multiculturalism in a generation. In response to the Review, the Government has committed \$118.2 million over four years from 2024–25 to

support a stronger multicultural Australia. This includes delivering a Modernised Multicultural Grants Program, strengthening community engagement and improving access to government services for multicultural communities.

Assisting those affected by ongoing conflict

Longer-term visa options for Palestinians, Israelis and Ukrainians

The Government is providing longer-term visa options on a case-by-case basis for Palestinian, Israeli and Ukrainian temporary visa holders in Australia with visas expiring in 2024 and 2025 who are unable to return home due to ongoing conflicts. These visa options will provide greater stability and access to services for these individuals, enabling them to contribute more to Australian society.

Supporting affected communities

The Government will provide \$16.7 million over four years from 2023–24 for a Special Envoy to Combat Antisemitism and a Special Envoy to Combat Islamophobia to preserve social cohesion and tackle the ongoing effects of the Hamas–Israel conflict in Australia. The Government has committed \$32.5 million to the Executive Council of Australian Jewry to enhance security at Jewish community sites, including synagogues and schools. The Government will also provide \$6.1 million in 2024–25 for Palestinian-led community organisations and the Australian Red Cross to provide emergency assistance and youth services to support recent arrivals from conflict zones and young Muslim communities in Australia. These measures will support all Australians, regardless of their race or religion, to feel safe and included, and contribute to Australia’s vibrant multicultural society.

Boosting Australian Defence Force recruitment

The Government is maintaining its commitment to a robust ADF. In this MYEFO, the Government is investing more than \$600 million to extend and expand the Continuation Bonus for permanent members of the ADF, and increase the ADF’s Operational Reserves by an additional 1,000 personnel. These measures support the 2024 Defence Workforce Plan, which examines the growth and future needs of Defence’s workforce, organisational culture and wellbeing and support to ADF members and their families.

Supporting the future of Australian media

News Bargaining Incentive

The Government will introduce the News Bargaining Incentive to support the sustainability of news and public interest journalism. The Incentive includes a charge and an offset mechanism to encourage large digital platforms to enter into or renew commercial deals.

Media diversity and public interest journalism

The Government will invest a further \$335.6 million to support public interest journalism and media diversity in Australia. This includes funding for the News Media Assistance Program, including additional support for the Australian Associated Press, increased funding for community broadcasting, ongoing stable funding for the Australian Broadcasting Corporation and a 1-year suspension of the Commercial Broadcasting Tax to provide relief to the commercial television and radio broadcasting sector. This will contribute to the sustainability of a range of media sectors and the provision of news for all Australians.

Protecting Australians online

Online Safety and Privacy

The Government is providing an additional \$3.0 million over three years to the Office of the Australian Information Commissioner to develop a Children’s Online Privacy Code to protect children from a range of online harms.

The Government is investing \$76.1 million to support the implementation of its online safety agenda, including establishing a minimum age of access to social media and the commitment to legislate a Digital Duty of Care. The legislated Digital Duty of Care will require social media platforms to undertake regular risk assessments and take reasonable steps to protect Australians from enduring categories of harm.

The Government has also committed to reforms that strengthen privacy protections for all Australians. This includes delivering landmark legislation to address serious invasions of privacy and introducing a new criminal offence to outlaw doxxing, the malicious release of personal data online.

Safe and responsible AI

Artificial Intelligence (AI) has the potential to drive improvements in productivity growth and innovation across the economy. The Government is continuing to implement its \$39.9 million commitment to support safe and responsible adoption and use of AI. Taking steps to support safe and responsible adoption and use of AI will ensure low-risk AI can flourish unimpeded while high-risk uses are subject to appropriate safeguards.

Expanding Digital ID

The Government is continuing to expand the use of Digital ID in Australia through the *Digital ID Act 2024*, which commenced on 1 December 2024. This legislation provides individuals with secure, convenient, voluntary and inclusive ways to verify their identity for use in online transactions with government and businesses. Expanding the use of Digital ID will make it easier for individuals to prove their identity while reducing the amount of personal information businesses need to hold.

Part 2: Economic Outlook

Overview

The Australian economy has slowed more than expected over the past year due to the impact of higher interest rates, cost-of-living pressures and weaker global economic conditions. Despite these challenges, the Australian economy has outperformed many advanced economies and is on track for a soft landing. The economy has continued to grow, and inflation has moderated substantially. The labour market has also remained resilient, with more than a million jobs created since the middle of 2022, the labour force participation rate is near record highs, real wages and household incomes are growing again, and the gender pay gap is the narrowest it has ever been. Furthermore, business investment is at its highest level since the early 2010s.

Uncertainty and volatility around the world continue to weigh on the global economy. Almost three quarters of OECD nations have recorded a negative quarter of growth over the past 18 months. Global growth is expected to be 3¼ per cent this year and for the next two years, which is the longest stretch of below average growth since the 1990s. Global activity has been affected by challenges in the Chinese economy and the effect of conflicts in Ukraine and the Middle East, while tighter financial conditions have weighed on activity and labour markets in many countries. An escalation of trade tensions is a key risk to the global outlook, although details of significant aspects of the incoming United States administration's policy agenda are yet to be settled.

Against this challenging global backdrop, economic growth in Australia is expected to improve over the forecast period. Growth in Gross Domestic Product (GDP) is expected to increase from 1.4 per cent in 2023–24 to 1¾ per cent in 2024–25, and then to 2¼ per cent in 2025–26. The pick-up in growth is expected to be supported by a gradual recovery in household consumption.

The Government's cost-of-living tax cuts, together with the anticipated easing in inflation and continuing employment and wage growth are expected to drive growth in real household disposable income in 2024–25. Growth in real household disposable income in 2024–25 would be around 1 percentage point lower without the Government's cost-of-living tax cuts. The tax cuts are delivering a tax cut to all 13.6 million Australian taxpayers from 1 July 2024, with the average income earner receiving a tax cut of \$1,604.

Inflation has moderated substantially in the Australian economy across both headline and underlying measures. Headline inflation has declined from its peak of 7.8 per cent in the December quarter 2022 to 2.8 per cent in the September quarter 2024, returning to the Reserve Bank of Australia's (RBA) target band for the first time since 2021. This was supported by cost-of-living relief policies and lower fuel prices. The Government's cost-of-living relief measures announced in the 2024–25 Budget are expected to directly reduce annual inflation by ½ of a percentage point in 2024–25.

Underlying inflation fell by 0.5 percentage points in the September quarter to be 3.5 per cent, and was 3.3 per cent on a six-month annualised basis, which is its lowest level in almost three years. The easing of underlying inflation has largely been driven by the normalisation of goods price inflation. Services inflation has also moderated from its peak. Inflation is expected to sustainably return to the RBA's target band around the end of 2025.

Over a million jobs have been created in the Australian economy since the beginning of the monetary policy tightening phase (Box 2.1). Most of these gains are expected to be preserved, with employment growth expected to remain positive but moderate over time. The unemployment rate is low by historical standards and is expected to remain comparatively low over the forecast period, rising modestly to 4½ per cent by June 2025. The participation rate is forecast to remain near its peak. Many Australians who were previously outside the labour force have sought and secured work, including people that have traditionally faced barriers to employment such as women and younger Australians.

Nominal wage growth has eased but remains solid at 3.5 per cent and is expected to remain above its 10-year pre-pandemic average of 2.7 per cent. Real wages are expected to grow with moderating inflation and solid growth in nominal wages.

Investment should continue to support activity in the Australian economy, with business investment forecast to remain at around decade highs and dwelling investment expected to pick up over the forecast period, which will expand the supply of new housing.

While growth in public demand remains below its five-year pre-pandemic average, government consumption and investment have played an important role in ensuring the Australian economy remains on track for a soft landing. Without the contribution of public demand in the September quarter, growth in the economy would have been much weaker. State and local government spending was the major driver of public demand, while the Commonwealth's share was primarily driven by investment in defence equipment. Public final demand is expected to continue to support growth, with around two-thirds of the upgrade in growth over the two years to 2025–26 attributed to increases in state and local government spending.

There are a number of global factors that are posing risks to the economic outlook. Global uncertainty will continue to weigh on global economic conditions, and Australia will not be immune. There is political uncertainty in a number of advanced economies. Protectionism and strategic competition between the United States and China present challenges to global trade, and geopolitical tensions increase the potential for a sharp commodity price shock (including for oil). This will contribute to uncertainty about the path of global inflation. In many advanced economies, the decline in inflation has not been smooth.

Developments in China continue to present downside risk to Australia's export sector. Recent policy announcements by authorities are expected to support China's growth in the near term. However, these announcements are unlikely to offer significant or ongoing support for bulk commodity prices (which have fallen since the beginning of 2024), or quickly restore Chinese demand for Australian education and tourism services.

Domestically, there is uncertainty about how quickly household consumption will respond to growth in real household disposable income. While consumers are initially expected to replenish saving buffers, the speed at which they do so will have implications for the outlook. Although Australia’s labour market has performed strongly, it could adjust more than is currently forecast, resulting in a higher unemployment rate.

The Australian economy is expected to remain resilient in the face of challenging economic conditions and is on track for a soft landing. Growth is forecast to pick up, inflation is expected to sustainably return to the target band, the unemployment rate is expected to remain low by historical standards and real wages are forecast to grow.

International economic outlook

The global economy is forecast to grow at 3¼ per cent across the forecast period. Around three quarters of OECD nations have experienced at least one negative quarter of growth in the past 18 months. The Chinese economy is continuing to slow as cyclical and structural factors drag on growth. Growth in the United States economy has been stronger than expected and an outlier compared with other advanced economies. Growth rates in other advanced economies have been lower and are picking up only gradually.

Global disinflation has enabled central banks in many advanced economies to begin easing monetary policy to counter weaker growth in employment and economic activity. For several countries, this follows more aggressive monetary policy tightening than in Australia since late 2021. Despite having already commenced easing, policy rates in the United States and the United Kingdom remain higher than in Australia. Yet, inflation in services prices has remained persistent in many economies and housing-related components of inflation remain elevated in some economies.

Risks to the international outlook remain tilted to the downside. Rising global protectionism and strategic competition between the United States and China loom over global trade flows and have the potential to significantly disrupt and re-shape supply chains. Significant trade disruptions and a more adversarial trade environment would lead to a reduction in global trade, higher input costs and lower productivity.

Ongoing tensions in the Middle East and Ukraine increase the risk of a sharp commodity or oil price shock, with potential implications for Australian import prices and inflation. Although oil prices have trended lower in 2024, in line with slowing global demand, significant supply disruptions that cause prices to surge could add materially to the costs of production, freight and transport, as well as put pressure on domestic energy costs.

The **United States** has continued to outperform other advanced economies. Inflation has moderated without substantially affecting employment outcomes, with the unemployment rate at 4.1 per cent in November. Growth in the United States is expected to be 2¾ per cent in 2024, and then 2 per cent in 2025 and 2026. The growth outlook has improved in line with robust consumption and investment. There is some uncertainty around the outlook for the United States with the incoming administration's policy platform of tariffs, tax cuts and deregulation yet to be settled.

China's economic growth continues to moderate in line with the ongoing property sector downturn and mounting structural challenges. Growth is expected to continue to moderate over the forecast period from 4¾ per cent in 2024 to 4½ per cent in 2025, and then to 4¼ per cent in 2026. If realised, this would be the weakest consecutive three-year period of growth since China opened up to the global economy in the 1970s. Since September, Chinese authorities have announced a range of measures that are expected to provide some support to near term activity, including easing of monetary policy, efforts to restructure local government debts, and to ease the adjustment in the property sector.

The multi-year downturn in the property sector continues to weigh on China's growth. Despite targeted support, authorities remain committed to deleveraging the sector and real estate investment continues to decline. Falling house prices have weighed on household wealth and spending. Longer-term, China continues to face significant structural headwinds that will weigh on growth, including an ageing and shrinking population, and slowing urbanisation rates.

The **euro area** is projected to experience modest improvements in growth over the forecast period. GDP is forecast to grow by $\frac{3}{4}$ per cent in 2024, $\frac{1}{4}$ per cent in 2025 and $\frac{1}{2}$ per cent in 2026. Rising real wages may provide some support to consumption, while the anticipated easing of monetary policy could aid business investment. However, persistent structural challenges in German industry, political and trade uncertainties, and delays to fiscal consolidation in some countries pose significant risks to the outlook.

The **United Kingdom** is expected to post subdued growth through 2026, supported by higher public sector spending announced in the new government's October budget, and a further expected easing in monetary policy. GDP is forecast to grow by 1 per cent in 2024, $\frac{1}{4}$ per cent in 2025 and $\frac{1}{2}$ per cent in 2026.

In **Japan**, growth in 2024 has been adversely affected by recent and lingering supply disruptions in the auto sector and the dissipation of one-off factors that supported growth in 2023, including the post-pandemic surge in tourism.

Unlike many other advanced economies, the Bank of Japan has begun gradually tightening monetary policy, signalling confidence that prices will grow sustainably, following decades of weak inflation and deflation. Despite this, financial conditions remain accommodative and the pace of monetary policy tightening has been gradual. As a result, growth is expected to be moderate. The Japanese economy is forecast to record zero growth in 2024, with growth rebounding to $\frac{1}{2}$ per cent in 2025, and then moderating to 1 per cent in 2026. Trade exposure presents a key risk to near-term growth, particularly if trade tensions escalate or Chinese growth weakens.

Growth in **other East Asian** economies is expected to remain steady through 2026, with combined GDP forecast to grow by $\frac{4}{4}$ per cent in 2024, 4 per cent in 2025 and 4 per cent in 2026. The region may experience uneven effects from rising trade tensions. While Vietnam and other emerging economies may benefit from trade shifts, growth in Taiwan and South Korea is expected to slow as China's weaker economic outlook weighs on regional growth prospects.

India is projected to remain the world's fastest-growing major economy through 2025. It is forecast to grow by 7 per cent in 2024, $6\frac{3}{4}$ per cent in 2025 and $6\frac{1}{2}$ per cent in 2026. While growth in the first half of 2024 was subdued amid broader geopolitical and economic uncertainty, easing inflation and a pick-up in state spending is expected to support activity. Growth prospects have improved due to stronger domestic demand and state investment.

Table 2.1: International GDP growth forecasts^(a)

	Outcome	Forecasts (Calendar Years)			
	2023	2024	2025	2026	
Australia	2.0	1	2 1/4	2 1/4	
China	5.2	4 3/4	4 1/2	4 1/4	
India	8.2	7	6 3/4	6 1/2	
Japan	1.7	0	1 1/2	1	
United States	2.5	2 3/4	2	2	
Euro area	0.4	3/4	1 1/4	1 1/2	
United Kingdom	0.3	1	1 1/4	1 1/2	
Other East Asia ^(b)	3.3	4 1/4	4	4	
Major trading partners	3.6	3 1/4	3 1/2	3 1/4	
World	3.3	3 1/4	3 1/4	3 1/4	

a) World and Other East Asia growth rates are calculated using GDP weights based on purchasing power parity (PPP). Growth rates for major trading partners are calculated using Australian goods and services export trade weights.

b) Other East Asia comprises Indonesia, Malaysia, the Philippines, Thailand, Vietnam and Singapore, along with Hong Kong, South Korea and Taiwan.

Source: National statistical agencies, IMF, Refinitiv and Treasury.

Domestic economic outlook

The combination of higher interest rates, cost-of-living pressures and weaker global economic conditions has caused the Australian economy to grow more slowly over the past year than initially expected. Despite this, Australia has still outperformed many advanced economies during this difficult economic period and is on track for a soft landing. The economy has continued to expand and inflation has moderated substantially from its peak. More than a million jobs have been created since the middle of 2022, the labour force participation rate is near record highs, real wages and household incomes are growing again, and the gender pay gap is the narrowest it has ever been.

While global and domestic economic pressures have weighed on growth over the past year, the Australian economy is expected to regain some momentum over the course of 2025. Growth in Australia is expected to increase from 1.4 per cent in 2023–24 to 1¾ per cent in 2024–25, and then 2¼ per cent in 2025–26.

Over the last year, consumption growth was the weakest in around three decades, outside of the COVID-19 pandemic and Global Financial Crisis. In aggregate, households have cut back discretionary spending after an initial post-pandemic adjustment and also curtailed savings to manage cost-of-living pressures.

Consumption growth is expected to pick up gradually over 2024–25. This is expected to be driven by a recovery in real household disposable incomes supported by moderating inflation, continuing employment and wage growth, and the Government's cost-of-living tax cuts. It is assumed monetary policy will begin to ease in the first half of 2025, with the official cash rate assumed to decline to 3.6 per cent by the middle of 2026.

The Government's cost-of-living tax cuts came into effect on 1 July 2024, providing an income tax cut to all Australian taxpayers and supporting growth in real household disposable income. This was reflected in the fall in income tax payable in the September quarter 2024.

Inflation has moderated substantially from its peak in 2022. Headline inflation was 2.8 per cent in the September quarter 2024, which is the first time it has been inside the RBA's target band since 2021. The Government's cost-of-living relief measures announced in the 2024–25 Budget are expected to directly reduce annual inflation by ½ of a percentage point in 2024–25. Trimmed-mean inflation moderated to its lowest level in three years in the September quarter 2024. The easing of rental market pressures, new dwellings prices and services inflation are expected to contribute to the sustainable return of inflation to the RBA's target band around the end of 2025.

The labour market has remained resilient, with Australia experiencing faster jobs growth than any major advanced economy since the middle of 2022. Employment is forecast to continue growing, but at a more moderate pace. The unemployment rate has remained historically low and is forecast to rise only modestly to 4½ per cent by the middle of 2025, which is below the pre-pandemic average and slightly above Treasury's assumption for the Non-Accelerating Inflation Rate of Unemployment (NAIRU). Participation has been

at record highs as new workers have entered the labour force, including cohorts that have traditionally faced barriers to employment such as women and younger Australians.

The strength of the labour market has supported a pick up in wage growth, with the wage price index (WPI) growing by 3.5 per cent through the year to the September quarter 2024. As conditions in the labour market ease, wages growth should continue to moderate, but remain above its 10-year pre-pandemic average. Upcoming administered wage decisions are likely to support overall wages growth. After going backwards in 2022, annual real wages began growing again in 2023 and further growth is expected over the forecast period.

Business investment has remained resilient, assisted by strong business balance sheets, elevated capacity utilisation and resilient sentiment. While growth is forecast to moderate over the period ahead, the level of investment activity is expected to remain at levels not experienced since the early 2010s.

Dwelling investment contracted in 2023–24 due to elevated construction and financing costs and constraints in the availability of labour in the residential construction sector. However, new home construction should support a pick-up in dwelling investment over the forecast period as the combination of strong demand, easing inflation in construction costs and support from the Government’s housing agenda underpin an expansion in activity.

While growth in public demand has been below the five-year pre-pandemic average, it has played an important role in Australia’s progress towards a soft landing. More recently, state and local government spending has driven the majority of the growth in public final demand.

Net overseas migration peaked in 2022–23, and is forecast to decline over the forward estimates. While the number of new arrivals is declining in line with expectations at Budget, departures were lower than expected in 2023–24. Departures are expected to pick up over 2024–25, albeit at a slower rate than anticipated at Budget.

Table 2.2: Domestic economy – detailed forecasts^(a)

	Outcomes ^(b)		Forecasts		
	2023–24	2024–25		2025–26	
		Budget	MYEFO	Budget	MYEFO
Real gross domestic product	1.4	2	1 3/4	2 1/4	2 1/4
Household consumption	1.1	2	1	2 3/4	2
Dwelling investment	-1.4	0	1	6 1/2	5
Total business investment ^(c)	6.0	1	1 1/2	2	2
<i>By industry</i>					
Mining investment	7.8	-3 1/2	-3	2	2 1/2
Non-mining investment	5.5	2 1/2	2 1/2	2	2
Private final demand ^(c)	1.8	1 3/4	1	3	2 1/4
Public final demand ^(c)	4.1	1 1/2	3 3/4	1 1/2	2 1/4
Change in inventories ^(d)	-0.5	1/4	0	0	0
Gross national expenditure	1.9	1 3/4	1 3/4	2 1/2	2 1/4
Exports of goods and services	3.7	5	1	2 1/2	3
Imports of goods and services	6.5	4	2 1/2	4 1/2	3 1/2
Net exports ^(d)	-0.4	1/2	- 1/4	- 1/4	0
Nominal gross domestic product	4.1	2 3/4	3 1/4	4	3 1/2
Prices and wages					
Consumer price index ^(e)	3.8	2 3/4	2 3/4	2 3/4	2 3/4
Wage price index ^(f)	4.1	3 1/4	3	3 1/4	3
GDP deflator	2.7	1/2	1 1/2	1 3/4	1 1/4
Labour market					
Participation rate (per cent) ^(g)	66.8	66 1/2	66 3/4	66 1/4	66 1/2
Employment ^(f)	2.2	3/4	1 3/4	1 1/4	1
Unemployment rate (per cent) ^(g)	4.1	4 1/2	4 1/2	4 1/2	4 1/2
Balance of payments					
Terms of trade ^(h)	-6.3	-7 3/4	-5 1/4	-4	-5 1/4
Current account balance (per cent of GDP)	-1.3	- 3/4	-2	-2	-3 1/4
Net overseas migration ⁽ⁱ⁾	446,000	260,000	340,000	255,000	255,000

a) Percentage change on preceding year unless otherwise indicated.

b) Calculated using original data unless otherwise indicated.

c) Excluding second-hand asset sales between the public and private sector.

d) Percentage point contribution to growth in GDP.

e) Through-the-year growth rate to the June quarter.

f) Seasonally adjusted, through-the-year growth rate to the June quarter.

g) Seasonally adjusted rate for the June quarter.

h) Key commodity prices are assumed to decline from elevated levels over four quarters to the end of the September quarter of 2025: the iron ore spot price is assumed to decline to US\$60/tonne; the metallurgical coal spot price declines to US\$140/tonne; the thermal coal spot price declines to US\$70/tonne; and the LNG spot price converges to US\$10/mmBtu. All bulk prices are in free on board (FOB) terms.

i) Net overseas migration is forecast to be 225,000 in 2026–27 and 225,000 in 2027–28. Forecasts for net overseas migration were finalised prior to the release of the ABS National, State and Territory Population data, June 2024, on 12 December 2024.

Note: The forecasts for the domestic economy are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level – a trade-weighted index of around 62 and a US\$ exchange rate of around 66 US cents. Interest rates are informed by the Bloomberg survey of market economists. World oil prices (Malaysian Tapis) are assumed to remain around US\$77 per barrel.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Balance of Payments and International Investment Position, Australia; National state and territory population; Labour Force Survey, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; unpublished ABS data and Treasury.

Household consumption

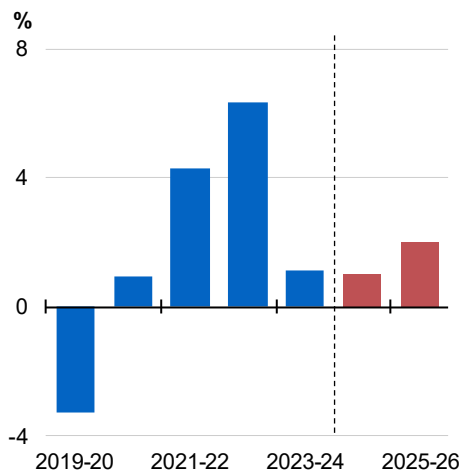
Higher interest rates and cost-of-living pressures weighed on households in 2023–24, resulting in weak household consumption and lower savings. Household consumption rose by 1.1 per cent in 2023–24 and the net saving ratio was the lowest since the Global Financial Crisis as households have used more of their income to support consumption.

Household consumption is expected to remain subdued in 2024. However, it is forecast to grow by 1 per cent in 2024–25, and 2 per cent in 2025–26, with a gradual rise in real household disposable income supporting consumption growth (Chart 2.1).

Real household disposable income is forecast to grow by 2¾ per cent in 2024–25, supported by moderating inflation, labour income growth and the Government’s cost-of-living tax cuts. Growth in labour income is estimated to contribute 4¾ percentage points to real household disposable income growth over 2024–25. Without the Government’s cost-of-living tax cuts, growth in real household disposable income would have been around 1 percentage point lower.

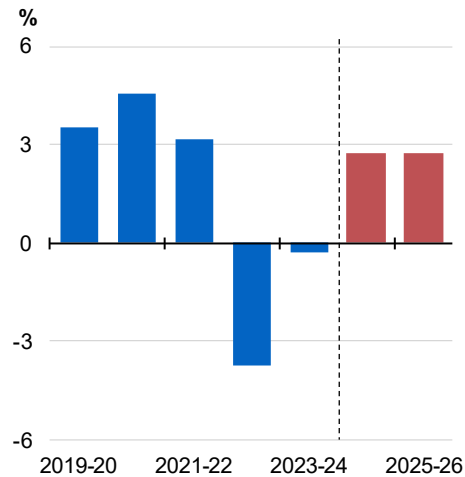
There remains significant uncertainty about the responsiveness of household consumption to evolving economic conditions. Although inflation is expected to moderate and real household disposable incomes are forecast to grow (Chart 2.2), households will still face financial pressures and may prioritise the replenishment of saving buffers in the near term.

Chart 2.1: Household consumption



Source: ABS Australian National Accounts: National Income, Expenditure and Product and Treasury.

Chart 2.2: Real gross disposable income



Source: ABS Australian National Accounts: National Income, Expenditure and Product and Treasury.

Dwelling investment

After a period of weakness, dwelling investment has started to grow again and this is expected to continue over the forecast period.

Dwelling investment contracted in 2023–24, with construction and financing costs and labour constraints weighing on the sector's capacity to progress new builds. Elevated labour, raw materials and financing costs are adversely affecting developer margins and constraining activity, particularly in high-density dwellings.

Dwelling investment is forecast to grow 1 per cent in 2024–25 and at 5 per cent in 2025–26. Robust demand for housing, together with an expected easing of both monetary policy and construction costs, is likely to support an expansion in the sector. Growth in dwelling investment will expand the supply of new homes, which will be assisted by the Government's \$32 billion housing plan.

Business investment

Business investment grew strongly in 2023–24, driven by spending on new machinery and equipment, non-mining projects (including data centres and warehouses) and in the mining sector. Investment in software has also been strong.

Resilient business balance sheets, elevated capacity utilisation and a solid pipeline of non-dwelling construction work are expected to support a higher level of business investment over the next two years. While growth in investment is forecast to moderate to 1½ per cent in 2024–25, and 2 per cent in 2025–26, it is forecast to remain at highs not recorded since the 2010s.

Non-mining investment is expected to drive new business investment activity. This is forecast to increase by 2½ per cent in 2024–25, and by a further 2 per cent in 2025–26. The elevated pipeline of non-dwelling construction projects will support growth.

Growth in mining investment is expected to fall by 3 per cent in 2024–25 as major LNG projects reach completion, and then to grow by 2½ per cent in 2025–26. The outlook primarily reflects expenditure to maintain existing resource production capacity, including through the replacement of outdated mining machinery, along with a modest number of new metal ore and LNG projects.

Public final demand

While growth in public demand has been below the five-year pre-pandemic average, it has played an important role in supporting economic activity and helped Australia withstand difficult global and domestic economic circumstances.

Without the contribution from public demand in the most recent period, growth in the economy would have been much weaker. In the most recent September quarter, state and local government spending contributed around 60 per cent to quarterly public final

demand growth. Of the Commonwealth's remaining share, two-thirds of the growth reflected investment in defence.

Public final demand is forecast to grow by $3\frac{3}{4}$ per cent in 2024–25, and $2\frac{1}{4}$ per cent in 2025–26. This is stronger than expected at Budget with the majority of the revision attributable to spending by states and territories.

Government consumption is expected to grow, in part due to growth in spending on demand-driven programs in the care sector across all levels of government and measures to address cost-of-living pressures.

Growth in new public investment is expected to moderate over the forecast period. The large pipeline of public infrastructure projects at the state and federal level will continue to support new public investment, however, capacity constraints are limiting progress and slowing completions.

Net exports

Net exports are expected to subtract $\frac{1}{4}$ of a percentage point from real GDP growth in 2024–25 and make no contribution to growth in 2025–26. This reflects subdued growth in non-rural commodity exports and the moderation of growth in services exports, while imports growth remains relatively strong.

Growth in exports is expected to moderate to 1 per cent in 2024–25, before picking up to 3 per cent in 2025–26. Non-rural commodity exports are expected to remain weak, despite recently announced policy support in China. While services exports are expected to support growth across the forecast period, the profile is weaker than expected at Budget. In part, this is due to a softer than expected recovery in Chinese tourists and students, both of which remain below pre-pandemic levels.

Growth in import volumes is expected to moderate to $2\frac{1}{2}$ per cent in 2024–25. This reflects ongoing stabilisation following the post-pandemic recovery, particularly around outbound tourism, and an easing in domestic demand for imported goods. However, growth is expected to pick up to $3\frac{1}{2}$ per cent in 2025–26 reflecting the gradual recovery in domestic final demand.

The labour market

Australia's labour market has remained resilient despite the slowdown in economic activity and is well-positioned to preserve much of the recent gains in employment as inflation continues to moderate (Box 2.1). Over a million jobs have been created in the economy since the middle of 2022. Employment is expected to continue to grow, albeit at a more moderate pace. Employment growth has eased in industries most exposed to the household sector but there has been continued demand for labour in health and aged care services.

Australia has recorded faster jobs growth than all major advanced economies (Box 2.1) and the labour force participation rate is near record highs. These conditions have lifted

prospects for cohorts who traditionally face barriers to employment. Female participation remained near its record high in November 2024 and the youth unemployment rate remains well below the five-year pre-pandemic average of 12.4 per cent (Chart 2.3).

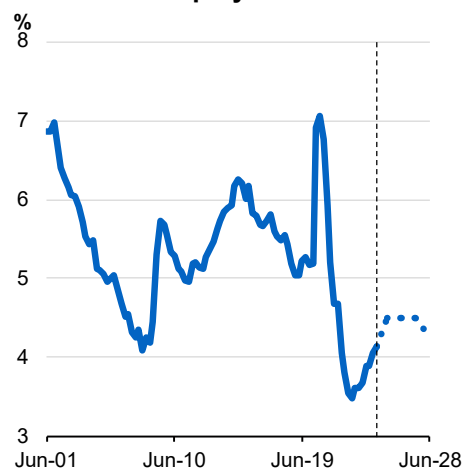
There are signs that labour market conditions are gradually easing, particularly in the retail and hospitality sectors that are more exposed to soft household demand. The unemployment rate has recently stabilised around 4 per cent, which is historically low and consistent with Treasury’s assumption for the NAIRU. The participation rate is expected to remain elevated in the near term and the unemployment rate is forecast to gradually rise to peak at 4½ per cent by the June quarter of 2025, which is low by historical standards.

Chart 2.3: Youth unemployment rate



Source: ABS Labour Force, Australia.

Chart 2.4: Unemployment rate



Source: ABS Labour Force, Australia.

Resilient labour market conditions continue to support nominal wage growth. In line with the expected moderation in the labour market and continued easing of inflation, wage growth is expected to ease to 3 per cent in both 2024–25 and 2025–26 but remain above its pre-pandemic average.

Wage growth forecasts take account of administered wage decisions, including the Fair Work Commission’s (FWC) Annual Wage Review and Aged Care Work Value Case. These decisions will likely add to overall wage growth. Where the FWC is yet to make a determination, Treasury has assumed that these decisions will be consistent with the Government’s submissions. In particular, there is an expectation that any large wage increases would be gradually phased in to support an orderly adjustment for labour markets and service supply.

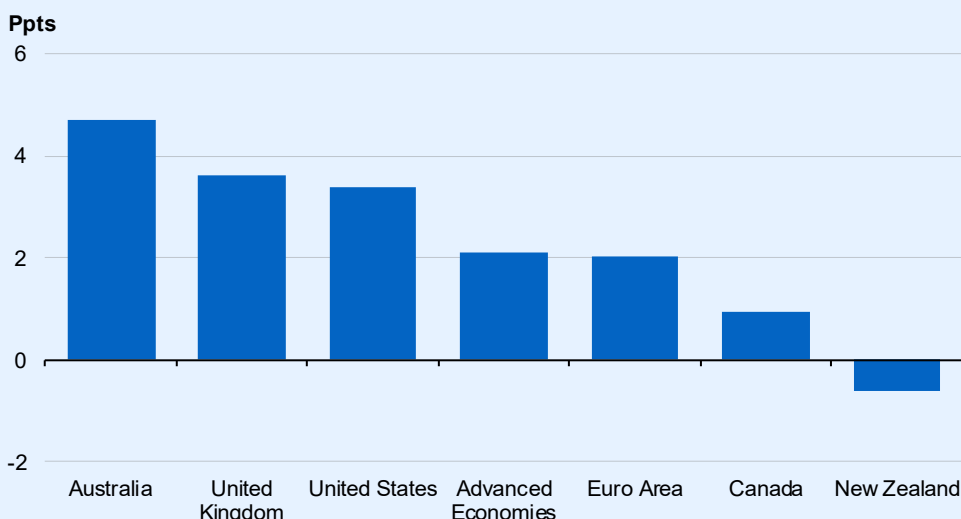
Real wages started to grow again in the December quarter 2023 and are expected to be supported by a cyclical upswing in labour productivity. This upswing is expected to be driven by capital deepening driven by elevated levels of business investment and easing employment growth.

Box 2.1: Navigating the narrow path

Following the pandemic, there was a worldwide surge in inflation that necessitated a strong policy response. Tighter macroeconomic policies around the world have been successful in reducing inflation from the peaks seen in 2022, but have also put pressure on households and have contributed to a slowdown in economic activity and employment.

In Australia, the Government and Reserve Bank of Australia have calibrated policy settings to navigate a narrow path to balance the need to reduce inflation while preserving the strong labour market gains of recent years. The improvement in the budget balance has been well above the advanced economy average, particularly in recent years (Chart 2.5), helping to reduce inflation from its peak.

Chart 2.5: Improvement in fiscal balance to GDP (2021 to 2024)



Source: International Monetary Fund.

Note: International Monetary Fund fiscal data are produced on a consistent basis across countries. They are produced for calendar years and on a general government basis. They are not directly comparable with fiscal aggregates reported elsewhere in MYEFO.

While the overall trajectory of interest rate tightening in Australia has been similar to many advanced economies, the increase in Australian interest rates was lower than in many of these countries. Economies that experienced a larger tightening of monetary policy have typically experienced lower employment growth (Chart 2.6).

continued over next page

Box 2.1: Navigating the narrow path (continued)

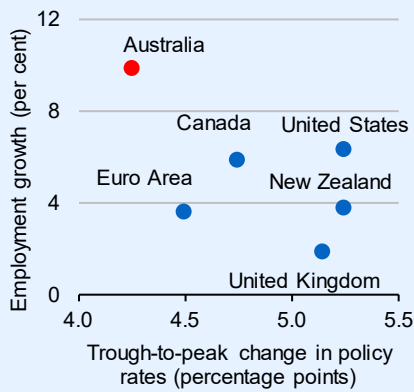
Australia’s inflation and labour market outcomes compare favourably against many other advanced economies. Australia’s inflation peaked lower and later than most comparable economies.

Australia has also experienced a smaller cumulative increase in consumer prices than many countries (Chart 2.7), but stronger employment growth and a smaller rise in unemployment.

In New Zealand, policy rates were increased by more than 5 percentage points, with employment growth slowing and the unemployment rate rising more than 1½ percentage points in response. Nevertheless, the cumulative increase in prices since December 2019 has been higher than in Australia.

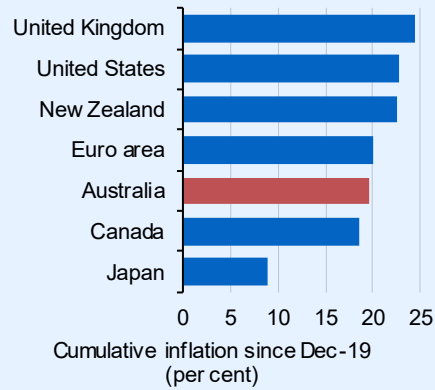
In Canada, while inflation has fallen faster than in Australia, unemployment has risen by 2.0 percentage points since its post-pandemic low in mid-2022. Over the same period, Australia has seen unemployment rise by only 0.4 percentage points. Australia has also experienced cumulative employment growth of around 10 per cent since late-2021.

Chart 2.6: Cumulative employment growth since late 2021 compared with policy rate increase



Sources: ABS, Refinitiv.

Chart 2.7: Cumulative changes in consumer prices in advanced economies to September 2024



Sources: Refinitiv, national statistical agencies.

Inflation

Inflation has moderated substantially across both headline and underlying measures. Headline inflation has moderated from its peak of 7.8 per cent in 2022 to return to the RBA's target band of 2 to 3 per cent in the September quarter 2024. At 2.8 per cent, this was the first time inflation was in the target band since 2021. Cost-of-living relief measures have helped to directly reduce headline inflation. Electricity rebates and the increase in Commonwealth Rent Assistance are estimated to have directly reduced annual inflation in the September quarter 2024 by $\frac{1}{2}$ of a percentage point. Lower fuel prices have also contributed to the lower inflation outcome.

Underlying inflation moderated by 0.5 percentage points in the September quarter to be 3.5 per cent, its lowest level in almost three years. In six-month annualised terms, underlying inflation was 3.3 per cent through the year to the September quarter 2024.

Goods inflation has rapidly normalised across most categories in 2023 and 2024 on the back of easing demand and supply chain pressures. Services inflation, which has recently stabilised well below its peak, is expected to normalise more gradually. The outlook for services inflation remains uncertain, especially around the expected improvement in labour productivity and the pace at which rental and insurance pressures will ease.

Key drivers of housing inflation remain elevated. Strong housing demand in Perth and labour supply constraints have sustained new dwellings inflation in aggregate, although this has moderated to be around one-quarter of its peak in 2022. New dwelling inflation is expected to normalise in the near term as labour supply constraints ease, supported by the Government's housing agenda.

Rental inflation has similarly passed its peak as most rental contracts have now responded to tight market conditions and passed through higher interest costs. Lower growth in housing demand and a slower rate of household formation are likely to support a continued easing in the near term. However, this easing may be stronger than expected if household formation is more responsive to affordability constraints or supply constraints resolve more quickly to drive stronger dwelling investment and housing supply.

Outlook for the terms of trade, nominal GDP and medium term

Australia's terms of trade, or the ratio of export to import prices, are forecast to decline by $5\frac{1}{4}$ per cent in 2024–25. Iron ore prices have fallen since the beginning of 2024 and remain under pressure from slowing growth in China. Key commodity prices are assumed to return to their long-run fundamental levels over four-quarters by the end of the September quarter 2025.

Nominal GDP is expected to grow at $3\frac{1}{4}$ per cent in 2024–25 and $3\frac{1}{2}$ per cent in 2025–26. The moderation from recent years largely reflects lower export prices.

Treasury uses a macroeconomic model of the Australian economy to inform its forecasts and projections. The model informs how the economy returns to its trend level of output, known as potential GDP, following short-term fluctuations of the business cycle.

Potential GDP is estimated based on an analysis of trends for population, productivity, and labour force participation. While these underlying trends have shifted, the level of potential GDP over the projections is largely consistent with 2024–25 Budget.

Since 2024–25 Budget, the level of population (aged over 15) has been revised up by $\frac{1}{2}$ per cent on average over the medium term. The trend participation rate has been revised up. A reduction in trend average hours partly offsets the upward revision to trend participation.

The upgrade in the size of the workforce has been offset through a lower level of trend productivity, reflecting continued weak underlying productivity growth. In the long run, annual productivity growth is assumed to be 1.2 per cent – unchanged from the assumption at 2024–25 Budget.

The unemployment rate settles at the NAIRU assumption of $4\frac{1}{4}$ per cent by the June quarter 2028 and remains at that rate over the projections.

Domestic inflation converges over time to the midpoint of the RBA's target band of 2.5 per cent. The terms of trade are projected to remain around their 2025–26 level over the medium term, with key commodity prices returning to levels consistent with their long-term fundamentals. Nominal wage growth converges to $3\frac{3}{4}$ per cent, reflecting the outlook for labour productivity growth and inflation. The level of nominal GDP over the projections is broadly consistent with 2024–25 Budget.

Part 3: Fiscal Strategy and Outlook

Overview

The Government's responsible economic and fiscal management has delivered the first back-to-back budget surpluses in nearly two decades, the largest nominal budget improvement in a Parliamentary term and has helped return inflation to the target band for the first time since 2021. Relative to the 2022 Pre-Election Economic and Fiscal Outlook (PEFO), the underlying cash balance is forecast to improve by around \$200 billion over the six years to 2027–28 and gross debt is expected to be \$177 billion lower in 2024–25.

This responsible approach has continued in the 2024–25 Mid-Year Economic and Fiscal Outlook (MYEFO). A deficit of \$26.9 billion is forecast for 2024–25 (Table 3.1), \$20 billion lower than the deficit forecast at the PEFO and \$1.3 billion lower than the Budget.

The fiscal outlook for the underlying cash balance is better over the medium term than the PEFO and broadly unchanged since the 2024–25 Budget. The underlying cash balance is projected to improve over the medium term, returning to balance by 2034–35. Gross debt is expected to stabilise at 36.7 per cent of GDP from 2026–27, broadly in line with the Budget and 8.2 percentage points lower than the peak in the PEFO, before declining to 31.4 per cent of GDP by 2034–35.

The budget faces structural pressures in coming years, including the challenges posed by climate change, an ageing population, regional security, rising demand for care and support services, and interest on government debt. The Government has made significant progress in addressing the largest structural spending pressures including interest costs on debt, the National Disability Insurance Scheme (NDIS) and aged care.

The Government is delivering on its Economic and Fiscal Strategy and continues to ensure fiscal policy is consistent with bringing inflation sustainably back to target. Average annual real spending growth is limited to 1.5 per cent over the six years to 2027–28, around half of the 30-year average. This MYEFO includes \$15.1 billion in budget improvements, including \$14.6 billion in savings and reprioritisations. This brings the total savings and reprioritisations delivered since the PEFO to \$92.0 billion. 78 per cent of tax upgrades to the end of the forward estimates period have been returned to the budget since the PEFO.

By improving the budget position the Government has kept gross debt down and avoided around \$70 billion in interest payments over the 11 years to 2032–33 compared to the PEFO. The Government's responsible approach is recognised by ratings agencies. Australia remains one of only nine countries with a AAA sovereign credit rating from all three major ratings agencies. This year, Australia is expected to have the third strongest budget balance in the G20. Australia's gross debt to GDP (including all levels of government) is also low internationally, at around half the advanced economy average and more than 70 percentage points below the United States.

The Government continues to deliver responsible cost-of-living relief with energy bill relief and rent assistance directly reducing inflation by $\frac{1}{2}$ of a percentage point in 2024–25. The Government's tax cuts are delivering all 13.6 million Australian taxpayers cost-of-living relief from 1 July 2024.

The Government has been able to deliver these improvements to the budget despite challenging economic conditions and the need to fund payment variations and unavoidable spending, which are the primary drivers of the deterioration in the underlying cash balance over the forward estimates relative to the 2024–25 Budget. This MYEFO includes \$8.8 billion in unavoidable policy decisions. Excluding goods and services tax (GST) payments to the states and territories, parameter and other variations have increased payments by \$16.3 billion, which includes automatic adjustments to indexation, as well as funding increased demand for government payments and services.

These variations provide funding to ensure our veterans receive their entitlements, index pensions, increase support to families to assist with the cost of child care, support disaster recovery, increase support for schools, pass on the recent Fair Work Commission decision on aged care worker wage rises, and support increased demand for Medicare and the Pharmaceutical Benefits Scheme.

Since the PEFO, the Government has had to commit \$47.6 billion in legacy and unavoidable spending to resolve issues inherited from the former Government, extend terminating measures to ensure Australians do not see cuts to the essential services they rely on, and respond to urgent and unforeseen issues.

Tax receipts upgrades are much smaller than the \$80 billion upgrade on average across the last four budget updates. Excluding GST and policy decisions, tax receipts have been revised up by \$7.3 billion over the four years to 2027–28. For the first time since the 2020–21 Budget, company tax receipts have been revised downwards, reflecting weaker commodity volumes amid emerging challenges in the Chinese economy.

Table 3.1: Australian Government general government sector budget aggregates

	Estimates							
	2024–25		2025–26		2026–27		2027–28	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
Underlying cash balance								
MYEFO	-26.9	-1.0	-46.9	-1.6	-38.4	-1.3	-31.7	-1.0
<i>Budget</i>	-28.3	-1.0	-42.8	-1.5	-26.7	-0.9	-24.3	-0.8
Receipts								
MYEFO	704.2	25.5	728.4	25.5	763.4	25.4	804.1	25.4
<i>Budget</i>	698.4	25.3	719.4	25.1	760.0	25.1	801.8	25.2
Tax receipts								
MYEFO	645.6	23.4	669.7	23.5	705.4	23.5	743.1	23.5
<i>Budget</i>	642.5	23.3	661.6	23.1	702.3	23.2	742.3	23.3
Non-tax receipts								
MYEFO	58.6	2.1	58.8	2.1	58.0	1.9	61.0	1.9
<i>Budget</i>	55.9	2.0	57.8	2.0	57.7	1.9	59.5	1.9
Payments(a)								
MYEFO	731.1	26.5	775.3	27.2	801.7	26.7	835.7	26.4
<i>Budget</i>	726.7	26.4	762.2	26.6	786.7	26.0	826.2	26.0
Gross debt(b)								
MYEFO	940.0	34.0	1,028.0	36.0	1,100.0	36.7	1,161.0	36.7
<i>Budget</i>	934.0	33.9	1,007.0	35.1	1,064.0	35.2	1,112.0	34.9
Net debt(c)								
MYEFO	540.0	19.6	609.3	21.3	669.2	22.3	708.6	22.4
<i>Budget</i>	552.5	20.0	615.5	21.5	660.0	21.8	697.5	21.9
Net interest payments(d)								
MYEFO	14.6	0.5	18.5	0.6	21.6	0.7	27.5	0.9
<i>Budget</i>	14.5	0.5	18.8	0.7	20.8	0.7	26.0	0.8

a) Equivalent to cash payments for operating activities, purchases of non-financial assets and principal payments of lease liabilities.

b) Gross debt measures the face value of Australian Government Securities (AGS) on issue.

c) Net debt is the sum of interest bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

d) Net interest payments are equal to the difference between interest payments and interest receipts.

Economic and Fiscal Strategy

The Government's Economic and Fiscal Strategy is making the economy and budget stronger, more resilient and more sustainable over the medium term (Box 3.1). The Strategy is consistent with the requirements of the *Charter of Budget Honesty Act 1998*, with progress reviewed at each budget update. The Strategy is unchanged since the 2024–25 Budget.

Box 3.1: The Government's Economic and Fiscal Strategy

The Government's Economic and Fiscal Strategy will make the economy more resilient and put the budget on a more sustainable footing over time.

The Strategy is focused on the objectives of strong, inclusive and sustainable economic growth, full employment, growing real wages, ensuring women's economic participation and equality, and improving living standards for all Australians.

The Government will improve the budget position in a measured way, consistent with the overarching goal of reducing gross debt as a share of the economy over time. This approach enables fiscal policy to respond to changes in economic conditions to support macroeconomic stability, including in times of high inflation.

These objectives will be achieved by investments that grow the economy and expand productive capacity, and budget discipline that restrains spending growth and enhances the quality of spending. The budget will be improved in a manner consistent with the objective of maintaining full employment, while continuing to deliver essential services.

Putting the budget on a more sustainable footing will ensure the Government has the fiscal buffers to withstand economic shocks and better manage the fiscal pressures from an ageing population and climate change.

These commitments will be underpinned by the following elements:

- Allowing tax receipts and income support to respond in line with changes in the economy and directing the majority of improvements in tax receipts to budget repair.
- Limiting growth in spending until gross debt as a share of GDP is on a downwards trajectory, while growth prospects are sound and unemployment is low.
- Improving the efficiency, quality and sustainability of spending.
- Focusing new spending on investments and reforms that build the capability of our people, expand the productive capacity of our economy, and support action on climate change.
- Delivering a tax system that funds government services in an efficient, fair and sustainable way.

Delivering on the Economic and Fiscal Strategy

The Government continues to deliver on its Economic and Fiscal Strategy by:

- Improving the budget balance.
 - The underlying cash balance in 2024–25 has improved by \$1.3 billion since the 2024–25 Budget with a forecast deficit of \$26.9 billion. This is an improvement of \$20 billion compared to the forecast at the PEFO.
 - The underlying cash balance has improved by a cumulative \$199 billion over the six years to 2027–28 compared to projections at the PEFO.
- Reducing debt as a share of the economy over time.
 - Gross debt-to-GDP is expected to stabilise at 36.7 per cent from 30 June 2027 and then fall to 31.4 per cent at 30 June 2035.
 - Gross debt is lower in every year of the projection period than expected at the PEFO. In nominal terms, gross debt is forecast to be \$177 billion lower at 30 June 2025.
 - Gross debt is expected to stabilise 8.2 percentage points lower than the forecast peak at the PEFO. By 30 June 2033, gross debt is projected to be \$113 billion (6.1 percentage points of GDP) lower than at the PEFO.
 - Improvements to the budget position, compared to the PEFO, over the 11 years to 2032–33, are expected to save around \$70 billion in interest payments over this period.
- Returning the majority of tax receipt upgrades to the budget.
 - The Government has returned 78 per cent of tax receipt upgrades to the budget since coming to government in the six years to the end of the forward estimates period.
 - The upgrades returned since the PEFO have improved the underlying cash balance by a cumulative \$275 billion over the forward estimates, avoiding around \$120 billion in interest payments over the 11 years to 2032–33.
- Repairing the budget through \$14.6 billion in savings and reprioritisations and \$0.4 billion in improvements to the tax system.
 - This brings total savings and spending reprioritisations to \$92.0 billion, and total budget improvements to \$119.9 billion, since the PEFO.
- Limiting spending, with real payments growth over the six years to 2027–28 forecast to average 1.5 per cent per year.
 - This compares to the 3.2 per cent average over the past 30 years.

The Government’s responsible economic and fiscal management strikes a balance between fighting inflation, easing pressures on households and supporting growth and employment. It has strengthened the fiscal position, helped rebuild fiscal buffers, and seen fiscal policy work alongside monetary policy to return inflation to the target band for the first time since 2021.

The Government is continuing to ensure its fiscal policy settings are consistent with sustainably returning inflation to target.

The Government’s responsible fiscal approach includes:

- Improving the budget position in 2024–25, relative to the 2024–25 Budget.
- Banking the majority of tax receipt upgrades in 2024–25 since the PEFO.
- Directly reducing inflation by $\frac{1}{2}$ of a percentage point in 2024–25 through responsible cost-of-living measures announced in the 2024–25 Budget.

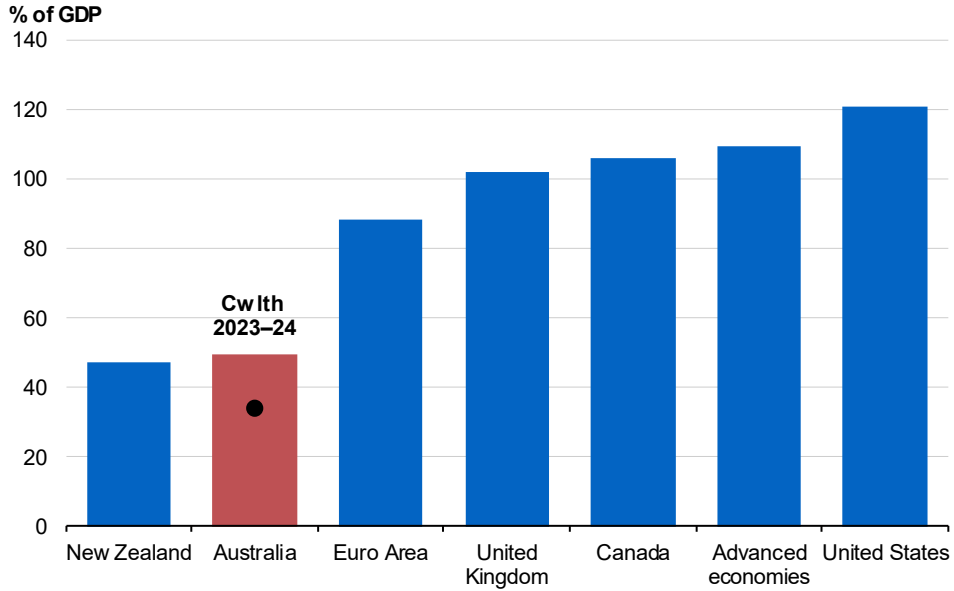
International comparisons of fiscal performance

Australia’s fiscal improvement, led by the Commonwealth, puts the nation’s finances in a strong position internationally. Australia’s budget balance improvement, as a share of the economy, has exceeded that of most other comparable economies over the past three years. As a result, Australia is expected to have the third highest budget balance as a share of GDP among G20 countries in 2024, up from 14th in 2021.

Australia is one of only nine countries with a AAA sovereign credit rating from all three major ratings agencies.

Australia’s general government gross debt as a share of GDP has remained low internationally. The International Monetary Fund projects Australia’s general government gross debt to GDP (including all levels of government) to be around half the advanced economy average, more than 50 percentage points below the United Kingdom, and Canada, and more than 70 percentage points below the United States (Chart 3.1). Australia is estimated to have the fifth lowest gross debt to GDP ratio in the G20 in 2024. Low government debt levels ensure Australia retains low borrowing costs, and the capacity to respond to future economic downturns while sustaining essential services.

Chart 3.1: General government gross debt in 2024



Source: 2023–24 Final Budget Outcome, International Monetary Fund.

Note: International Monetary Fund fiscal data are produced on a consistent basis across countries. They are produced for calendar years and on a general government basis. They are not directly comparable with fiscal aggregates reported elsewhere in the MYEFO.

Fiscal Outlook

Underlying cash balance estimates

An underlying cash deficit of \$26.9 billion is forecast for 2024–25 (1.0 per cent of GDP), an improvement on the 2024–25 Budget. The deficit is expected to reach \$46.9 billion (1.6 per cent of GDP) in 2025–26 before improving to \$31.7 billion (1.0 per cent of GDP) in 2027–28.

This MYEFO continues the Government’s record of responsible economic and fiscal management, which has been achieved in the context of challenging economic and fiscal pressures. Payment variations and unavoidable policy decisions are the primary drivers of higher underlying cash deficits since the 2024–25 Budget over the forward estimates period. While the net impact of policy decisions also contributes to a higher underlying cash deficit, \$4.7 billion of these policy decisions have been funded by provisions from previous budget updates.

The Government has had to provide \$8.8 billion over four years to 2027–28 in this MYEFO for unavoidable spending pressures, including extending terminating programs to prevent cuts to the services Australians rely on. Unavoidable policy decisions taken in this MYEFO include:

- Support for frontline legal assistance services through a new National Access to Justice Partnership, which replaces the National Legal Assistance Partnership. The previous government did not provision any funding for the National Legal Assistance Partnership beyond 2024–25.
- New and amended listings on the Pharmaceutical Benefits Scheme, including the listing of belzutifan (Welireg®) for the treatment of patients with von Hippel-Lindau disease, and retaining the listing of dupilumab (Dupixent®) for the treatment of severe atopic dermatitis.
- Extending terminating funding for the National Disability Insurance Agency and the NDIS Quality and Safeguards Commission to ensure they’re appropriately resourced to continue to support NDIS participants.
- Funding to further prepare and protect the nation against High Pathogenicity Avian Influenza.
- Addressing unavoidable cost pressures from projects in the Infrastructure Investment Program.
- Funding for the Australian Energy Market Operator to uplift core digital systems to enhance energy security and reliability.

- Funding to support environmental and rehabilitation objectives in the resources sector, including rehabilitation of the former Rum Jungle mine site and decommissioning of the Northern Endeavour facility.
- Providing funding for sustainable operations at the Department of Veterans' Affairs and the Australian War Memorial, and a new Macquarie Wharf 6 in the Port of Hobart to support Australian Antarctic Program operations.
- Extending terminating programs in the Health and Aged Care portfolio, including continuing COVID support for people in aged care and Commonwealth psychosocial supports.

Since the PEFO, the Government has had to commit \$47.6 billion in legacy and unavoidable spending to resolve issues inherited from the former Government, extend terminating measures to ensure Australians do not see a cut to the essential services they rely on, and respond to urgent and unforeseen issues.

Parameter and other variations have increased receipts by \$18.8 billion and payments by \$23.0 billion over the four years to 2027–28 (Table 3.2).

Table 3.2: Reconciliation of general government sector underlying cash balance estimates

	Estimates				Total \$m
	2024–25 \$m	2025–26 \$m	2026–27 \$m	2027–28 \$m	
2024–25 Budget underlying cash balance	-28,286	-42,838	-26,713	-24,345	-122,183
Per cent of GDP	-1.0	-1.5	-0.9	-0.8	
Changes from 2024–25 Budget to 2024–25 MYEFO					
Effect of policy decisions(a)(b)					
<i>Receipts</i>	402	312	399	540	1,653
<i>Payments</i>	2,466	8,557	5,175	2,920	19,118
Total policy decisions impact on underlying cash balance	-2,064	-8,245	-4,777	-2,380	-17,465
Effect of parameter and other variations(b)					
<i>Receipts</i>	5,336	8,755	2,977	1,727	18,796
<i>Payments</i>	1,935	4,587	9,841	6,673	23,036
Total parameter and other variations impact on underlying cash balance	3,401	4,168	-6,864	-4,945	-4,241
2024–25 MYEFO underlying cash balance	-26,949	-46,915	-38,353	-31,671	-143,888
Per cent of GDP	-1.0	-1.6	-1.3	-1.0	
a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.					
b) A positive number for receipts improves the underlying cash balance, while a positive number for payments worsens the underlying cash balance.					

Primary balance estimates

The primary cash balance adjusts the underlying cash balance to exclude interest payments and interest receipts (as these are largely outside government control in the short term).

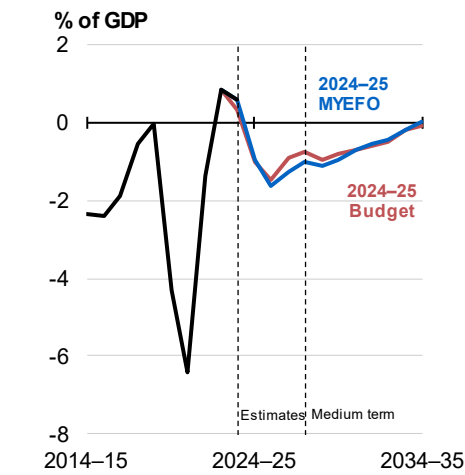
The primary balance is expected to be a deficit of \$12.3 billion (0.4 per cent of GDP) in 2024–25. Since the Budget, the primary balance has improved by \$1.4 billion in 2024–25 and deteriorated by \$19.7 billion over four years to 2027–28.

Medium-term projections

The medium-term fiscal outlook is broadly unchanged since the 2024–25 Budget with spending pressures and higher borrowing costs offsetting improvements in receipts.

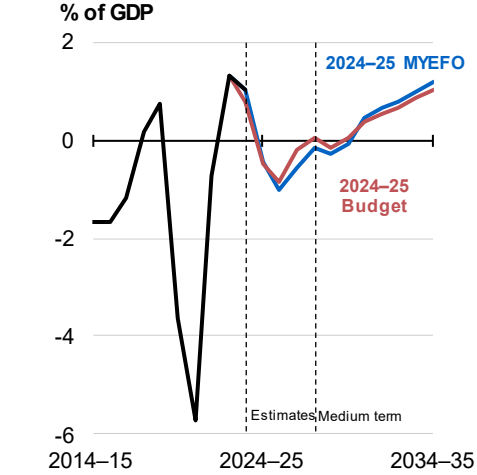
- The underlying cash balance returns to balance (0.1 percentage point of GDP surplus) by 2034–35, a 0.1 percentage point of GDP improvement compared to Budget (Chart 3.2). Compared to the PEFO, the underlying cash balance has improved by a cumulative \$231 billion over the 11 years to 2032–33.
- The primary cash balance is projected to reach a surplus of 1.2 per cent of GDP in 2034–35, 0.2 percentage points larger than projected at the 2024–25 Budget (Chart 3.3).
- Gross debt-to-GDP is higher across the projection period compared to the 2024–25 Budget. By 30 June 2035, gross debt is 31.4 per cent of GDP, 1.2 percentage points higher than projected at the 2024–25 Budget (Chart 3.4). Compared to the PEFO, gross debt is lower every year of the projection period. At 30 June 2033, gross debt is projected to be \$113 billion (6.1 percentage points of GDP) lower than at the PEFO.

Chart 3.2: Underlying cash balance



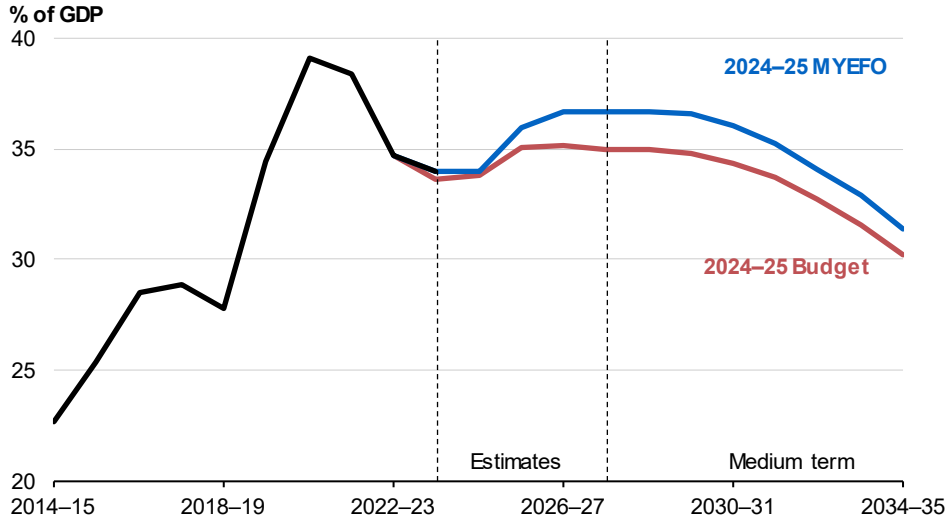
Source: Treasury.

Chart 3.3: Primary cash balance



Source: Treasury.

Chart 3.4: Gross debt

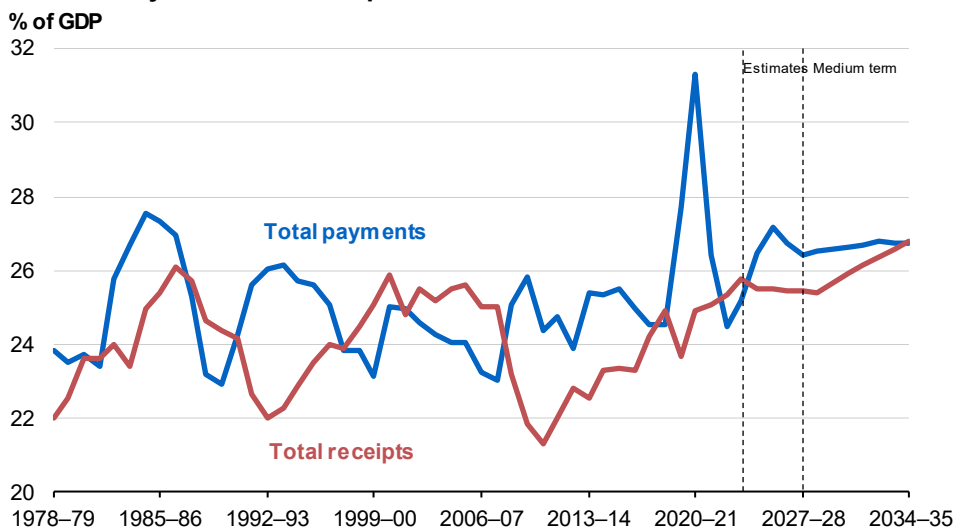


Source: Australian Office of Financial Management, Treasury.

Total receipts as a share of GDP have been revised modestly upwards over the medium term compared to the 2024–25 Budget projections. Total receipts are projected to be 25.4 per cent of GDP in 2027–28 and then 26.8 per cent of GDP by 2034–35.

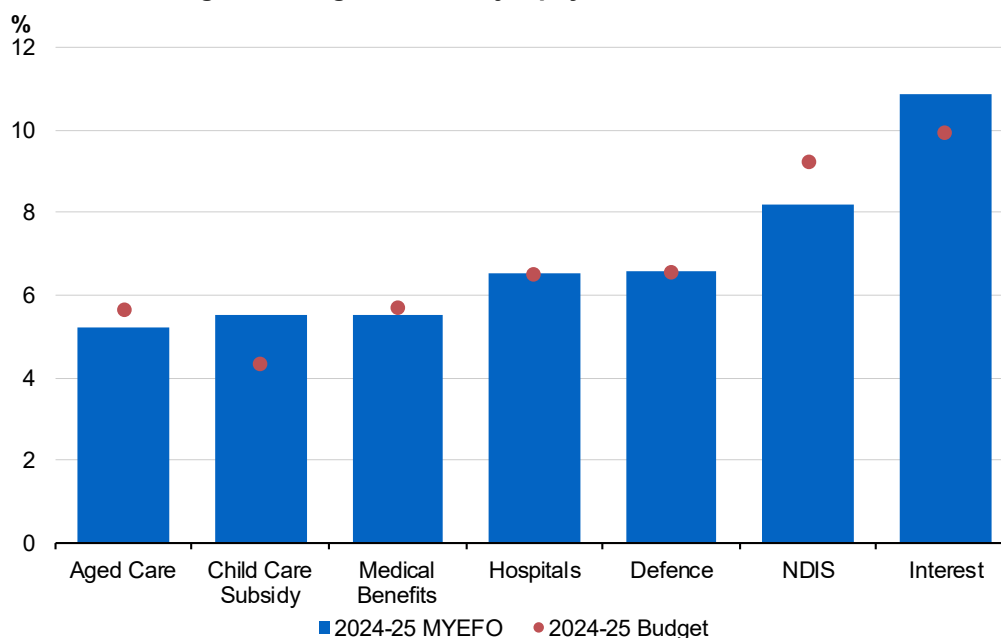
Payments are projected to grow from 26.4 per cent of GDP in 2027–28 to 26.7 per cent of GDP in 2034–35 (Chart 3.5). This is higher than the 2024–25 Budget projection of 26.3 per cent of GDP in 2034–35.

Chart 3.5: Payments and receipts



Source: Treasury.

Chart 3.6: Average annual growth in major payments 2024–25 to 2034–35



Source: Treasury.

Note: Interest refers to interest payments on Australian Government Securities. NDIS refers to the Commonwealth’s contribution to payments for NDIS participant supports. Changes to NDIS payments reflect increased state and territory contribution escalation rates commencing 1 July 2028 that are now incorporated in the payment line; as well as updated NDIS growth projections contained in the 2023–24 Annual Financial Sustainability Report published by the NDIS Scheme Actuary. Changes to state and territory contributions were previously included in the medium-term estimates at 2024–25 Budget as a technical modelling assumption and were not specifically attributed to NDIS payments.

The fastest-growing major payments are interest on government debt, the NDIS, defence, hospitals payments, medical benefits payments, the Child Care Subsidy and aged care payments (Chart 3.6).

- Interest payments growth is expected to average 10.9 per cent over the projection period compared to 9.9 per cent at the Budget. This reflects higher yields and gross debt.
- NDIS Commonwealth funded participant payments growth is expected to average 8.2 per cent over the projection period from 2024–25 to 2034–35, compared to 9.2 per cent at the 2024–25 Budget. This reflects state and territory NDIS contribution escalation rates increasing from 4 per cent to be in line with Scheme growth, capped at 8 per cent, commencing 1 July 2028. It also incorporates the expected moderation in scheme growth under the NDIS Financial Sustainability Framework reflected in the NDIS Scheme Actuary’s latest projections.

- Child Care Subsidy payments growth is expected to average 5.5 per cent over the projection period compared to 4.4 per cent at the 2024–25 Budget. This largely reflects additional support flowing to families through Child Care Subsidy payments to assist with the cost of child care, including an estimated extra 200,000 children in early education by the end of the forward estimates in 2027–28.
- Aged care payments growth is expected to average 5.2 per cent over the projection period compared to 5.7 per cent at the 2024–25 Budget. Reforms announced in September 2024 are projected to reduce payments relative to the 2024–25 Budget, offset by increased funding for aged care workers.

Receipts estimates and projections

Total receipts over the forward estimates have increased by \$20.4 billion since the 2024–25 Budget, driven by higher tax receipts.

The tax receipts upgrade in this MYEFO is much smaller than the \$80 billion upgrade on average across the last four budget updates. Excluding GST and policy decisions, tax receipts have been revised up by \$7.3 billion over the four years to 2027–28. The upgrade to tax receipts since the Budget is driven by an improved outlook for personal income and superannuation fund taxes, reflecting higher compensation of employees and tax from earnings on investments. These have been partly offset by downgrades to company tax and tobacco excise.

Since the 2024–25 Budget, non-tax receipts are expected to increase by \$2.7 billion in 2024–25 (Table 3.3) and by \$5.4 billion over the four years to 2027–28.

Total receipts as a proportion of GDP are expected to remain broadly stable over the forward estimates, from 25.5 per cent of GDP in 2024–25 to 25.4 per cent of GDP in 2027–28. This is driven by tax receipts, which are expected to be 23.4 per cent of GDP in 2024–25 and 23.5 per cent in 2027–28.

Table 3.3: Reconciliation of 2024–25 general government (cash) receipts

	Estimates		Change from 2024–25 Budget	
	2024–25 Budget \$m	2024–25 MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	290,300	293,600	3,300	1.1
Gross other individuals	76,800	81,700	4,900	6.4
less: Refunds	40,600	39,900	-700	-1.7
Total individuals and other withholding	326,500	335,400	8,900	2.7
Fringe benefits tax	4,210	4,910	700	16.6
Company tax	139,100	132,500	-6,600	-4.7
Superannuation fund taxes	19,810	21,910	2,100	10.6
Petroleum resource rent tax	2,650	1,350	-1,300	-49.1
Income taxation receipts	492,270	496,070	3,800	0.8
Goods and services tax	87,673	89,753	2,080	2.4
Wine equalisation tax	1,150	1,120	-30	-2.6
Luxury car tax	1,140	1,170	30	2.6
Excise and customs duty				
Petrol	7,300	7,200	-100	-1.4
Diesel	17,390	17,440	50	0.3
Other fuel products	2,210	2,070	-140	-6.3
Tobacco	11,550	8,750	-2,800	-24.2
Beer	2,760	2,720	-40	-1.4
Spirits	3,590	3,310	-280	-7.8
Other alcoholic beverages(a)	1,750	1,760	10	0.6
Other customs duty				
Textiles, clothing and footwear	170	170	0	0.0
Passenger motor vehicles	380	380	0	0.0
Other imports	1,530	1,560	30	2.0
less: Refunds and drawbacks	730	730	0	0.0
Total excise and customs duty	47,900	44,630	-3,270	-6.8
Major Bank Levy	1,720	1,730	10	0.6
Agricultural levies	623	678	55	8.8
Visa application charges	3,882	4,147	265	6.8
Other taxes	6,183	6,267	83	1.3
Indirect taxation receipts	150,272	149,495	-777	-0.5
Taxation receipts	642,542	645,565	3,023	0.5
Sales of goods and services	21,396	22,039	643	3.0
Interest received	9,275	9,968	692	7.5
Dividends and distributions	6,789	7,206	417	6.1
Other non-taxation receipts	18,444	19,407	964	5.2
Non-taxation receipts	55,904	58,620	2,716	4.9
Total receipts	698,446	704,184	5,739	0.8
<i>Memorandum:</i>				
Total excise	31,870	31,650	-220	-0.7
Total customs duty	16,030	12,980	-3,050	-19.0
Capital gains tax(b)	23,600	29,900	6,300	26.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 3.4: Reconciliation of 2025–26 general government (cash) receipts

	Estimates		Change from 2024–25 Budget	
	2024–25 Budget \$m	2024–25 MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	304,900	308,300	3,400	1.1
Gross other individuals	80,300	82,200	1,900	2.4
less: Refunds	41,700	42,100	400	1.0
Total individuals and other withholding	343,500	348,400	4,900	1.4
Fringe benefits tax	4,120	5,030	910	22.1
Company tax	134,000	135,900	1,900	1.4
Superannuation fund taxes	21,360	23,210	1,850	8.7
Petroleum resource rent tax	2,050	1,850	-200	-9.8
Income taxation receipts	505,030	514,390	9,360	1.9
Goods and services tax	92,338	94,228	1,890	2.0
Wine equalisation tax	1,210	1,210	0	0.0
Luxury car tax	1,200	1,200	0	0.0
Excise and customs duty				
Petrol	7,550	7,450	-100	-1.3
Diesel	17,750	17,850	100	0.6
Other fuel products	2,230	2,020	-210	-9.4
Tobacco	11,500	8,650	-2,850	-24.8
Beer	2,870	2,850	-20	-0.7
Spirits	3,770	3,450	-320	-8.5
Other alcoholic beverages(a)	1,810	1,850	40	2.2
Other customs duty				
Textiles, clothing and footwear	170	170	0	0.0
Passenger motor vehicles	370	370	0	0.0
Other imports	1,590	1,600	10	0.6
less: Refunds and drawbacks	730	730	0	0.0
Total excise and customs duty	48,880	45,530	-3,350	-6.9
Major Bank Levy	1,780	1,790	10	0.6
Agricultural levies	645	625	-20	-3.0
Visa application charges	4,096	4,211	115	2.8
Other taxes	6,404	6,467	63	1.0
Indirect taxation receipts	156,553	155,261	-1,292	-0.8
Taxation receipts	661,583	669,651	8,068	1.2
Sales of goods and services	22,549	21,774	-775	-3.4
Interest received	8,705	9,659	954	11.0
Dividends and distributions	7,160	7,129	-31	-0.4
Other non-taxation receipts	19,357	20,206	849	4.4
Non-taxation receipts	57,770	58,768	998	1.7
Total receipts	719,353	728,419	9,066	1.3
<i>Memorandum:</i>				
Total excise	32,670	32,570	-100	-0.3
Total customs duty	16,210	12,960	-3,250	-20.0
Capital gains tax(b)	23,800	26,100	2,300	9.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 3.5: Australian Government general government (cash) receipts

	Actual	Estimates			
	2023–24 \$m	2024–25 \$m	2025–26 \$m	2026–27 \$m	2027–28 \$m
Individuals and other withholding taxes					
Gross income tax withholding	294,949	293,600	308,300	327,500	350,600
Gross other individuals	74,199	81,700	82,200	83,700	92,100
less: Refunds	37,635	39,900	42,100	43,400	45,100
Total individuals and other withholding tax	331,513	335,400	348,400	367,800	397,600
Fringe benefits tax	4,632	4,910	5,030	5,050	5,170
Company tax	141,177	132,500	135,900	143,700	147,600
Superannuation fund taxes	12,465	21,910	23,210	25,160	23,460
Petroleum resource rent tax	1,144	1,350	1,850	1,650	1,500
Income taxation receipts	490,931	496,070	514,390	543,360	575,330
Goods and services tax	85,031	89,753	94,228	99,416	104,928
Wine equalisation tax	1,091	1,120	1,210	1,230	1,290
Luxury car tax	1,253	1,170	1,200	1,270	1,330
Excise and customs duty					
Petrol	6,941	7,200	7,450	7,600	7,800
Diesel	16,092	17,440	17,850	18,770	19,470
Other fuel products	1,999	2,070	2,020	2,070	2,120
Tobacco	9,730	8,750	8,650	8,500	8,300
Beer	2,599	2,720	2,850	2,930	2,990
Spirits	3,208	3,310	3,450	3,560	3,640
Other alcoholic beverages(a)	1,686	1,760	1,850	1,920	1,960
Other customs duty					
Textiles, clothing and footwear	159	170	170	180	150
Passenger motor vehicles	391	380	370	340	120
Other imports	1,501	1,560	1,600	1,670	890
less: Refunds and drawbacks	791	730	730	730	730
Total excise and customs duty	43,514	44,630	45,530	46,810	46,710
Major Bank Levy	1,623	1,730	1,790	1,880	1,980
Agricultural levies	637	678	625	629	636
Visa application charges	3,385	4,147	4,211	4,406	4,586
Other taxes	5,936	6,267	6,467	6,420	6,287
Indirect taxation receipts	142,469	149,495	155,261	162,061	167,747
Taxation receipts	633,400	645,565	669,651	705,421	743,077
Sales of goods and services	19,867	22,039	21,774	22,920	24,173
Interest received	10,509	9,968	9,659	9,222	10,120
Dividends and distributions	6,412	7,206	7,129	7,460	7,927
Other non-taxation receipts	18,397	19,407	20,206	18,363	18,781
Non-taxation receipts	55,185	58,620	58,768	57,965	61,001
Total receipts	688,585	704,184	728,419	763,386	804,078
<i>Memorandum:</i>					
Total excise	29,761	31,650	32,570	33,870	34,940
Total customs duty	13,753	12,980	12,960	12,940	11,770
Capital gains tax(b)	25,400	29,900	26,100	24,700	26,000

a) Other alcoholic beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Receipts policy decisions over the forward estimates

Policy decisions in this MYEFO have increased total receipts by \$0.4 billion in 2024–25 and by \$1.7 billion over four years to 2027–28.

Since the 2024–25 Budget, policy decisions have increased tax receipts by \$0.8 billion over four years to 2027–28. Key tax receipts measures include:

- Boosting the Shadow Economy Compliance Program. This measure is estimated to increase receipts by \$366.1 million over four years to 2027–28, partially offset by an increase in payments of \$137.8 million, including an increase in GST payments to the states and territories of \$88.6 million.
- Extending and enhancing the Phoenix Compliance Program. This measure is estimated to increase receipts by \$278.2 million over four years to 2027–28, partially offset by an increase in payments of \$150.9 million, including an increase in GST payments to the states and territories of \$80.9 million.
- Providing funding to the ATO to modernise tax administration systems. This measure is estimated to increase receipts by \$81.6 million over four years to 2027–28 through supporting better compliance with existing tax obligations, partially offset by an increase in payments of \$76.0 million.

Since the 2024–25 Budget, policy decisions are expected to increase non-tax receipts by \$0.2 billion in 2024–25 and by \$0.8 billion over the four years to 2027–28. This increase is largely driven by the standard non-tax revenue impacts of Pharmaceutical Benefits Scheme listings, which partially offset expenditure impacts of these listings. The Higher Education Loan Program debt balance reduction of 20 per cent announced in the *Building Australia's Future – a fairer deal for students* measure reduces non-taxation receipts by \$0.2 billion in 2024–25 and by \$0.6 billion over the four years to 2027–28.

Further details of Government policy decisions are provided in Appendix A, *Policy Decisions taken since the 2024–25 Budget*.

Receipts parameter and other variations over the forward estimates

Parameter and other variations since the 2024–25 Budget have increased total receipts by \$5.3 billion and tax receipts by \$2.8 billion in 2024–25. Over the four years to 2027–28, total receipts have increased by \$18.8 billion due to parameter and other variations. Tax receipts have increased by \$14.2 billion due to parameter and other variations, driven by personal income and superannuation fund taxes and GST.

The key economic parameters that influence tax receipts and revenue are shown in Table 3.6.

Table 3.6: Key economic parameters for tax receipts ^(a)

	Outcome		Forecasts		
	2023–24	2024–25	2025–26	2026–27	2027–28
Revenue parameters					
Nominal gross domestic product	4.1	3 1/4	3 1/2	5	5 1/2
Change since 2024–25 Budget		1/2	- 1/2	- 1/4	1/4
Compensation of employees (b)	7.5	5	4 1/4	4 3/4	5 1/4
Change since 2024–25 Budget		3/4	0	1/4	0
Corporate gross operating surplus (c)	-3.3	-2	- 1/2	4	5 1/4
Change since 2024–25 Budget		2 3/4	- 3/4	-2	- 1/4
Non-farm gross mixed income	0.1	4 1/4	7	7 3/4	7
Change since 2024–25 Budget		-4 1/2	1/2	1 1/4	1/2
Property income (d)	16.0	8	3 1/2	4 1/2	4 3/4
Change since 2024–25 Budget		4	- 1/4	-1 1/2	- 1/2
Consumption subject to GST	3.9	2 1/4	4 1/2	3 3/4	4
Change since 2024–25 Budget		-1 1/2	- 3/4	-1 1/4	- 3/4

a) Current prices, percentage change on previous year. Changes since Budget are percentage points.

b) Compensation of employees measures total remuneration earned by employees.

c) Corporate gross operating surplus is an Australian System of National Accounts measure of company profits, gross of depreciation.

d) Property income measures income derived from rent, dividends and interest.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; and Treasury.

Excluding policy decisions, personal income tax receipts have been revised up by \$8.7 billion in 2024–25 and \$21.5 billion over the four years to 2027–28. Income tax withholding has been revised up by \$3.1 billion in 2024–25 and \$15.6 billion over the four years to 2027–28 reflecting the resilient labour market delivering more labour income (as measured by compensation of employees). Net other individuals (gross other individuals less refunds) receipts have been revised up by \$5.6 billion in 2024–25 and \$5.9 billion over the four years to 2027–28. The increase in 2024–25 is driven by strength in instalments and capital gains on 2023–24 tax returns, which is not expected to persist across the forward estimates.

Company tax receipts have been revised down by \$6.6 billion in 2024–25 and \$8.5 billion over the four years to 2027–28, the first time they have been downgraded since the 2020–21 Budget. The downgrade in 2024–25 largely reflects weaker mining sector profits due to lower export volumes and a lower assumed oil price.

Superannuation fund tax receipts have been revised up by \$2.1 billion in 2024–25 and \$5.3 billion over the four years to 2027–28. The upwards revision in the near-term reflects an improved outlook for tax on earnings driven by lower dividends and franking credits. The size of the upgrade decreases over the forward estimates due to lower expected tax on earnings, as an improved outlook for dividends in later years leads to higher franking credit offsets.

Fringe benefits tax receipts have been revised up by \$0.7 billion in 2024–25 and \$3.3 billion over the four years to 2027–28, reflecting strength in current year collections.

Petroleum resource rent tax receipts have been revised down by \$1.3 billion in 2024–25 and \$2.0 billion over the four years to 2027–28. A large part of the downgrade to 2024–25 is due to a change in the timing of when some PRRT is expected to be payable. The downward revision beyond 2024–25 reflects lower oil prices.

Total excise and customs duty receipts have been revised down by \$3.3 billion in 2024–25 and \$13.3 billion over the four years to 2027–28. This largely reflects lower tobacco excise receipts, which have been downgraded by \$2.8 billion in 2024–25 and \$10.7 billion over the four years to 2027–28, owing to lower-than-expected tobacco excise collections and a downgrade to the tobacco consumption outlook.

GST receipts have been revised up by \$2.1 billion in 2024–25 and \$6.8 billion over the four years to 2027–28. This reflects stronger-than-expected GST collections, and an upgrade to the outlook for nominal consumption subject to GST and nominal private dwelling investment, partially offset by lower net travel services.

Since the 2024–25 Budget, parameter and other variations are expected to increase non-taxation receipts by \$2.5 billion in 2024–25 and by \$4.6 billion over the four years to 2027–28. This increase is predominately driven by higher earnings from the Future Fund and other Australian Government Investment Funds, and higher-than-expected interest earnings related to Commonwealth Debt Management. This increase is reduced by lower repayment estimates of Higher Education Loan Program debts, partially driven by implementation of the 2024–25 Budget measure *Australian Universities Accord – tertiary education system reforms*.

Payments estimates and projections

Since the 2024–25 Budget, total payments have increased by \$4.4 billion in 2024–25 and by \$42.2 billion over four years to 2027–28. Real payments growth since coming to government and over the forward estimates period is expected to be 1.5 per cent per year, around half of the 30-year average of 3.2 per cent.

Payment policy decisions over the forward estimates

New policy decisions since the 2024–25 Budget have increased total payments by \$2.5 billion in 2024–25 and by \$19.1 billion over four years from 2024–25 to 2027–28.

Major policy decisions since the 2024–25 Budget that have increased payments include:

- funding to support a wage increase for the early childhood education and care workforce through a worker retention payment, which is expected to increase payments by \$3.6 billion over four years from 2024–25
- funding for new and amended listings on the Pharmaceutical Benefits Scheme, Repatriation Pharmaceutical Benefits Scheme, Life Saving Drugs Program, National Epidermolysis Bullosa Dressing Scheme and Stoma Appliance Scheme, which is expected to increase payments by \$2.5 billion over five years from 2023–24

- funding for the effective and sustainable operation of the National Disability Insurance Scheme and to support the implementation of the *National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No.1) Act 2024* which is expected to increase payments by \$939.5 million over four years from 2024–25
- funding to improve access to Early Childhood Education and Care (ECEC), which is expected to increase payments by \$839.9 million over four years from 2024–25
- funding to support actions to accelerate a reliable and secure energy transition across Australia, which is expected to increase payments by \$764.2 million over four years from 2024–25
- funding for road and rail infrastructure priorities to support productivity and jobs and address unavoidable cost pressures within the Infrastructure Investment Program, which is expected to increase payments by \$726.5 million over four years from 2024–25
- funding to provide better access and more affordable health care which is expected to increase payments by \$622.7 million over four years from 2024–25
- funding to establish a new National Access to Justice Partnership from 1 July 2025 following the expiry of the National Legal Assistance Partnership, which is expected to increase payments by \$616.1 million over three years from 2025–26
- funding to implement a new remote employment services program to replace the *Community Development Program* which is expected to increase payments by \$461.4 million over four years from 2024–25.

Major policy decisions since the 2024–25 Budget that have decreased payments include:

- renegotiating the terms of the advance purchase agreement entered into with Novavax, Inc for the purchase of COVID-19 vaccines, which is expected to decrease payments by \$206.7 million over two years from 2024–25
- reprioritising funding within the Department of Education by ceasing the unallocated *Innovative Places* program on 31 December 2026 and reforming the undersubscribed *Tertiary Access Payment*, which is expected to decrease payments by \$197.1 million over four years from 2024–25.

Payment parameter and other variations over the forward estimates

Parameter and other variations since the Budget have increased payments by \$1.9 billion in 2024–25 and \$23.0 billion over four years from 2024–25 to 2027–28.

This is primarily driven by higher payments for aged care and a number of demand-driven programs, higher GST entitlements for the states and territories and higher debt servicing costs. These are partially offset by lower estimated payments related to the National Disability Insurance Scheme (NDIS).

Major increases in payments from parameter and other variations since the 2024–25 Budget include:

- payments related to the Aged Care Services program, which are expected to increase by \$808.3 million in 2024–25 and \$8.4 billion over four years to 2027–28, largely due to increased funding for wages as a result of the Fair Work Commission Aged Care Work Value Case, the setting of the Australian National Aged Care Classification (AN-ACC) price for residential aged care for 2024–25, and an update to the AN-ACC funding model, including updated AN-ACC price growth assumptions. The budget impact of this increase is partially offset by funding provisioned in the Contingency Reserve for the Aged Care Work Value Case outcome.
- payments related to the provision of GST to the states and territories (including Horizontal Fiscal Equalisation transition payments), which are expected to increase by \$1.4 billion in 2024–25 and \$6.7 billion over four years to 2027–28, and are largely offset by an increase in GST receipts.
- payments related to Commonwealth Debt Management, which are expected to increase by \$557.0 million in 2024–25 and \$4.2 billion over four years to 2027–28, largely reflecting increased borrowing requirements, combined with higher bond yields.
- payments related to the Support for Seniors program, which are expected to increase by \$486.9 million in 2024–25 and \$3.6 billion over four years to 2027–28, largely reflecting a higher-than-projected rate of indexation for the Age Pension.
- payments related to the Financial Support for People with Disability program, which are expected to increase by \$624.4 million in 2024–25 and \$3.6 billion over four years to 2027–28, largely reflecting increases in the projected number of Disability Support Pension (DSP) recipients, a higher-than-projected rate of indexation for the DSP, higher-than-projected average payment rates, along with the gradual resolution of the claims backlog.
- payments related to the Child Care Subsidy program, which are expected to increase by \$686.6 million in 2024–25 and \$3.1 billion over four years to 2027–28, largely reflecting additional support flowing to families in line with changes in the cost of providing care and increases in projected child care usage by families. This is partially offset by the fee constraint condition of the ECEC worker retention payment.
- payments related to the Job Seeker Income Support program, which are expected to increase by \$386.9 million in 2024–25 and \$2.1 billion over four years to 2027–28, largely reflecting upward revisions to the expected number of recipients and to average payment rates driven by changes to the composition of payment recipients.
- payments related to Non-Government Schools, which are expected to increase by \$648.9 million in 2024–25 and \$2.1 billion over four years to 2027–28, largely reflecting an increase in non-government school enrolments, and an increase in the number of students with a disability eligible to attract a higher level of funding.

- payments related to the Military Rehabilitation Compensation Acts – Income Support and Compensation program are expected to increase by \$1.5 billion in 2024–25 and \$1.8 billion over four years to 2027–28, largely reflecting an increase in the number of claims lodged and accepted, including as a result of the Government’s investments in the Department of Veterans Affairs to clear the claims backlog, which will result in increased payments to veterans.
- payments related to the National Partnership Payments – Natural Disaster Relief program, which are expected to decrease by \$2.0 billion in 2024–25 and increase by \$1.8 billion over four years to 2027–28, largely reflecting updated estimates from the states related to past disaster events including New South Wales and Queensland flooding events between 2021 and 2023, Tropical Cyclone Jasper in 2023, and severe storm and rainfall events in Queensland in 2023 and 2024.
- payments related to the Medical Benefits program, which are expected to increase by \$292.2 million in 2024–25 and \$1.2 billion over four years to 2027–28, largely reflecting higher than expected demand for medical services.
- payments related to the Pharmaceutical Benefits Scheme, which are expected to increase by \$632.3 million in 2024–25 and \$1.2 billion over four years to 2027–28, largely reflecting higher than projected prescription volumes and updated pharmaceutical pricing assumptions.

Major decreases in payments from parameter and other variations since the 2024–25 Budget include:

- payments related to the NDIS, which are expected to decrease by \$126.7 million in 2024–25 and \$1.4 billion over four years, largely reflecting revised projections from the NDIS Actuary’s June 2024 projections, which project lower than previously forecast growth in participant numbers and a decrease in average value of participant plans. The updated projections incorporate impacts from the *National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Act 2024* which commenced 3 October 2024.
- payments related to road and rail transport projects under the Infrastructure Investment Program, which are expected to decrease by \$1.4 billion in 2024–25 and \$1.3 billion over four years to 2027–28, largely reflecting the application of a slippage adjustment to total Infrastructure Investment Program funding to take account of historical experience, including the timing of states claiming payments against milestones and the complexity of delivery and the impact of revised project delivery schedules for some projects. This is partially offset by the Government’s investments in road and rail priorities under the measure *Building Australia’s Future – Building a Better Future Through Considered Infrastructure Investment*.
- payments related to the Defence Force Superannuation Benefits program, which are expected to decrease by \$132.2 million in 2024–25 and \$400.0 million over four years to 2027–28, largely reflecting changed assumptions used by the Australian Government Actuary to project the unfunded liability for the military superannuation schemes.

- payments related to the Insurance and Risk Management program, which are expected to decrease by \$222.8 million in 2024–25 and \$274.5 million over four years to 2027–28, largely reflecting a reduction in the number of claims expected to be paid from the Comcover special account and revised timing for expected significant claims.

Consistent with past budgets, the underlying cash balance has been improved by regular draw down of the conservative bias allowance. Details of this draw down are provided at Appendix B: *Supplementary expenses table and the Contingency Reserve*.

Headline cash balance estimates

The headline cash balance adjusts the underlying cash balance to include net cash flows from investments in financial assets for policy purposes (IFAPPs). This includes Specialist Investment Vehicles which invest in projects that deliver public value and a financial return to taxpayers. For example, Clean Energy Finance Corporation (CEFC) loans and equity investments impact the headline cash balance but not the underlying cash balance. Table 3.7 provides further details of differences between the underlying and headline cash balance estimates.

A headline cash deficit of \$47.8 billion (1.7 per cent of GDP) is estimated in 2024–25, compared to an estimated deficit of \$47.2 billion in the 2024–25 Budget. The headline cash balance decreases to an estimated deficit of \$70.3 billion in 2025–26, before moderating to an estimated deficit of \$52.5 billion (1.7 per cent of GDP) in 2027–28. The lower headline cash balance over the forward estimates compared to the 2024–25 Budget is largely driven by the change in underlying cash balance.

Estimated net cash outflows for IFAPPs increased by \$11.9 billion over four years to 2027–28 compared to the 2024–25 Budget. This is primarily due to lower repayments of student loans, driven by a combination of:

- the 2024–25 MYEFO measure *Building Australia's Future – a fairer deal for students*, which increases net cash outflows for IFAPPs by \$504 million in 2024–25 and by \$3.3 billion over the forward estimates.
- revised estimates of student loan repayments more broadly.

Also contributing to the higher net cash outflows are additional investments as part of the 2024–25 MYEFO measure *Nuclear-Powered Submarine Program – infrastructure and capacity investment*. The financial implications of these investments are not itemised in Table 3.7 due to commercial sensitivities.

The increase in net cash outflows in 2024–25 is partially offset by lower utilisation of the Affordable Housing Bond Aggregator line of credit by Housing Australia. Further information about the line of credit is available in *Part 6: Statement of Risks*.

Table 3.7: Reconciliation of general government sector underlying and headline cash balance estimates

	Estimates				Total
	2024–25	2025–26	2026–27	2027–28	
	\$m	\$m	\$m	\$m	\$m
2024–25 MYEFO underlying cash balance	-26,949	-46,915	-38,353	-31,671	-143,888
plus Net cash flows from investments in financial assets for policy purposes(a)					
Student loans(b)	-4,057	-4,857	-5,324	-5,727	-19,965
NBN Investment	-1,227	-97	0	0	-1,324
Snowy Hydro Limited loan	-150	-1,450	-1,450	-1,450	-4,500
Snowy Hydro Limited investment	-1,625	-975	0	0	-2,600
Australian apprenticeship support loans(b)(c)	-114	-149	-157	-157	-578
CEFC loans and investments	-3,916	-4,548	-5,343	-5,473	-19,280
Northern Australia Infrastructure Facility	-872	-959	-820	-508	-3,160
NRFC loans and investments	-550	-1,050	-2,505	-3,050	-7,155
Australian Business Securitisation Fund	-562	-151	-101	-102	-915
Structured Finance Support Fund	98	54	0	0	153
Drought and rural assistance loans	-334	-281	147	163	-304
Official Development Assistance					
- Australian Development Investments	-102	-37	-8	0	-146
Official Development Assistance					
- Multilateral Replenishment	-142	-195	-170	-186	-693
Home Equity Access Scheme	-197	-255	-318	-368	-1,137
Housing Australia	-711	-1,721	-3,193	-666	-6,291
National Interest Account					
loans and investments	-886	-1,097	-530	9	-2,504
COVID-19 Support for Indonesia - loan	100	100	100	100	400
Financial Assistance to					
Papua New Guinea - loan	141	141	141	141	563
Net other(d)	-5,712	-5,836	-5,018	-3,565	-20,131
Total net cash flows from investments in financial assets for policy purposes	-20,816	-23,363	-24,549	-20,839	-89,566
2024–25 MYEFO headline cash balance	-47,764	-70,278	-62,902	-52,510	-233,455

a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

b) The estimated cash flows for student loans from 2024–25 includes the impact of the *Building Australia's Future - a fairer deal for students* measure.

c) In January 2024, trade support loans were renamed Australian apprenticeship support loans.

d) Net other includes amounts that have not been itemised, for commercial-in-confidence reasons.

The Government's balance sheet

The balance sheet measures the value of the Government's assets and liabilities. Changes in the balance sheet reflect movements in the underlying cash balance, additional balance sheet commitments, and market valuation effects including from changes in yields.

Different balance sheet metrics measure different groupings of assets and liabilities.

- **Gross debt** measures the face value of Australian Government Securities (AGS) on issue. This is the amount that the Government pays back to investors at maturity, independent of fluctuations in market prices.
- **Net debt** is measured at market value and incorporates specific financial assets and liabilities and provides a broader measure of the financial obligations of the Government than gross debt.
- **Net financial worth** is the sum of all financial assets less all financial liabilities. The assets of the Future Fund and the public sector superannuation liability that the Future Fund will finance are included in net financial worth.
- **Net worth** is the sum of all assets less all liabilities. It includes non-financial assets such as buildings and plant, equipment, and infrastructure.

Further information on definitions is available in *Part 7: Australian Government Budget Financial Statements*.

Gross debt estimates and projections

The Government's responsible budget management is lowering debt as a share of the economy compared to the PEFO in every year of the forward estimates and medium term.

Improvements to the budget position mean gross debt is estimated to stabilise at 36.7 per cent of GDP from 30 June 2027, which is 8.2 percentage points lower than the estimated peak of 44.9 per cent of GDP forecast at the PEFO. Gross debt is then projected to reduce to 31.4 per cent of GDP by 30 June 2035, 1.2 percentage points higher than projected at the 2024–25 Budget.

At 30 June 2025, gross debt is forecast to be 34.0 per cent of GDP, 10.9 percentage points lower than the estimate of 44.9 per cent of GDP (\$1,117 billion) at the PEFO. Compared to the 2024–25 Budget, gross debt at 30 June 2025 is estimated to be 0.1 percentage points higher than the estimate of 33.9 per cent of GDP (\$934 billion).

Interest payments have increased since the 2024–25 Budget, driven by a combination of higher estimated debt and higher yields. Over the forward estimates, bond yields are assumed to remain fixed at a recent average of daily spot rates at the time of the MYEFO update. Since the 2024–25 Budget, the assumed weighted average cost of borrowing for

issuance of Treasury Bonds in the forward estimates has increased from 4.2 to 4.4 per cent, broadly reflecting volatility in yields globally.

The increase in yields since Budget adds around \$2 billion in interest payments over the forward estimates and increases gross debt by around \$8 billion by the end of the forward estimates.

Total interest payments are estimated to be 0.9 per cent of GDP in 2024–25, the same as at the 2024–25 Budget. Interest payments are estimated to rise and peak at 1.6 per cent of GDP in 2032–33. By the end of the medium term, interest payments are 0.1 percentage points higher than projected at the 2024–25 Budget.

Part 4: Debt Statement contains further information on yield assumptions and interest payments. *Part 5: Sensitivity Analysis* contains information on the impact on the underlying cash balance and gross debt if the future trajectory for yields is higher or lower than assumed.

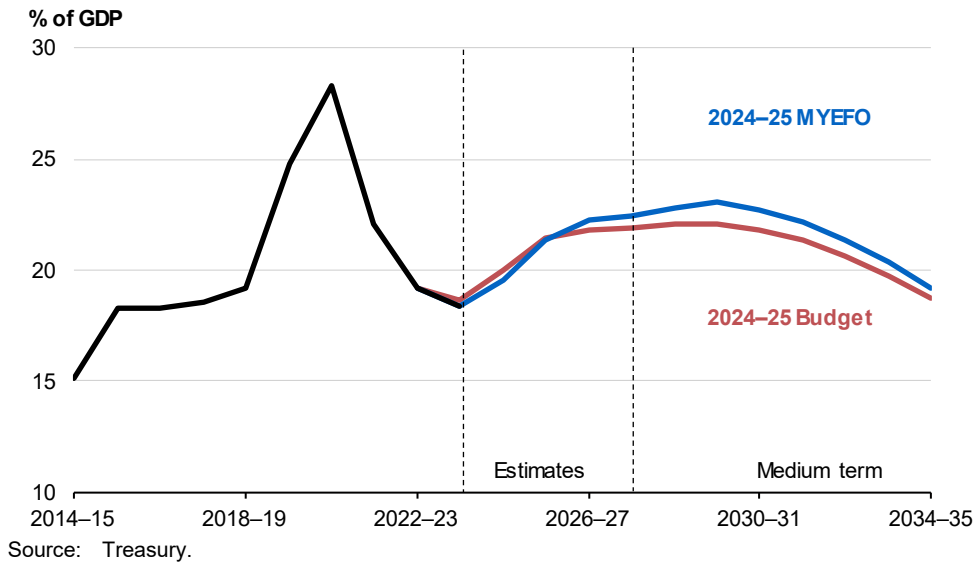
Net debt estimates and projections

Net debt is estimated to be 19.6 per cent of GDP (\$540 billion) at 30 June 2025 (Table 3.8), lower than the estimate of 20.0 per cent of GDP (\$552.5 billion) in the 2024–25 Budget. The improvement since the 2024–25 Budget reflects a fall in the market value of existing debt.

Yields have risen since the Budget, making the fixed income stream from existing bonds relatively less attractive to investors. This decreases the market value of existing bonds and hence net debt.

Net debt as a percentage of GDP is projected to be higher across the medium term compared to the 2024–25 Budget, reaching 19.2 per cent of GDP at 30 June 2035, 0.5 percentage points higher than at the 2024–25 Budget (Chart 3.7).

Chart 3.7: Net debt



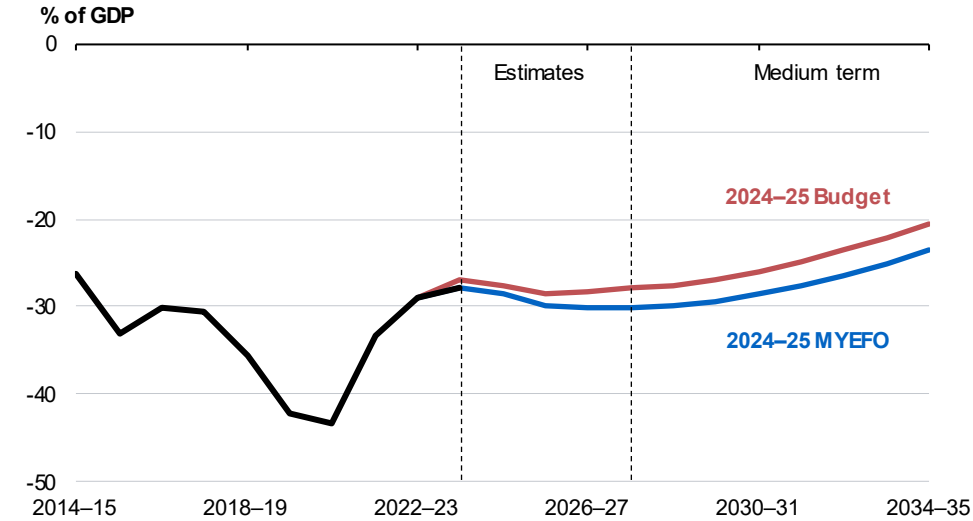
Further information on gross debt and net debt estimates across the forward estimates is provided in *Part 4: Debt Statement*.

Net financial worth and net worth estimates and projections

Net financial worth is estimated to be minus 28.6 per cent of GDP (minus \$791.2 billion) at 30 June 2025 (Table 3.8), compared with the estimate of minus 27.7 per cent of GDP (minus \$764.5 billion) at the 2024-25 Budget.

Net financial worth is projected to deteriorate to minus 30.2 per cent of GDP by 30 June 2027 before improving to minus 23.6 per cent of GDP by 30 June 2035 (Chart 3.8).

Chart 3.8: Net financial worth



Source: Treasury.

Net worth is estimated to be minus 20.7 per cent of GDP (minus \$570.6 billion) at 30 June 2025 (Table 3.8), compared with the estimate of minus 19.8 per cent of GDP (minus \$545.1 billion) at the 2024–25 Budget. Net worth is projected to deteriorate to minus 22.4 per cent of GDP by 30 June 2028 before improving over the medium term.

The deterioration in net worth and net financial worth since the Budget largely reflects increases in debt and revised estimates of the liabilities for the Military Compensation Scheme as at 30 June 2024. These liability provisions are based on the current Australian Defence Force and veteran population and the likelihood of claims being lodged and accepted for income support, compensation and health services. These are partially offset by an increase in financial assets.

Table 3.8: Australian Government general government sector balance sheet aggregates

	Estimates							
	2024–25		2025–26		2026–27		2027–28	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
Financial assets								
MYEFO	630.9	22.8	671.8	23.5	707.5	23.6	744.0	23.5
<i>Budget</i>	618.2	22.4	650.6	22.7	685.1	22.7	717.5	22.5
Non-financial assets								
MYEFO	220.6	8.0	227.8	8.0	235.2	7.8	245.6	7.8
<i>Budget</i>	219.4	8.0	226.5	7.9	234.6	7.8	245.7	7.7
Total assets								
MYEFO	851.5	30.8	899.7	31.5	942.7	31.4	989.7	31.3
<i>Budget</i>	837.6	30.4	877.1	30.6	919.6	30.4	963.2	30.3
Total liabilities								
MYEFO	1,422.1	51.5	1,528.6	53.5	1,614.7	53.8	1,698.2	53.7
<i>Budget</i>	1,382.7	50.1	1,470.2	51.2	1,541.8	51.0	1,606.2	50.5
Net worth								
MYEFO	-570.6	-20.7	-628.9	-22.0	-671.9	-22.4	-708.5	-22.4
<i>Budget</i>	-545.1	-19.8	-593.1	-20.7	-622.1	-20.6	-643.0	-20.2
Net financial worth(a)								
MYEFO	-791.2	-28.6	-856.8	-30.0	-907.2	-30.2	-954.2	-30.2
<i>Budget</i>	-764.5	-27.7	-819.6	-28.6	-856.7	-28.3	-888.7	-27.9
Gross debt(b)								
MYEFO	940.0	34.0	1,028.0	36.0	1,100.0	36.7	1,161.0	36.7
<i>Budget</i>	934.0	33.9	1,007.0	35.1	1,064.0	35.2	1,112.0	34.9
Net debt(c)								
MYEFO	540.0	19.6	609.3	21.3	669.2	22.3	708.6	22.4
<i>Budget</i>	552.5	20.0	615.5	21.5	660.0	21.8	697.5	21.9
Total interest payments								
MYEFO	24.6	0.9	28.1	1.0	30.8	1.0	37.6	1.2
<i>Budget</i>	23.8	0.9	27.5	1.0	29.8	1.0	35.6	1.1
Net interest payments(d)								
MYEFO	14.6	0.5	18.5	0.6	21.6	0.7	27.5	0.9
<i>Budget</i>	14.5	0.5	18.8	0.7	20.8	0.7	26.0	0.8

a) Net financial worth equals total financial assets minus total liabilities.

b) Gross debt measures the face value of Australian Government Securities (AGS) on issue.

c) Net debt is the sum of interest bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

d) Net interest payments are equal to the difference between interest payments and interest receipts.

Other fiscal aggregates

The following section presents alternative measures of the Government’s fiscal position.

Accrual aggregates

Accrual accounting records income and costs at the time they are incurred. Cash accounting records income and costs at the time of the associated actual cash flow. Differences in estimates arise where there is a difference between the timing of an activity and the associated cash flow.

Net operating balance estimates

The net operating balance is an accrual measure, reflecting revenue minus expenses. It excludes the fiscal impact of the Commonwealth’s net new capital expenditure.

The net operating balance is expected to be a deficit of \$40.4 billion (1.5 per cent of GDP) in 2024–25 (Table 3.9), compared to an expected deficit of \$23.0 billion (0.8 per cent of GDP) in the 2024–25 Budget.

Fiscal balance estimates

The fiscal balance is the accrual equivalent of the underlying cash balance and equals the net operating balance less net new capital expenditure.

The fiscal balance is expected to be a deficit of \$45.9 billion (1.7 per cent of GDP) in 2024–25 (Table 3.9), compared to an expected deficit of \$29.3 billion (1.1 per cent of GDP) in the 2024–25 Budget.

Table 3.9: Australian Government general government sector accrual aggregates

	Estimates							
	2024–25		2025–26		2026–27		2027–28	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
Revenue								
MYEFO	718.3	26.0	743.2	26.0	781.0	26.0	822.4	26.0
<i>Budget</i>	711.5	25.8	732.7	25.5	776.2	25.7	819.6	25.8
Expenses								
MYEFO	758.6	27.5	784.6	27.5	809.0	27.0	844.6	26.7
<i>Budget</i>	734.5	26.6	767.3	26.7	793.8	26.3	829.8	26.1
Net operating balance								
MYEFO	-40.4	-1.5	-41.4	-1.5	-28.0	-0.9	-22.2	-0.7
<i>Budget</i>	-23.0	-0.8	-34.5	-1.2	-17.5	-0.6	-10.1	-0.3
Net capital investment								
MYEFO	5.5	0.2	8.3	0.3	8.4	0.3	11.2	0.4
<i>Budget</i>	6.3	0.2	8.1	0.3	9.0	0.3	11.9	0.4
Fiscal balance								
MYEFO	-45.9	-1.7	-49.7	-1.7	-36.3	-1.2	-33.4	-1.1
<i>Budget</i>	-29.3	-1.1	-42.6	-1.5	-26.5	-0.9	-22.0	-0.7

Table 3.10 provides a reconciliation of fiscal balance estimates, including the impact of policy decisions and parameter and other variations on revenue and expenses since the 2024–25 Budget. The drivers of movements in the fiscal balance estimates are largely the same as for the underlying cash balance.

Table 3.10: Reconciliation of general government sector fiscal balance estimates

	Estimates				Total \$m
	2024–25 \$m	2025–26 \$m	2026–27 \$m	2027–28 \$m	
2024–25 Budget fiscal balance	-29,316	-42,604	-26,514	-22,026	-120,461
Per cent of GDP	-1.1	-1.5	-0.9	-0.7	
Changes from 2024–25 Budget to 2024–25 MYEFO					
Effect of policy decisions(a)(b)					
<i>Revenue</i>	118	225	429	405	1,176
<i>Expenses</i>	12,739	8,635	6,188	4,487	32,049
<i>Net capital investment</i>	38	466	504	97	1,105
Total policy decisions impact on fiscal balance	-12,660	-8,875	-6,264	-4,179	-31,978
Effect of parameter and other variations(b)					
<i>Revenue</i>	6,631	10,245	4,361	2,406	23,643
<i>Expenses</i>	11,390	8,693	9,027	10,404	39,514
<i>Net capital investment</i>	-848	-232	-1,095	-756	-2,932
Total parameter and other variations impact on fiscal balance	-3,911	1,784	-3,570	-7,243	-12,939
2024–25 MYEFO fiscal balance	-45,887	-49,695	-36,347	-33,448	-165,377
Per cent of GDP	-1.7	-1.7	-1.2	-1.1	

a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

b) A positive number for revenue improves the fiscal balance, while a positive number for expenses and net capital investment worsens the fiscal balance.

Revenue estimates

Revenue is the accrual accounting equivalent of cash-based receipts. Changes in revenue are generally driven by the same factors as receipts. Revenue amounts can be higher or lower than the cash equivalents as they include amounts that a taxpayer is liable to pay but has not paid. The differences between the accrual and cash amounts generally reflect timing differences.

Total revenue has been revised up by \$6.7 billion in 2024–25 since the 2024–25 Budget (Table 3.11).

Table 3.11: Reconciliation of 2024–25 general government (accrual) revenue

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	293,700	296,800	3,100	1.1
Gross other individuals	82,500	87,400	4,900	5.9
less: Refunds	40,600	39,900	-700	-1.7
Total individuals and other withholding tax	335,600	344,300	8,700	2.6
Fringe benefits tax	4,130	5,030	900	21.8
Company tax	141,200	135,500	-5,700	-4.0
Superannuation fund taxes	19,830	21,930	2,100	10.6
Petroleum resource rent tax	2,590	1,400	-1,190	-45.9
Income taxation revenue	503,350	508,160	4,810	1.0
Goods and services tax	92,070	94,770	2,700	2.9
Wine equalisation tax	1,150	1,130	-20	-1.7
Luxury car tax	1,110	1,170	60	5.4
Excise and customs duty				
Petrol	7,150	7,050	-100	-1.4
Diesel	17,040	17,040	0	0.0
Other fuel products	2,190	2,040	-150	-6.8
Tobacco	11,550	8,750	-2,800	-24.2
Beer	2,660	2,620	-40	-1.5
Spirits	3,590	3,310	-280	-7.8
Other alcoholic beverages(a)	1,750	1,760	10	0.6
Other customs duty				
Textiles, clothing and footwear	170	170	0	0.0
Passenger motor vehicles	380	380	0	0.0
Other imports	1,530	1,560	30	2.0
less: Refunds and drawbacks	730	730	0	0.0
Total excise and customs duty	47,280	43,950	-3,330	-7.0
Major bank levy	1,740	1,750	10	0.6
Agricultural levies	627	682	55	8.7
Visa application charges	3,882	4,147	265	6.8
Other taxes	7,753	7,850	97	1.3
Indirect taxation revenue	155,612	155,449	-163	-0.1
Taxation revenue	658,962	663,609	4,647	0.7
Sales of goods and services	21,636	21,067	-568	-2.6
Interest	10,276	11,046	770	7.5
Dividends and distributions	6,815	7,137	322	4.7
Other non-taxation revenue	13,815	15,394	1,578	11.4
Non-taxation revenue	52,542	54,644	2,102	4.0
Total revenue	711,505	718,253	6,749	0.9
<i>Memorandum:</i>				
Total excise	31,250	30,970	-280	-0.9
Total customs duty	16,030	12,980	-3,050	-19.0
Capital gains tax(b)	23,600	29,900	6,300	26.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 3.12: Reconciliation of 2025–26 general government (accrual) revenue

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	308,500	311,800	3,300	1.1
Gross other individuals	85,900	86,800	900	1.0
less: Refunds	41,700	42,100	400	1.0
Total individuals and other withholding tax	352,700	356,500	3,800	1.1
Fringe benefits tax	4,040	5,100	1,060	26.2
Company tax	136,000	139,000	3,000	2.2
Superannuation fund taxes	21,380	23,230	1,850	8.7
Petroleum resource rent tax	2,080	1,880	-200	-9.6
Income taxation revenue	516,200	525,710	9,510	1.8
Goods and services tax	97,290	99,290	2,000	2.1
Wine equalisation tax	1,220	1,220	0	0.0
Luxury car tax	1,200	1,210	10	0.8
Excise and customs duty				
Petrol	7,550	7,450	-100	-1.3
Diesel	17,750	17,850	100	0.6
Other fuel products	2,230	2,020	-210	-9.4
Tobacco	11,500	8,650	-2,850	-24.8
Beer	2,870	2,850	-20	-0.7
Spirits	3,770	3,450	-320	-8.5
Other alcoholic beverages(a)	1,810	1,850	40	2.2
Other customs duty				
Textiles, clothing and footwear	170	170	0	0.0
Passenger motor vehicles	370	370	0	0.0
Other imports	1,590	1,600	10	0.6
less: Refunds and drawbacks	730	730	0	0.0
Total excise and customs duty	48,880	45,530	-3,350	-6.9
Major bank levy	1,800	1,810	10	0.6
Agricultural levies	645	625	-20	-3.0
Visa application charges	4,096	4,211	115	2.8
Other taxes	8,139	8,249	110	1.4
Indirect taxation revenue	163,269	162,144	-1,124	-0.7
Taxation revenue	679,469	687,854	8,386	1.2
Sales of goods and services	22,555	21,808	-747	-3.3
Interest	9,998	11,039	1,041	10.4
Dividends and distributions	7,188	7,155	-32	-0.4
Other non-taxation revenue	13,531	15,354	1,823	13.5
Non-taxation revenue	53,272	55,356	2,085	3.9
Total revenue	732,740	743,211	10,470	1.4
<i>Memorandum:</i>				
<i>Total excise</i>	32,670	32,570	-100	-0.3
<i>Total customs duty</i>	16,210	12,960	-3,250	-20.0
<i>Capital gains tax(b)</i>	23,800	26,100	2,300	9.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Expense estimates

Expenses are the accrual accounting equivalent of cash-based payments.

Total expenses have been revised up by \$24.1 billion in 2024–25, and \$71.6 billion over the four years to 2027–28, since the 2024–25 Budget.

Movements in expenses over the forward estimates are broadly consistent with movements in cash payments. The key exceptions include:

- the NDIS program, where there is an expected time lag between the receipt of reasonable and necessary support services and the lodgement of claims relating to those services.
- superannuation benefits programs (civilian and military), where there is a timing difference with the expense accruing during employment and cash payments occurring during retirement.
- purchases of non-financial assets, which are included in cash payments but not in accrual expenses. The expense estimates include depreciation of non-financial assets rather than recognising the impact at the time of purchase.

Table 3.13: Reconciliation of general government sector expense estimates

	Estimates				Total \$m
	2024–25 \$m	2025–26 \$m	2026–27 \$m	2027–28 \$m	
2024–25 Budget expenses	734,518	767,290	793,765	829,755	3,125,329
Changes from 2024–25 Budget to 2024–25 MYEFO					
Effect of policy decisions(a)	12,739	8,635	6,188	4,487	32,049
Effect of economic parameter variations					
Total economic parameter variations	2,825	2,190	2,295	2,155	9,465
<i>Unemployment benefits</i>	315	210	103	144	772
<i>Prices and wages</i>	442	233	800	687	2,162
<i>Interest and exchange rates</i>	-26	-130	-105	-101	-363
<i>GST payments to the states</i>	2,095	1,876	1,498	1,425	6,894
Public debt interest	273	693	1,465	2,595	5,026
Program specific parameter variations	3,309	9,244	8,117	9,273	29,944
Other variations	4,983	-3,434	-2,851	-3,618	-4,920
Total variations	24,129	17,328	15,215	14,891	71,563
2024–25 MYEFO expenses	758,648	784,618	808,980	844,646	3,196,892

a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

Net capital investment estimates

Net capital investment is broadly defined as the sale and acquisition of non-financial assets, less depreciation expenses. It provides a measure of the overall growth in capital assets (including buildings and infrastructure, specialist military equipment, and computer software) after taking into account depreciation and amortisation as previously acquired assets age.

Government capital spending involves acquisition of physical assets, financial assets and provision of grants and subsidies to others (primarily state and territory governments), which they then use to acquire assets.

Table 3.14: Reconciliation of general government sector net capital investment estimates

	Estimates				Total \$m
	2024–25 \$m	2025–26 \$m	2026–27 \$m	2027–28 \$m	
2024–25 Budget net capital investment	6,303	8,055	8,988	11,899	35,244
Changes from 2024–25 Budget to 2024–25 MYEFO					
Effect of policy decisions(a)	38	466	504	97	1,105
Effect of parameter and other variations	-848	-232	-1,095	-756	-2,932
Total variations	-810	234	-591	-659	-1,827
2024–25 MYEFO net capital investment	5,493	8,288	8,396	11,240	33,417

a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

Structural budget balance estimates

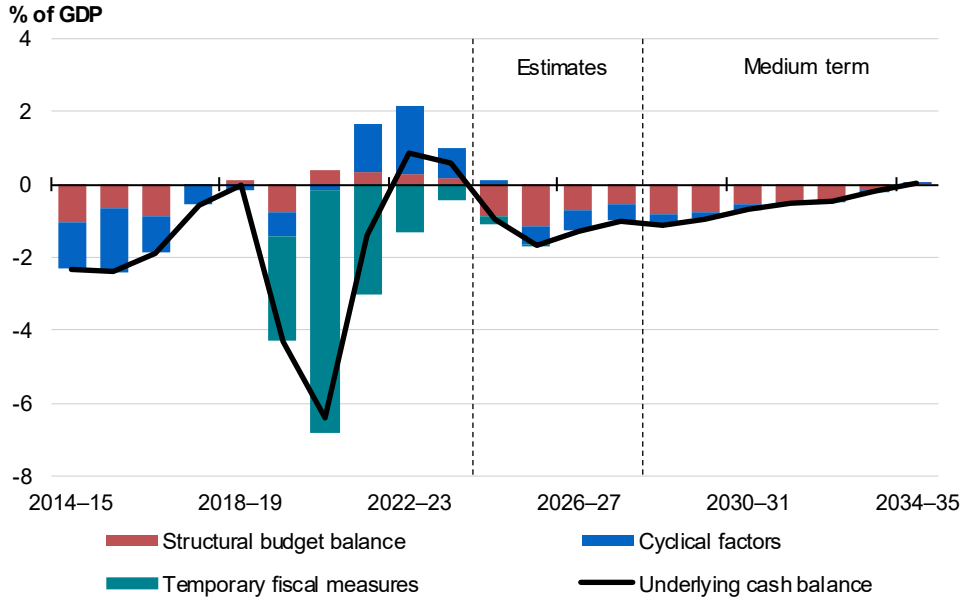
The structural budget balance estimate adjusts the underlying cash balance to remove the estimated effects of temporary factors. Temporary factors include deviations in commodity prices and economic activity from their long-run levels. The structural budget balance can provide insight into the sustainability of fiscal settings.

The structural balance is estimated rather than observed, so it is sensitive to the assumptions and parameters that underpin it. Commodity price volatility has increased the uncertainty around the estimate.

The estimate of the structural budget balance for 2023–24 has been revised up, consistent with the better-than-expected underlying cash balance outcome for that year. Beyond that, structural budget balance estimates are broadly in line with estimates in the 2024–25 Budget.

The structural budget position is forecast to return to deficit over the forward estimates, peaking at 1.2 per cent of GDP in 2025–26 and then narrowing (Chart 3.9). Over the medium term, the structural budget balance is projected to improve gradually towards balance.

Chart 3.9: Structural budget balance



Note: The approach separating the budgetary impact of temporary measures from structural measures follows the methodology detailed in Treasury Working Paper 2013–01. Cyclical factors measure the estimated impact on the underlying cash balance from automatic stabilisers and cyclical movements in asset and commodity prices. Temporary fiscal measures comprise direct economic and health support measures initiated between the onset of the COVID-19 pandemic and the 2022–23 October Budget. Underspends in these direct economic and health support measures are not captured in the derivation of the structural budget balance, which may result in an improved structural budget balance estimate.

Source: Treasury.

Part 4: Debt Statement

The Debt Statement provides information on Government gross debt, net debt, Australian Government Securities (AGS) issuance and interest costs.

Gross debt as a share of GDP is expected to be significantly lower than estimated at the 2022 Pre-election Economic and Fiscal Update (PEFO). In 2024-25, gross debt is expected to be \$177 billion lower than forecast at the 2022 PEFO. Gross debt is expected to stabilise at 36.7 per cent of GDP in 2026-27, 8.2 percentage points lower than the peak at the PEFO, before falling to 31.4 per cent in 2034-35. Gross debt as a share of GDP is higher in each year of the forward estimates compared to the 2024-25 Budget.

Net debt as a share of GDP is expected to be lower in 2024-25 and 2025-26, and higher in 2026-27 and 2027-28 compared to the 2024-25 Budget.

- Gross debt is estimated to be 34.0 per cent of GDP at 30 June 2025, 10.9 percentage points lower than estimated at the 2022 PEFO and 0.1 percentage points higher than estimated at the 2024-25 Budget.
- Net debt is estimated to be 19.6 per cent of GDP at 30 June 2025, 13.5 percentage points lower than estimated at the 2022 PEFO and 0.4 percentage points lower than estimated at the 2024-25 Budget.

Interest payments on AGS as a share of GDP are expected to be broadly unchanged from the 2024-25 Budget by the end of the forward estimates.

Interest payments on AGS are estimated to be \$22.9 billion in 2024-25, increasing to \$36.0 billion by 2027-28. Over the four years to 2027-28, total interest payments on AGS are expected to be \$4.2 billion higher than estimated at the 2024-25 Budget.

Australian Government Securities issuance

The Australian Government finances its activities either through receipts or borrowing. When receipts fall short of payments, the Government borrows by issuing AGS.

The Australian Office of Financial Management (AOFM) is responsible for issuing AGS and managing the Government's financing activities. The AOFM exercises operational independence in the execution of its duties. Further details on the AOFM's operations can be found in Appendix A of Budget Paper No.1 Statement 7: *Debt Statement* in the 2024-25 Budget and on the AOFM website at www.aofm.gov.au.

Estimates of AGS on issue

Estimates of AGS on issue are published in both face value and market value terms in this Statement.

- The **face value** of AGS on issue (also referred to as gross debt) is the amount the Government pays back to investors at maturity, independent of fluctuations in market prices.¹ The total face value of AGS on issue changes when new securities are issued, or when securities are repurchased or reach maturity.
- The **market value** of AGS on issue represents the value of securities as traded on the secondary market, which changes continuously with movements in market prices (often quoted as a yield to maturity). Consistent with external reporting standards, the market value of AGS on issue is reported in the Australian Government general government sector balance sheet.

The *Commonwealth Inscribed Stock Act 1911* (CIS Act) requires the Treasurer to issue a direction stipulating the maximum face value of relevant AGS that may be on issue. Effective from 7 October 2020, the then Treasurer directed that the maximum face value of AGS that can be on issue is \$1,200 billion. The estimated face value of AGS on issue subject to the Treasurer’s direction (end-of-year and within-year peak)² in each year of the forward estimates remains below \$1,200 billion.

Gross debt is estimated to be \$940 billion (34.0 per cent of GDP) at 30 June 2025, increasing to \$1,161 billion (36.7 per cent of GDP) at 30 June 2028. Gross debt is expected to be higher across each year of the forward estimates than at the 2024–25 Budget. This is primarily driven by a deterioration in the headline cash balance, compounded by the impact of higher yields on AGS. However, gross debt is still expected to remain lower across each year of the forward estimates than the 2022 PEFO.

Table 4.1 presents estimates of AGS on issue.

-
- 1 For Treasury Indexed Bonds (TIBs), the final repayment amount paid to investors includes an additional amount to reflect the impact of inflation over the life of the security. This additional amount is not included in the calculation of face value.
 - 2 End-of-year values are estimates of AGS on issue at 30 June for the particular year. The precise timing and level of within-year peaks of AGS on issue cannot be determined with accuracy. The timing of the within-year peak is therefore reported to a given month-end in the particular year.

Table 4.1: Estimates of AGS on issue subject to the Treasurer’s Direction^{(a)(b)}

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$b	\$b	\$b	\$b
Face value – end-of-year	940	1,028	1,100	1,161
Per cent of GDP	34.0	36.0	36.7	36.7
Face value – within-year peak(c)	950	1,028	1,102	1,174
Per cent of GDP(c)	34.4	36.0	36.7	37.1
<i>Month of peak(c)</i>	<i>Mar-25</i>	<i>Jun-26</i>	<i>Mar-27</i>	<i>Apr-28</i>
Market value – end-of-year	880	971	1,049	1,117
Per cent of GDP	31.9	34.0	35.0	35.3

- a) The Treasurer’s Direction applies to the face value of AGS on issue. This table also shows the equivalent market value of AGS that are subject to the Treasurer’s Direction.
- b) The stock and securities that are excluded from the current limit set by the Treasurer’s Direction are outlined in subsection 51JA(2A) of the CIS Act.
- c) The precise within-year timing of cash receipts and payments is not known. Estimated peaks of AGS on issue are therefore subject to considerable uncertainty.

Source: AOFM

Changes in AGS on issue since the 2024–25 Budget

The increase in total face value of AGS on issue primarily reflects the cumulative deterioration of \$33.6 billion in the headline cash balance over the four years to 2027–28 since the 2024–25 Budget. This has been partially offset by the improved underlying cash balance outcome for 2023–24, which effectively pre-funds some of the Government’s future financing requirements.

Additionally, higher yields further contribute to higher estimates of AGS on issue. An increase in yields increases the deficit through higher interest payments but also impacts the face value of AGS required to meet the Government’s financing requirements. The majority of AGS on issue comprises fixed coupon bonds. When yields rise, the price investors are willing to pay for fixed coupon bonds falls so that the rate of return on the bonds adjusts to the prevailing market price or yield. As a result, more bonds need to be issued to raise the same volume of funds³. It is estimated that this dynamic has increased the face value of debt by \$7.0 billion over the forward estimates compared with the 2024–25 Budget.

³ For example, on 4 October 2023 the AOFM issued into an existing bond line with a maturity date of 21 June 2035 and a coupon rate of 2.75 per cent. The face value of issuance was \$800 million but the proceeds received was around \$669 million. The same Treasury Bond line was previously issued on 5 April 2023 when yields were substantially lower, and \$759 million was received for the same \$800 million of face value issued.

Table 4.2: Estimates of AGS on issue subject to the Treasurer’s Direction – reconciliation from the 2024–25 Budget to the 2024–25 MYEFO

	2024-25	2025-26	2026-27	2027-28
	\$b	\$b	\$b	\$b
Total face value of AGS on issue subject to the Treasurer’s Direction as at 2024-25 Budget	934	1,007	1,064	1,112
Factors affecting the change in face value of AGS on issue from 2024-25 Budget to 2024-25 MYEFO(a)				
Cumulative receipts decisions	-0.4	-0.7	-1.1	-1.7
Cumulative receipts variations	-5.3	-14.1	-17.1	-18.8
Cumulative payment decisions	2.5	11.0	16.2	19.1
Cumulative payment variations	1.9	6.5	16.4	23.0
Cumulative change in net investments in financial assets(b)	1.9	4.3	8.8	11.9
Other contributors	5.5	14.5	13.1	15.7
Total face value of AGS on issue subject to the Treasurer’s Direction as at 2024-25 MYEFO	940	1,028	1,100	1,161

a) Cumulative impact of decisions and variations from 2024–25 to 2027–28. Increases to payments are shown as positive and increases to receipts are shown as negative.

b) Change in net cash flows from investments in financial assets for policy purposes only.

Note: End-of-year data.

Breakdown of AGS currently on issue

Table 4.3 provides a breakdown of the AGS on issue by type of security as at 6 December 2024.

Table 4.3: Breakdown of current AGS on issue

	On issue as at 6 December 2024	
	Face value	Market value
	\$m	\$m
Treasury Bonds	841,249	777,279
Treasury Indexed Bonds	40,685	51,609
Treasury Notes	32,000	31,731
Total AGS subject to Treasurer’s Direction(a)	913,934	860,619
Other stock and securities	5	5
Total AGS on issue	913,939	860,624

a) Includes Green Treasury Bonds

b) The stock and securities that are excluded from the current limit set by the Treasurer’s Direction are outlined in subsection 51JA(2A) of the CIS Act.

Source: AOFM.

Treasury Bonds

As at 6 December 2024, there were 29 Treasury Bond lines on issue, with a weighted average term to maturity of around 6.6 years and the longest maturity extending June 2054.

One Treasury Bond line is the Green Treasury Bond maturing in June 2034. The Government issued its first Green Treasury Bond in June 2024. Green Treasury Bonds provide financing or refinancing for specific government programs that drive Australia's net zero transition and deliver broader environmental benefits. Annual Allocation and Impact Reports for Green Treasury Bonds will be published from 2025.

Table 4.4: Treasury Bonds on issue

Coupon Per cent	Maturity	On issue as at 6 December 2024		Timing of interest payments ^{a)}		
		\$m				
3.25	21-Apr-25	41,500		Twice yearly	21-Apr	21-Oct
0.25	21-Nov-25	39,200		Twice yearly	21-Nov	21-May
4.25	21-Apr-26	39,600		Twice yearly	21-Apr	21-Oct
0.50	21-Sep-26	39,400		Twice yearly	21-Sep	21-Mar
4.75	21-Apr-27	39,400		Twice yearly	21-Apr	21-Oct
2.75	21-Nov-27	35,300		Twice yearly	21-Nov	21-May
2.25	21-May-28	34,600		Twice yearly	21-May	21-Nov
2.75	21-Nov-28	40,500		Twice yearly	21-Nov	21-May
3.25	21-Apr-29	40,200		Twice yearly	21-Apr	21-Oct
2.75	21-Nov-29	37,700		Twice yearly	21-Nov	21-May
2.50	21-May-30	38,700		Twice yearly	21-May	21-Nov
1.00	21-Dec-30	39,500		Twice yearly	21-Dec	21-Jun
1.50	21-Jun-31	40,100		Twice yearly	21-Jun	21-Dec
1.00	21-Nov-31	41,800		Twice yearly	21-Nov	21-May
1.25	21-May-32	39,300		Twice yearly	21-May	21-Nov
1.75	21-Nov-32	29,000		Twice yearly	21-Nov	21-May
4.50	21-Apr-33	26,700		Twice yearly	21-Apr	21-Oct
3.00	21-Nov-33	25,400		Twice yearly	21-Nov	21-May
3.75	21-May-34	24,200		Twice yearly	21-May	21-Nov
4.25	21-Jun-34	7,600		Twice yearly	21-Jun	21-Dec
3.50	21-Dec-34	22,400		Twice yearly	21-Dec	21-Jun
2.75	21-Jun-35	20,250		Twice yearly	21-Jun	21-Dec
4.25	21-Dec-35	14,300		Twice yearly	21-Dec	21-Jun
3.75	21-Apr-37	16,200		Twice yearly	21-Apr	21-Oct
3.25	21-Jun-39	10,800		Twice yearly	21-Jun	21-Dec
2.75	21-May-41	14,900		Twice yearly	21-May	21-Nov
3.00	21-Mar-47	14,200		Twice yearly	21-Mar	21-Sep
1.75	21-Jun-51	20,200		Twice yearly	21-Jun	21-Dec
4.75	21-Jun-54	8,300		Twice yearly	21-Jun	21-Dec

a) Where the timing of an interest payment falls on a non-business day, the payment will occur on the following business day.

Source: AOFM.

Treasury Indexed Bonds

As at 6 December 2024, there were seven Treasury Indexed Bond (TIB) lines on issue, with a weighted average term to maturity of around 9.1 years and the longest maturity extending to February 2050.

Table 4.5: Treasury Indexed Bonds on issue

Coupon Per cent	Maturity	On issue as at	Timing of interest payments ^(a)					
		6 December 2024 \$m	Quarterly	20-Sep	20-Dec	20-Mar	20-Jun	
3.00	20-Sep-25	4,042	Quarterly	20-Sep	20-Dec	20-Mar	20-Jun	
0.75	21-Nov-27	7,250	Quarterly	21-Nov	21-Feb	21-May	21-Aug	
2.50	20-Sep-30	7,142	Quarterly	20-Sep	20-Dec	20-Mar	20-Jun	
0.25	21-Nov-32	5,550	Quarterly	21-Nov	21-Feb	21-May	21-Aug	
2.00	21-Aug-35	6,250	Quarterly	21-Aug	21-Nov	21-Feb	21-May	
1.25	21-Aug-40	5,900	Quarterly	21-Aug	21-Nov	21-Feb	21-May	
1.00	21-Feb-50	4,550	Quarterly	21-Feb	21-May	21-Aug	21-Nov	

a) Where the timing of an interest payment falls on a non-business day, the payment will occur on the following business day.

Source: AOFM

Treasury Notes

As at 6 December 2024, there were eight Treasury Note lines on issue. Treasury Notes do not pay a coupon.

Table 4.6: Treasury Notes on issue

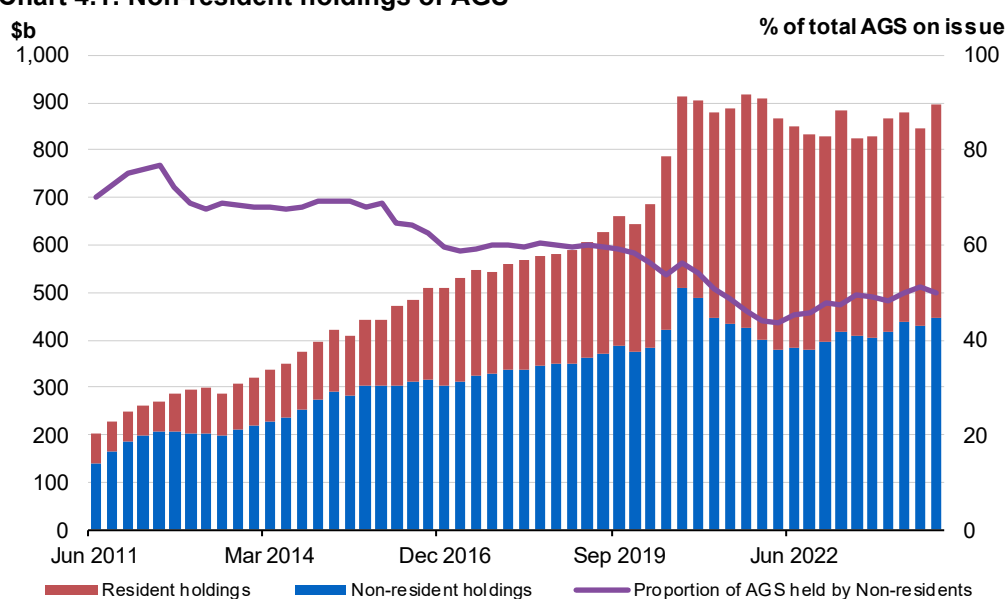
Maturity	On issue as at 6 December 2024	Timing of interest payment	
	\$m		
13-Dec-24	6,000	At maturity	13-Dec
31-Jan-25	7,000	At maturity	31-Jan
14-Feb-25	5,000	At maturity	14-Feb
28-Feb-25	3,000	At maturity	28-Feb
14-Mar-25	4,000	At maturity	14-Mar
28-Mar-25	3,000	At maturity	28-Mar
11-Apr-25	3,000	At maturity	11-Apr
9-May-25	1,000	At maturity	9-May

Source: AOFM.

Non-resident holdings of AGS on issue

As at the September 2024 quarter, the proportion of non-resident holdings of AGS was 50 per cent (Chart 4.1). This proportion is down from historical highs of around 77 per cent in 2012. While the value of non-resident holdings of AGS has increased significantly over this time, the proportion has fallen since the rate of buying by non-resident investors has not matched the rate of issuance. In addition, the Reserve Bank of Australia's bond purchase operations in 2020 and 2021 reduced the amount of AGS available to other investors, including non-residents.

Chart 4.1: Non-resident holdings of AGS



Note: Data refer to the repo-adjusted market value of holdings.

Source: ABS Balance of Payments and International Investment Position, Australia September 2024, AOFM, RBA.

Net debt

Net debt is equal to the sum of interest-bearing liabilities (which include AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements). As net debt incorporates both selected financial assets and liabilities at their fair value, it provides a broader measure of the Government's financial obligations than gross debt.

Not all government assets or liabilities are included in the measurement of net debt. For example, the Government's unfunded superannuation liability is not accounted for in net debt, nor are holdings of equities, for example, those held by the Future Fund or the Government's equity investment in the NBN.

Table 4.7: Liabilities and assets included in net debt

	Estimates			
	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Liabilities included in net debt				
Deposits held	418	418	418	418
Government securities(a)	879,842	971,247	1,049,123	1,116,785
Loans	32,250	33,488	34,277	34,430
Lease liabilities	18,066	17,103	16,155	15,935
Total liabilities included in net debt	930,575	1,022,257	1,099,974	1,167,568
Assets included in net debt				
Cash and deposits	72,301	73,883	68,195	64,274
Advances paid	67,346	79,247	94,017	106,829
Investments, loans and placements	250,888	259,819	268,569	287,863
Total assets included in net debt	390,536	412,949	430,782	458,967
Net debt	540,039	609,307	669,192	708,601

a) Government securities are presented at market value.

Changes in net debt since the 2024–25 Budget

Net debt is expected to be lower across the first two years of the forward estimates, and higher in the last two years of the forward estimates compared to the 2024–25 Budget. These movements primarily reflect changes to the financing requirement being offset by greater cash and deposits held across the forward estimates. The slight increase in yields since the 2024–25 Budget has also decreased the market value of AGS on issue, further improving net debt across the forward estimates.

Table 4.8: Net debt – reconciliation from the 2024–25 Budget to the 2024–25 MYEFO

	2024-25 \$b	2025-26 \$b	2026-27 \$b	2027-28 \$b
Net debt as at 2024-25 Budget (\$b)	552.5	615.5	660.0	697.5
Changes in financing requirement	6.6	18.6	30.5	41.2
Impact of yields on AGS	-12.7	-10.1	-7.5	-4.6
Asset and other liability movements	-6.4	-14.7	-13.9	-25.5
<i>Cash and deposits</i>	-10.3	-16.4	-13.6	-14.5
<i>Advances paid</i>	5.8	4.3	0.6	-1.7
<i>Investments, loans and placements</i>	-1.3	-2.4	-1.1	-9.7
<i>Other movements</i>	-0.7	-0.3	0.1	0.5
Total movements in net debt from 2024-25 Budget to 2024-25 MYEFO	-12.5	-6.2	9.1	11.1
Net debt as at 2024-25 MYEFO (\$b)	540.0	609.3	669.2	708.6

Interest on AGS

Estimates of the interest payments and expense of AGS on issue include the cost of AGS already on issue and future AGS issuance.

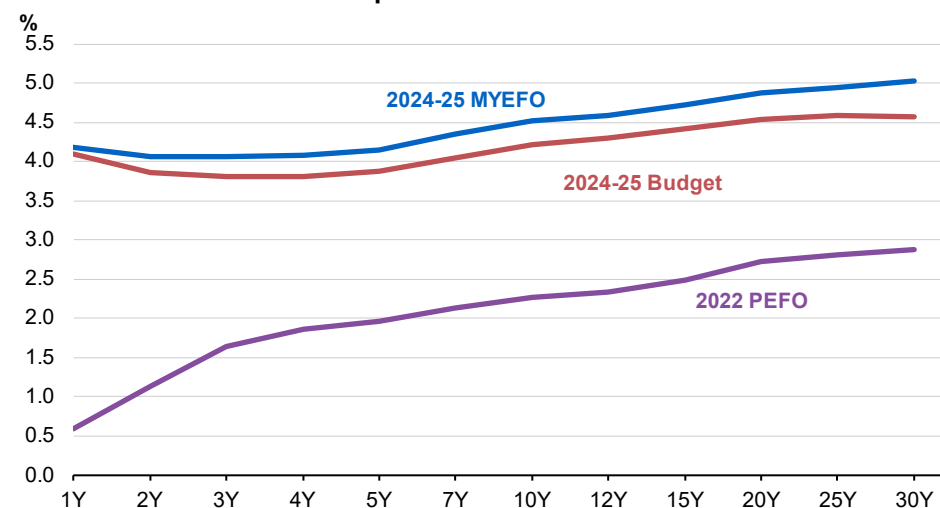
- The cost of AGS already on issue reflects the actual yield at the time of issuance.
- The expected cost of future AGS issuance is based on a recent average of daily spot rates across the yield curve at the time of a budget estimates update.

Interest payments on AGS are estimated to be higher across each year of the forward estimates compared to the 2024–25 Budget. The increase is driven by the increased borrowing requirement compared to the 2024–25 Budget, compounded by higher bond yields.

Chart 4.2 shows the yield curve assumptions underpinning the 2022 PEFO, 2024–25 Budget and the 2024–25 MYEFO. Yields are generally higher compared to the 2024–25 Budget and remain significantly higher than the 2022 PEFO. Since the 2024–25 Budget, yields have remained volatile. These movements reflect changes in market expectations for inflation, future cash rates and economic uncertainty more broadly.

The assumed weighted average cost of borrowing has increased to 4.4 per cent for future issuance of Treasury Bonds over the forward estimates in this update, broadly reflecting global trends in volatility of yields. This is higher than the assumed weighted average yields of 4.2 per cent at the 2024–25 Budget and 2.2 per cent at the 2022 PEFO.

Chart 4.2: Yield curve assumptions from 2024–25 to 2027–28



Source: AOFM.

By the end of the forward estimates total interest payments are estimated to be \$37.6 billion, of which \$36.0 billion relates to AGS on issue (Table 4.9). Compared to the 2024–25 Budget, total interest payments as a share of GDP are estimated to remain the same in 2024–25, 2025–26 and 2026–27, and 0.1 percentage points higher in 2027–28. This increase is driven by the increased borrowing requirement and higher yields since the 2024–25 Budget.

Interest receipts are estimated to be higher across each year of the forward estimates than at the 2024–25 Budget.

Net interest payments as a share of GDP are estimated to remain unchanged in 2024–25 at 0.5 per cent, compared to 2024–25 Budget. Net interest payments are expected to increase to 0.9 per cent of GDP by 2027–28, 0.1 percentage points higher than at the 2024–25 Budget.

Table 4.9: Interest payments, interest receipts and net interest payments^(a)

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Interest payments on AGS	22,921	26,727	29,399	36,006
Per cent of GDP	0.8	0.9	1.0	1.1
Interest payments(b)	24,579	28,147	30,840	37,574
Per cent of GDP	0.9	1.0	1.0	1.2
Interest receipts	9,968	9,659	9,222	10,120
Per cent of GDP	0.4	0.3	0.3	0.3
Net interest payments(c)	14,611	18,488	21,618	27,454
Per cent of GDP	0.5	0.6	0.7	0.9

- a) Interest payments and receipts are a cash measure, with the relevant amount recognised in the period in which the interest payment is made or interest is received.
- b) Interest payments include interest payments on AGS, loans and other borrowing, as well as interest payments on lease liabilities.
- c) Net interest payments are equal to the difference between interest payments and interest receipts.

As well as cash accounting terms, interest costs related to AGS are also presented on accrual accounting terms. The difference between the cash interest payments and accrual interest expense generally relates to the timing of when the interest cost is recognised.

- Interest payments are recognised in the period when they are paid during the life of the security.
- Interest expense is recognised in the period in which an expense is incurred during the life of the security, rather than when it is actually paid.

Table 4.10 shows changes in interest expense, interest income and net interest expense over the forward estimates.

Table 4.10: Interest expense, interest income and net interest expense^(a)

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Interest expense on AGS	24,355	28,953	33,887	38,328
Per cent of GDP	0.9	1.0	1.1	1.2
Total interest expense(b)	31,499	39,621	41,851	45,873
Per cent of GDP	1.1	1.4	1.4	1.5
Interest income	11,046	11,039	11,095	12,274
Per cent of GDP	0.4	0.4	0.4	0.4
Net interest expense(c)	20,453	28,582	30,756	33,599
Per cent of GDP	0.7	1.0	1.0	1.1

a) Interest expense is an accrual measure, with the relevant amount recognised in the period in which the expense is incurred, but not necessarily paid.

b) Interest expense includes interest expense on AGS, loans and other borrowing, as well as interest expense on lease liabilities and other financing costs (including debt not expected to be repaid (DNER)).

c) Net interest expense is equal to the difference between interest expenses and interest income.

Part 5: Sensitivity Analysis

Economic and fiscal forecasts and projections are underpinned by a range of assumptions and judgements based on the best available information at the time of preparation. In practice, economic and fiscal circumstances can evolve in ways that differ from expectations.⁴

Sensitivity analysis assesses the degree of uncertainty surrounding current forecasts by showing the impact of changes in assumptions for key variables on forecasts of economic and fiscal aggregates.

The following sensitivity analyses were chosen due to their variability and importance for economic and fiscal aggregates presented in budget updates:

- Higher and lower iron ore prices.
- Higher and lower yields over the medium term.

Movements in the iron ore price

The forecasts for nominal GDP and tax receipts are sensitive to commodity price assumptions, particularly iron ore prices. See *Part 2: Economic Outlook* for information on recent developments in commodity prices.

This analysis considers the impact of a permanent US\$10 per tonne increase and decrease in the iron ore price on nominal GDP and tax receipts relative to the MYEFO baseline forecast. Results are presented in Table 5.1.

Table 5.1 Sensitivity analysis of a US\$10 per tonne movement in iron ore prices

	US\$10/tonne FOB ^(a) increase				US\$10/tonne FOB decrease			
	2024-25	2025-26	2026-27	2027-28	2024-25	2025-26	2026-27	2027-28
Nominal GDP (\$billion)	4.7	2.5	5.2	9.8	-4.7	-2.5	-5.2	-9.8
Tax receipts (\$billion)	0.4	0.5	0.6	1.8	-0.4	-0.5	-0.6	-1.8

a) Prices are presented in free-on-board (FOB) terms which exclude the cost of freight.

Source: Treasury

The effects of a US\$10 per tonne increase and decrease in the iron ore price are broadly symmetric. A US\$10 per tonne increase in the iron ore price increases nominal GDP by around \$4.7 billion in 2024–25, rising to around \$9.8 billion in 2027–28.

⁴ Assessments of past forecasting performance and confidence interval analysis of forecasts are included in the 2024–25 Budget, Budget Paper No 1: Statement 8: Forecasting Performance and Sensitivity Analysis.

The economic response to a permanent change in the price of iron ore is derived from a generic terms of trade shock using a forward-looking macroeconomic model. Higher iron ore export prices lead to a higher terms of trade, which leads directly to higher output prices and nominal GDP. The volume of output and exports in the mining sector increase in response to higher iron ore prices. However, an appreciation in the exchange rate leads to a substitution to imports which partially offsets the increase in exports and GDP, and acts to reduce domestic inflation through lower import prices.

A US\$10 per tonne increase in the assumed price for iron ore exports is expected to result in an increase in tax receipts of around \$0.4 billion in 2024–25, \$0.5 billion in 2025–26 and \$0.6 billion in 2026–27, before increasing to \$1.8 billion in 2027–28. An increase in iron ore prices increases mining company profits and therefore company tax receipts. This builds over time as receipts incorporate the full impact on nominal GDP and due to the lag between when profits are realised and related tax is paid by companies. Lower domestic prices result in lower individuals and other withholding taxes and indirect tax receipts, partially offsetting the increase in company tax.

Alternative pathways for yields

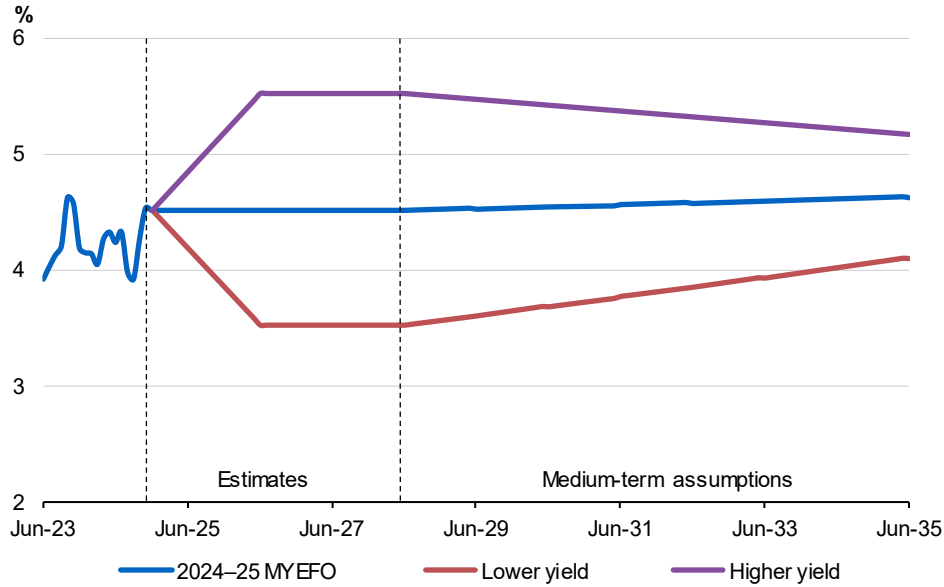
The cost of Government borrowing reflects yields on Australian Government Securities and the level of debt.

Given the uncertainty surrounding the global and domestic outlook for yields, Treasury makes the following technical assumptions:

- Over the forward estimates, government bond yields are fixed at rates observed prior to the Budget update.
- After the forward estimates, the ten-year bond yield converges linearly towards the long-run nominal GDP growth rate over 15 years. This is broadly consistent with the long-run approaches of comparable advanced economies. Other tenor yields are assumed to maintain their historical relativity to the ten-year bond yield.

The higher yield sensitivity analysis assumes bond yields transition to 100 basis points higher than baseline by 30 June 2026. Yields are then held constant over the remainder of the forward estimates to 2027–28, before linearly converging to the long-run yield assumption of the nominal GDP growth rate over 15 years (Chart 5.1). The lower yield sensitivity analysis is symmetric.

Chart 5.1 Baseline and alternative pathways for the ten-year bond yield



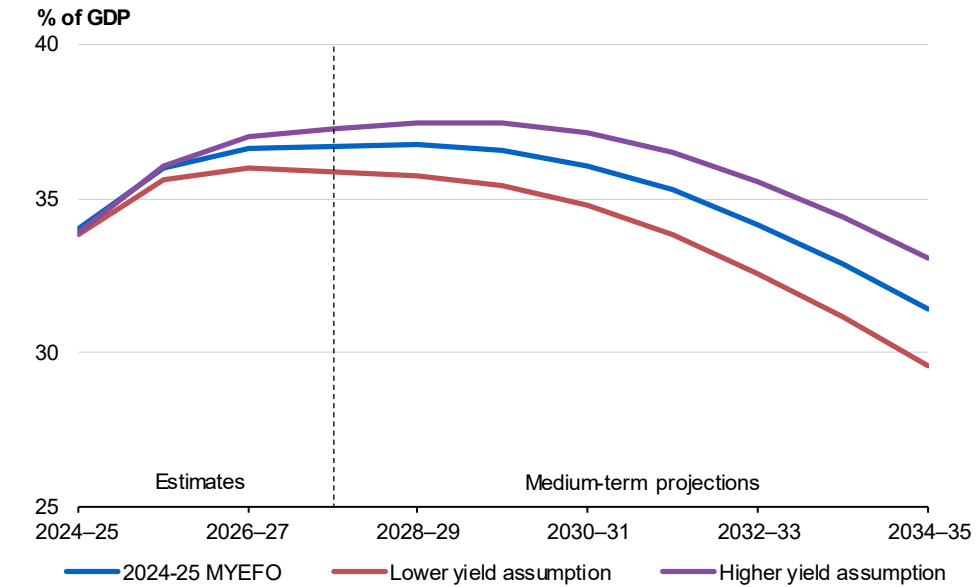
Source: Reserve Bank of Australia and Treasury

Note: Actual yields as at the end of each calendar month up to December 2024.

Yields affect government receipts and payments. Higher yields increase government receipts through higher expected returns on government assets and investments. Higher yields also increase government payments through higher interest costs on borrowings. As government interest bearing liabilities exceed interest bearing assets, higher yields lead to a deterioration in the underlying cash balance. Conversely, lower yields improve the underlying cash balance.

The higher yield assumption reduces the underlying cash balance by 0.3 percentage points of GDP and increases gross debt by 1.7 percentage points of GDP by 2034–35 compared to the baseline. The lower yield assumption increases the underlying cash balance by 0.3 percentage points of GDP and reduces gross debt by 1.8 percentage points of GDP by 2034–35 (Chart 5.2).

Chart 5.2 Gross debt, impact of alternative yield assumptions



Source: Australian Office of Financial Management and Treasury

Part 6: Statement of Risks

Risks to the Budget – Overview

The forward estimates of revenue and expenses in the 2024–25 Mid-Year Economic and Fiscal Outlook (MYEFO) incorporate assumptions and judgments based on the best information available at the time of publication, together with a range of economic assumptions and other forecasts and projections.

Events that could affect fiscal outcomes include:

- changes in economic and other parameters, which may be driven by the evolution of and responses to domestic and global inflationary pressures, volatility in global commodity prices, further global instability stemming from conflicts in Europe and the Middle East, and the challenges associated with the transition towards net zero emissions
- matters not included in the fiscal forecasts because of uncertainty about their timing, magnitude or likelihood
- the realisation of contingent liabilities or assets.

The revenue and expense estimates and projections published in the 2024–25 MYEFO are based on a range of economic and other parameters that are consistent with the domestic and international outlook detailed in *Part 2: Economic Outlook*. Economic outcomes that differ from the parameters used in the MYEFO represent a material risk to the MYEFO estimates. *Part 5: Sensitivity Analysis* examines the impact on receipts and payments of altering some of the key economic assumptions underlying the MYEFO estimates.

A significant portion of government expenditure is for demand-driven programs. Outcomes for these programs could differ from the estimates and projections due to changes in economic outcomes, particularly for inflation and wages growth. For a number of demand-driven support programs, including the National Disability Insurance Scheme, aged care programs and health programs, outcomes depend on the wide range of factors that affect the take-up of and cost of these programs.

Revenue forecasting relies heavily on the observed relationships between the economy, tax bases and tax revenues. Such relationships may shift over time as the economy changes, presenting further risk to the estimates. For example, the ability of entities to use tax losses to offset profits may continue to pose heightened challenges in estimating the profile for company and resource tax receipts. Revenue forecasts also incorporate costings for new policies that typically involve a degree of uncertainty.

The estimates and projections of revenue are also subject to general risks that can affect taxation collections. These risks include the ability of the tax system to keep pace with changes in the business environment, the potential for tax avoidance, pending court decisions and Australian Taxation Office rulings, and the uncertain outcomes of

compliance programs. The manifestation of these risks may result in a shift in the composition of taxation collected from the various tax bases or a change in the size of the tax base.

Many agencies rely on external revenue to fund the delivery of some of their services. Estimates included in the MYEFO for these agencies reflect the latest information about the likely amount of external revenue they will raise. The external revenue actually collected is not certain and depends on some common factors, including economic conditions, which can affect estimates for individual agencies and for the Budget as a whole.

The forward estimates in the MYEFO include the impact of all policy decisions, including those that remain unlegislated or where negotiations on agreements are continuing. There is a risk of a variation to the fiscal position outlined in the MYEFO where legislation is not passed in time for the commencement of the measure on the anticipated commencement date, the legislation is passed with amendments to the original decision, the legislation fails to pass the Parliament, or where negotiations deliver outcomes that go beyond the funding offer.

The risks associated with climate change

Over time, climate change is expected to have a significant impact on the Budget, both in terms of risks and opportunities. The Australian Government is managing these impacts by reducing emissions and supporting the economic opportunities presented by the net zero transition. However, there is still significant uncertainty about the trajectory of global greenhouse gas emissions and the impacts climate change will have on Australia.

Climate change can affect macroeconomic and fiscal outcomes in various ways. These include the physical impacts of climate change, the indirect impacts climate change will have on Australia's industry mix, and the impacts of policy responses to reduce emissions or adapt to the impacts of a changing climate. Each of these has the potential to affect receipts, payments, and the Australian Government's balance sheet. They also have the potential to influence general economic outcomes, which may, in turn, affect Budget outcomes.

Policy responses taken by the Australian Government to address climate change include the establishment of the Capacity Investment Scheme in the 2023–24 Budget and its expansion in the 2023–24 MYEFO to drive investment in renewable dispatchable capacity and ensure reliability in Australia's energy market. The Budget impact of the Capacity Investment Scheme will depend on future developments in energy prices, which may present risks that are not fully reflected in the Budget estimates. The Government has finalised contracts resulting from the first Capacity Investment Scheme tender in South Australia and Victoria which are now reflected as a quantifiable contingent liability in the Statement. Additional specific risks associated with this program will be reflected in the Statement once further contracts are finalised and if it is determined that they meet the materiality thresholds for inclusion.

Measures in the 2024–25 Budget to support the Government's Future Made in Australia agenda and reduce emissions in the Australian economy included the Hydrogen

Production Tax Incentive and Critical Minerals Production Tax Incentive. The uncertainty surrounding these measures could affect Budget estimates.

MYEFO *Part 6: Statement of Risks* sets out specific risks where they may have an impact on the Budget in the Budget year or over the forward estimates period. Some of these risks, such as those associated with the cyclone and related flooding reinsurance pool and disaster recovery arrangements, are likely to be exacerbated by climate change over time. Other specific risks may emerge that will impact the Budget beyond the forward estimates period. These would be included in this Statement when it is apparent that the potential impact on the Budget would exceed the materiality threshold.

Specialist Investment Vehicles

Successive Australian Governments have established Specialist Investment Vehicles (SIVs) to achieve policy outcomes. These include the National Reconstruction Fund Corporation, Export Finance Australia, the Clean Energy Finance Corporation, and the Northern Australia Infrastructure Facility. These SIVs have been established with robust governance arrangements, including independent boards, which are charged with making investment decisions that manage risk and deliver outcomes in line with each SIV's relevant legislative framework and investment mandate. Details of each SIV is set out in Budget Paper No. 2 or Appendix A to the MYEFO when they are established and, where relevant, presented in the 'Government loans' section of this Statement, including the total value of loans issued by each entity. This Statement includes reference to specific risks associated with these SIVs at the time it is apparent that those risks associated with the investments exceed or are expected to exceed the materiality threshold.

Specific risks to the Budget

The Budget is subject to contingent liabilities. Many of these reflect indemnities, including those relating to the Department of Defence, the Future Fund Management Agency and Future Fund Board of Guardians, and the Reserve Bank of Australia. The Australian Government has also issued guarantees, including those relating to guarantee schemes for the banking and financial sector, payments by Export Finance Australia, and the superannuation liabilities of the Commonwealth Bank prior to its sale. Other significant contingent liabilities relate to uncalled capital subscriptions and credit facilities to international financial institutions and legal cases concerning the Australian Government. The Government has robust and conservative strategies in place to reduce its potential exposure to these contingent liabilities.

Fiscal risks arise from general developments or specific events that may affect the fiscal outlook. Some developments or events raise the possibility of a fiscal impact. In other cases, the likelihood of a fiscal impact may be reasonably certain but will not be included in the forward estimates because the timing or magnitude of the impact is not known.

Table 6.1 outlines how fiscal risks, assets and liabilities, and contingent assets and liabilities, are disclosed in the MYEFO.

Table 6.2 summarises fiscal risks, contingent liabilities and contingent assets with a possible impact on the forward estimates greater than \$20 million in any one year, or \$50 million over the forward estimates period. Risks that are new or that have materially changed are detailed by portfolio after Table 6.2.

The Australian Government’s annual consolidated financial statements and the annual financial statements of departments and other Government entities also set out information on contingent liabilities and contingent assets.

The Government also makes direct loans for policy purposes. All loans contain some element of credit risk (that is, they will not be repaid in full) although, in many cases, this risk is small. Details of Government loans that exceeded \$200 million at 30 June 2024 are included at the conclusion of Part 6.

Table 6.1: Disclosure of fiscal risks, contingent assets and contingent liabilities, and assets and liabilities in the Budget papers

Category	Type ^(a)	Disclosure
Fiscal Risks	Fiscal Risks	Statement of Risks
Contingent assets and contingent liabilities	Significant contingent assets and liabilities considered remote	Statement of Risks
	Unquantifiable contingent assets and liabilities that are improbable but not remote	Statement of Risks
	Quantifiable contingent assets and liabilities that are improbable but not remote	Statement of Risks
	Contingent assets and liabilities excluded on the basis of immateriality ^(b)	None
Assets and liabilities	Assets and liabilities that are probable and can be reliably measured	Balance sheet ^{(c) (d)}
	Assets and liabilities that are probable but have an uncertain timing or amount (provisions)	Balance sheet

- a) Items that are described as probable have a 50 per cent or higher chance of occurrence.
 b) Only risks with a possible impact on the forward estimates greater than \$20 million in any one year, or \$50 million over the forward estimates period, are considered material and disclosed in this Statement.
 c) Unearned income from charging guarantee fees is shown as a liability in the balance sheet.
 d) Additional disclosure to increase transparency on loans over \$200 million is included in this Statement.

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks^(a)

Agriculture, Fisheries and Forestry	Status
Contingent liabilities – unquantifiable	
Commonwealth liabilities in respect of matching payments to industries for research and development contributions	Unchanged
Emergency pest and disease response arrangements	Modified
White spot syndrome virus and disease 2016 outbreak	Unchanged
Attorney-General's	Status
Significant but remote contingency	
Indemnities relating to the Air Security Officer Capability	Unchanged
Contingent liabilities – unquantifiable	
Current and prospective investor-state claims against the Australian Government	Modified
Native Title costs	Unchanged
Contingent asset – unquantifiable	
Civil penalty relating to the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i>	Modified
Climate Change, Energy, the Environment and Water	Status
Fiscal Risk	
Snowy Hydro Limited	Unchanged
Significant but remote contingencies	
Snowy Hydro Limited – Board Members' indemnity	Modified
Snowy Hydro Limited – Termination of the Equity Subscription Agreements	Unchanged
Underwriting of Transmission Projects	Unchanged
Contingent liabilities – unquantifiable	
Gorgon liquefied natural gas and carbon dioxide storage project – long-term liability	Unchanged
Liability for costs incurred in a national liquid fuel emergency	Unchanged
Marinus Link Project – Shareholders' agreement	Unchanged
Murray-Darling Basin Reform – risk assignment	Unchanged
Remediation of Jabiru Township	Unchanged
United States Strategic Petroleum Reserve Lease Agreement – indemnity under certain conditions	Unchanged
Contingent liabilities – quantifiable	
Capacity Investment Scheme	New
Underwriting of the Marinus Link Project	Modified
Defence	Status
Fiscal Risks	
Implementation of the nuclear-powered submarine program	Unchanged
Major operations of the Australian Defence Force in 2024-25	Unchanged
Significant but remote contingencies	
ADI Limited – Officers' and Directors' indemnities	Unchanged
Litigation cases	Unchanged
Remote contingencies	Modified
Contingent liabilities – unquantifiable	
Cockatoo Island Dockyard	Unchanged
Land decontamination, site restoration and decommissioning of Defence assets	Unchanged
Contingent liability – quantifiable	
Claims against the Department of Defence	Modified

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks^(a) (continued)

Employment and Workplace Relations	Status
Fiscal Risk	
Recovery of inappropriately claimed VET FEE-HELP payments from VET providers	Unchanged
Contingent liabilities – quantifiable	
ParentsNext program	Modified
Workforce Australia – Employment Fund	Modified
Finance	
Status	
Significant but remote contingency	
Australian Naval Infrastructure Pty Ltd – Termination of the Equity Funding Agreement	Unchanged
Contingent liabilities – unquantifiable	
ASC Pty Ltd – Directors’ and Executives’ indemnities	Unchanged
ASC Pty Ltd – Guarantee of Indemnity from ASC in favour of ASC Shipbuilding Pty Limited	Unchanged
Australian Government general insurance fund – Comcover	Unchanged
Commonwealth Superannuation Corporation – immunity and indemnity	Unchanged
Finance owned estate	Unchanged
Future Fund Management Agency and Future Fund Board of Guardians – indemnity	Unchanged
Goongong Dam	Unchanged
Indemnities for the Reserve Bank of Australia and private sector banks	Unchanged
Indemnities relating to other former asset sales, privatisations and information technology outsourcing projects	Unchanged
Foreign Affairs and Trade	
Status	
Fiscal Risk	
Export Finance Australia – National Interest Account	Modified
Contingent liabilities – quantifiable	
Export Finance Australia	Unchanged
Papua New Guinea Rugby League Franchise	New
Health and Aged Care	
Status	
Fiscal Risk	
Fair Work Commission decision – Aged Care Work Value Case	Unchanged
Contingent liabilities – unquantifiable	
Accommodation Payment Guarantee Scheme	Unchanged
Advance Purchasing Agreements for COVID-19 vaccines	Unchanged
Australian Red Cross Society – indemnities	Unchanged
Blood and blood products liability cover	Unchanged
CSL Ltd	Unchanged
Indemnities relating to vaccines	Unchanged
Major sporting events	Unchanged
Medical Indemnity Exceptional Claims Scheme	Unchanged
Medical Rural Bonded Scholarship Waivers	Unchanged
mRNA manufacturing facility – indemnities	Unchanged
Contingent asset – unquantifiable	
Legal action seeking compensation	Unchanged

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks^(a) (continued)

Home Affairs	Status
Fiscal Risk	
Regional processing arrangements	Modified
Contingent liabilities – unquantifiable	
Australian victims of terrorism overseas payment	Unchanged
Commonwealth Community Safety Order Scheme – Federation Funding Agreement – indemnity	New
Disaster Recovery	Unchanged
Facilities, garrison, transferee arrivals and receptions, and health services in the Republic of Nauru – liability limit	Unchanged
Immigration detention services by state and territory governments – liability limit	Unchanged
Immigration detention services contract (Serco) – liability limit	Modified
Immigration detention services contract (Secure Journeys) – liability limit	New
Industry, Science and Resources	
Fiscal Risk	
Rehabilitation of the Ranger Uranium Mine	Unchanged
Significant but remote contingencies	
Liability for damages caused by space and certain high-power rocket activities	Unchanged
Operations and maintenance of the Northern Endeavour and associated infrastructure	Modified
Contingent liabilities – unquantifiable	
Australian Nuclear Science and Technology Organisation – asbestos contamination	Unchanged
Australian Nuclear Science and Technology Organisation – indemnity	Unchanged
Australian Nuclear Science and Technology Organisation – legacy waste management to final disposal	Unchanged
Former British atomic test site at Maralinga	Unchanged
Land decontamination and site restoration for CSIRO property	Unchanged
Infrastructure, Transport, Regional Development, Communications and the Arts	
Fiscal Risks	
Australia Post's financial stability	Modified
Infrastructure Investment Program project slippage adjustment	New
Inland Rail – delivery	Unchanged
Significant but remote contingencies	
Inland Rail – Termination of the Equity Financing Agreement	Unchanged
Maritime Industry Finance Company Limited – Board Members' indemnity	Unchanged
Moorebank Intermodal Project – Glenfield Waste Site Easement	Unchanged
National Intermodal Corporation Limited – Termination of the Funding Agreement	Unchanged
Telstra Financial Guarantee	Unchanged
Tripartite deeds relating to the sale of federal leased airports	Unchanged
WSA Co Limited – Board Members' indemnities	Unchanged
WSA Co Limited – Sydney Metro – Western Sydney Airport indemnity	Unchanged
WSA Co Limited – Termination of the Equity Subscription Agreement	Unchanged

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks^(a) (continued)

Infrastructure, Transport, Regional Development, Communications and the Arts (continued)	Status
Contingent liabilities – unquantifiable	
Australian Maritime Safety Authority – ship-sourced pollution incident costs	Unchanged
Aviation rescue and firefighting services potential per- and poly-fluoroalkyl substances contamination	Modified
Indemnity provided to the New South Wales Rural Fire Fighting Service in relation to the Jervis Bay Territory	Unchanged
Moorebank Intermodal Project – Georges River rail crossing	Unchanged
Service Delivery Arrangement Indemnities – Indian Ocean Territories and Jervis Bay Territory	Unchanged
Prime Minister and Cabinet	
Status	
Contingent liability – unquantifiable	
<i>McDonald v Commonwealth</i> (Stolen Wages Class Action)	Removed
Contingent liability – quantifiable	
Indigenous Land and Sea Corporation – Voyages Indigenous Tourism Australia	Unchanged
Social Services	
Status	
Fiscal Risks	
COVID-19 and disaster social security debt pause for specified areas	Removed
National Disability Insurance Scheme	Modified
Contingent liabilities– unquantifiable	
Income apportionment and debt pause	Unchanged
<i>Prygodicz v Commonwealth</i>	New
Contingent asset – quantifiable	
National Redress Scheme	Modified
Treasury	
Status	
Fiscal Risks	
Guarantee for the Asia Development Bank’s Innovative Finance Facility	New
Significant but remote contingencies	
Asbestos Injuries Compensation Fund	Unchanged
Financial Claims Scheme	Unchanged
Guarantee for Housing Australia	Unchanged
Guarantees under the <i>Commonwealth Bank Sale Act 1995</i>	Modified
Reserve Bank of Australia – Guarantee	Modified
Contingent liabilities – unquantifiable	
Compensation scheme of last resort	Unchanged
Establishment of a cyclone and related flooding reinsurance pool	Unchanged
Government guarantees for housing	Unchanged
Indemnities for specialised external advisers during the COVID-19 pandemic	Unchanged
Small and Medium Enterprise (SME) Guarantee Scheme and SME Recovery Loan Scheme	Unchanged
Terrorism insurance – commercial cover	Unchanged

Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks^(a) (continued)

Treasury (continued)	Status
Contingent liabilities – quantifiable	
Australian Taxation Office – tax disputes	Modified
International financial institutions – uncalled capital subscriptions	Modified
International Monetary Fund – 16th General Review of Quota	Modified
International Monetary Fund – New Arrangements to Borrow & Bilateral Borrowing Agreement	Modified
International Monetary Fund – Poverty Reduction and Growth Trust	Modified
International Monetary Fund – Resilience and Sustainability Trust	Modified
Veterans’ Affairs	
Fiscal Risk	
Defence Service Homes Insurance Scheme	Unchanged

a) Detailed descriptions of the modified and new items are in the following text.

Agriculture, Fisheries and Forestry

Contingent liabilities – unquantifiable

Emergency pest and disease response arrangements

National emergency response arrangements for animal, plant and environmental pest and disease incursions are largely funded through cost-sharing agreements between Australian governments and affected agricultural industry bodies. Under the terms of the emergency response cost-sharing agreements, the Australian Government is typically liable for 50 per cent of the total government funding for a nationally agreed response to a pest or disease incursion. Funding is provided in the forward estimates for the Australian Government’s contributions under the emergency response agreements, which are then paid to the state or territory governments undertaking relevant activities.

There are currently 14 national cost-shared emergency responses. Since the 2024–25 Budget, the Australian Government has provided an additional \$154.6 million for its share of three large scale responses for High Pathogenicity Avian Influenza H7 in Victoria, New South Wales and the Australian Capital Territory, and for its share of potential further detections in the high-risk period over spring.

The Australian Government has also provided a further \$95.0 million across the agriculture, environment and health portfolios to manage the increased risk of an incursion of High Pathogenicity Avian Influenza H5N1, with a new national agreement to be developed to manage cross-sectoral governance and cost-sharing arrangements.

The Australian, state and territory governments developed a draft Aquatic Emergency Animal Disease Deed (the Deed) covering aquatic emergency animal diseases and have consulted prospective industry signatories. If the Deed is finalised, potential liabilities for the Australian Government will be increased. The extent of these liabilities will depend on

which parties sign the Deed and what emergency aquatic incursions occur that would be subject to the Deed arrangements.

Attorney-General's

Contingent liability – unquantifiable

Current and prospective investor-state claims against the Australian Government

The Commonwealth received a notice of arbitration from Singapore registered company Zeph Investments Pte Ltd (Zeph) concerning a dispute about the *Iron Ore Processing (Mineralogy Pty Ltd) Agreement Amendment Act 2020 (WA)*. Zeph raised this claim under Chapter 11 (Investment) of the *Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)*.

Subsequently, the Commonwealth has received three further notices of arbitration from Zeph. The first concerns a dispute about exploration permits held by Waratah Coal Pty Ltd (Waratah) in the Galilee Basin of Queensland. The second concerns a dispute about a coal mine proposed by Waratah in the Galilee Basin. The third concerns a dispute about a coal-fired power station proposed by Waratah in the Galilee Basin. Zeph raised each of these claims under Chapter 11 (Investment) of the AANZFTA.

Should the Australian Government be unsuccessful in these proceedings, it would be liable for any compensation found to be payable to Zeph. Any such potential liability cannot be quantified at this stage.

Contingent asset – unquantifiable

Civil penalty relating to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

On 30 November 2022, the Australian Transaction Reports and Analysis Centre (AUSTRAC) applied to the Federal Court of Australia for a civil penalty order against The Star Pty Limited and The Star Entertainment QLD Limited (The Star entities) for alleged serious contraventions of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)*.

AUSTRAC alleges that The Star entities failed to comply with obligations under the AML/CTF Act, including failures to properly assess money laundering and terrorism financing risks, and failures to undertake appropriate customer due diligence. The outcome of this matter is unknown, including whether any penalties will be imposed by the Court and, if so, the quantum of any penalties.

Climate Change, Energy, the Environment and Water

Significant but remote contingency

Snowy Hydro Limited – Board Members’ indemnity

The Australian Government has provided an indemnity for some of the Directors of Snowy Hydro Limited to protect them against certain claims relating to their employment as Directors. Until the indemnity agreements are varied or ceased, they will remain as contingent and unquantifiable liabilities.

Contingent liabilities – quantifiable

Capacity Investment Scheme

The Australian Government has announced six projects in South Australia and Victoria to enter into underwriting agreements under the Capacity Investment Scheme. These underwritings are expected to generate 3,626 megawatt hours in storage capacity.

Under the terms of these underwriting agreements, once the projects are built and operational, if the annual revenue earned by a project is below the agreed revenue floor, the Australian Government will pay the project operator 90 per cent of the revenue shortfall up to the agreed annual cap for 15 years. If annual revenue earned by a project exceeds the agreed ceiling, the project operator pays the Australian Government 50 per cent of revenue above the ceiling up to the agreed cap.

The Australian Government’s maximum liability and estimated payments under these agreements are not for publication due to commercial sensitivities. While estimated payments under these agreements are not for publication, they are reflected in the Budget estimates from 2026–27. Final payments will depend on future electricity prices and the resulting impact on project revenues.

Underwriting of the Marinus Link Project

The Australian Government has underwritten up to A\$165.75 million for the Cancellation Fee payable for the Cable Engineering, Procurement, and Construction (EPC) Contract for the Marinus Link project (signed 31 July 2024).

The condition for this underwriting agreement to be called on relates to agreement to proceed with the project not being reached and the associated notices to proceed not being issued to the cable contractors by 31 August 2025.

Defence

Significant but remote contingency

Remote contingencies

As at 30 June 2024, the Department of Defence carried 412 instances of quantifiable remote contingent liabilities valued at \$7.95 billion and 592 instances of unquantifiable remote contingent liabilities.

Details of these significant but remote contingent liabilities are not given due to commercial and/or national security sensitivities.

Contingent liability – quantifiable

Claims against the Department of Defence

The Department of Defence (Defence) has 15 instances of non-remote, quantifiable contingent liabilities in respect of claims against Defence valued at \$17.9 million.

The estimated figure is determined by an objective analysis of the probable amount payable for all matters managed by firms engaged by Defence using the Attorney-General's Whole of Australian Government Legal Services Panel and those being handled in-house by Defence Legal Division. However, the exact amount payable under those claims is uncertain. Defence is defending the claims or trying to resolve them through alternative dispute resolution.

Employment and Workplace Relations

Contingent liabilities – quantifiable

ParentsNext program

ParentsNext supported parents to identify their education and employment related goals to build their work readiness, and plan and prepare for employment by the time their youngest child starts school. The program ceased on 31 October 2024.

Under the program, providers accumulated one-off credits which accrued to their provider's Participation Fund on commencement of a participant.

Currently, providers are forecast to spend less than the value of the available credits, creating a surplus of credits that present a contingent liability. As at 31 August 2024, there was \$84.7 million in unspent Participation Fund credits in the Participation Fund notional bank. The surplus of credits will decline as providers seek reimbursement for funds expended before the end of the ParentsNext program.

A new voluntary pre-employment service for parents, called Parent Pathways, commenced on 1 November 2024.

Workforce Australia – Employment Fund

Since July 2022, with the introduction of Workforce Australia, contracted service providers and the Digital Services Contact Centre have had access to the Employment Fund, which can be used to purchase goods and services to help participants to get and keep a job.

- Providers accumulate a \$1,600 Employment Fund credit upon commencement of each participant in Workforce Australia Provider Services. This will reduce to \$1,500 from 1 July 2025 as part of a measure announced at the 2024–25 Budget
- Participants in Workforce Australia Online attract an Employment Fund credit, credited after a participant has been in Digital Services for two months. The credit amount reduced from \$300 to \$250 in June 2024 as part of a measure announced at the 2024–25 Budget.

Currently, Employment Fund expenditure is expected to be less than the value of the available credits, creating an accumulating surplus of credits that present a contingent liability. As at 31 August 2024, there was \$643.3 million in unspent Employment Fund Credits in the Workforce Australia Employment Fund notional bank.

Foreign Affairs and Trade

Fiscal Risk

Export Finance Australia – National Interest Account

There are five financing facilities under Export Finance Australia’s National Interest Account, set out below.

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) started operation on 1 July 2019. The AIFFP can provide up to \$4 billion in facilities, including up to \$1 billion in grants and the balance in loans and guarantees, to support high priority infrastructure development in Pacific countries and Timor-Leste. To date, the Australian Government has agreed to provide loans, guarantees and grants to support the development of 21 infrastructure projects in ten countries. As at 31 October 2024, the maximum loan exposure is \$1.1 billion, of which \$208.8 million was drawn down.

The Critical Minerals Facility (CMF) was established on 28 September 2021 to provide finance to critical minerals projects in Australia where private sector finance is unavailable or insufficient. In the 2023–24 MYEFO, the Australian Government expanded the CMF by \$2.0 billion for a maximum aggregate exposure of \$4.0 billion. To date, the Government has agreed to provide a total of approximately \$2.63 billion to support five projects under the facility. As at 31 October 2024, \$195.0 million was drawn down from the CMF.

The Defence Export Facility (DEF) was established to grow Australia’s defence exports by helping to overcome difficulties in accessing private sector finance. The DEF has a maximum aggregate exposure of US\$3.0 billion (approximately A\$4.4 billion as at

22 September 2024). To date, three loans under the DEF have been agreed for a total signing value of A\$228 million. As at 31 October 2024, A\$168.2 million was outstanding.

The COVID-19 Export Capital Facility was announced on 15 April 2020, with a maximum aggregate exposure of \$500 million. The COVID-19 Export Capital Facility expired in April 2021. As at 31 October 2024, \$0.9 million was outstanding.

The Southeast Asia Investment Financing Facility (SEAIFF) was announced on 5 March 2024. The SEAIFF will provide up to \$2.0 billion in loans, guarantees, equity and insurance for projects that would boost Australian trade and investment in Southeast Asia, particularly in support of the region's clean energy transition and infrastructure development. In the 2024–25 MYEFO, the Australian Government agreed to provide US\$50 million (approximately A\$73.2 million as at 22 September 2024) to support one project under the SEAIFF. As at 31 October, no transactions have occurred.

The Australian Government has also agreed to amend the *Export Finance and Insurance Corporation Act 1991* to enable Export Finance Australia to finance domestic projects in the national interest where they are consistent with the Future Made in Australia Framework. The Government will be able to consider supporting projects on the National Interest Account through financing including debt or equity, where projects are unable to progress solely through commercial financing.

Contingent liability – quantifiable

Papua New Guinea National Rugby League Franchise

The Australian Government has agreed to provide support to the Australian Rugby League Commission and the NRL Bid 25 Limited to establish and support the operation of the Papua New Guinea National Rugby League franchise.

The support will include contingent liabilities for the Commonwealth. Details of these liabilities are not provided as they include commercial-in-confidence sensitivities.

Home Affairs

Fiscal Risk

Regional processing arrangements

Under a Memorandum of Understanding between Australia and the Republic of Nauru on the Enduring Regional Processing Capability in the Republic of Nauru, the Australian Government supports the Government of Nauru to provide support and services to transferees residing in Nauru. Any significant changes in the number of transferees, the arrangements that underpin the provision of those services, relevant litigation or legislative changes, may incur a cost or generate cost reductions which are unquantifiable at this time.

Contingent liabilities – unquantifiable

Commonwealth Community Safety Order Scheme – Federation Funding Agreement – indemnity

The Department of Home Affairs has negotiated arrangements for the Community Safety Order (CSO) scheme and has, on behalf of the Commonwealth, entered into a Federation Funding Agreement (FFA) with New South Wales (NSW) ending on 30 June 2025. The FFA provides for delivery of services to CSO offenders including evidence collection, specialist legal support, accommodation (in prison) and case management support for offenders in the community.

The accommodation component of the services is governed by a housing agreement that stipulates baseline detention under a Community Safety Detention Order (CSDO). The housing agreement indemnifies NSW, and each of its employees, officers and agents, for all costs reasonably sustained or incurred in the operation of the housing agreement.

Immigration detention services contract (Serco) – liability limit

The Department of Home Affairs entered into a contract with Serco Australia Pty Ltd (Serco), which commenced on 11 December 2014, to deliver immigration detention services at facilities in Australia on behalf of the Australian Government. The contract limits Serco's liability to the Commonwealth to a maximum of any insurance proceeds recovered by Serco up to a value of \$330 million for the term of the contract. Serco's liability is unlimited for specific events defined under the contract. This liability limit will operate simultaneously with a new immigration detention services contract until completion of transition activities.

Immigration detention services contract (Secure Journeys) – liability limit

The Department of Home Affairs entered into a new contract with Secure Journeys Pty Ltd (Secure Journeys) commencing on 11 December 2024, to deliver immigration detention services at facilities in Australia on behalf of the Australian Government. The contract limits Secure Journey's total liability to the Commonwealth under the contract to a maximum of \$300 million. Secure Journey's liability is unlimited for specific events defined under the contract.

Industry, Science and Resources

Significant but remote contingency

Operations and maintenance of the Northern Endeavour and associated infrastructure

On 31 March 2022, Petrofac Facilities Management Limited (Petrofac) was engaged to deliver Phase One of the decommissioning of the Northern Endeavour. This will see the floating production storage and offtake facility (FPSO) disconnected from the sub-sea equipment and temporary suspension of the wells. On 30 September 2022, the operational control of the facility transitioned from Upstream Production Solutions Pty Ltd to Petrofac.

The contract with Petrofac has adopted an industry standard ‘knock-for-knock’ risk and liability allocation arrangement, that positions risks so that they are borne by the party most likely to be able to financially manage the consequences of a risk materialising. Petrofac is liable, to a pre-determined cap, for several insured risks, including to property, pollution and the environment. Petrofac will also bear responsibility for some instances of loss or damage to the extent it is caused by Petrofac’s negligence or wilful misconduct.

The Australian Government has obtained protection and indemnity, facility damage and control of well insurance, and taken out membership with oil spill response agencies. These limit the Government’s potential risk and financial exposure.

The risk of an incident is remote. The floating production storage offtake facility is being maintained with safety critical maintenance carried out, limited oil in storage and no further oil production taking place. The additional works to prepare for disconnection are not considered to materially increase the risk.

Petrofac Limited, the parent company of Petrofac, is experiencing financial difficulties and is pursuing a financial restructure to resolve its solvency issues. So far, delivery of Phase One decommissioning of the Northern Endeavour has remained largely unaffected by this financial situation, however solvency issues could increase project delivery risks and potentially lead to delays and increase costs. The Australian Government continues to work with Petrofac to anticipate and minimise any potential impacts to program delivery.

The Australian Government has committed to decommission the Northern Endeavour FPSO and remediate the Laminaria-Corallina oil fields. The cost to deliver Phase One of the decommissioning, including the disconnection and disposal of the FPSO, is taken into account in the forward estimates. However, costs for the subsequent phases of the decommissioning – the permanent plug and abandonment of the wells (Phase Two) and the removal of subsea infrastructure (Phase Three), which are estimated to commence over the forward estimates period – are not able to be fully quantified until procurement activities for those Phases have been completed. Actual costs associated with Northern Endeavour decommissioning will be recovered through the *Offshore Petroleum (Laminaria and Corallina Decommissioning Cost Recovery Levy) Act 2022*.

Infrastructure, Transport, Regional Development, Communications and the Arts

Fiscal Risks

Australia Post’s financial stability

Australia Post is a Government Business Enterprise wholly owned by the Australian Government. In the 2023–24 financial year, Australia Post reported a full financial year pre-tax loss of \$88.5 million. This is Australia Post’s second annual loss since 2014–15. It reflects the way in which digitisation of the global and national economy is changing how many people and businesses use postal and related services. Australia Post does not receive financial support from the Australian Government but is required to meet a range of Community Service Obligations.

On 6 December 2023, the Australian Government announced a package of reforms to enable Australia Post to boost productivity, increase its focus on parcel delivery services, and improve financial sustainability. The Government is monitoring the implementation of these reforms to assess whether they are achieving meaningful financial benefits as intended.

Given the uncertainty surrounding Australia Post's financial position, there is a risk that the Australian Government will need to consider providing financial assistance to Australia Post in the future.

Infrastructure Investment Program project slippage adjustment

The Infrastructure Investment Program includes a slippage adjustment to take account of historical experience, including the timing of states claiming payments against milestones and the complexity of delivery. Details of the slippage adjustment are published in 2024–25 MYEFO *Appendix C: Australia's Federal Financial Relations*.

As the adjustment does not affect the Australian Government's commitments to individual states and territories, there is an equivalent financial risk to the Australian Government should the states and territories meet all current project milestones. A similar adjustment was implemented in the 2020–21 Budget.

Contingent liability – unquantifiable

Aviation rescue and firefighting services potential per- and poly-fluoroalkyl substances contamination

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) has identified a number of sites in Australia potentially contaminated with per- and poly-fluoroalkyl substances (PFAS), which were contained in firefighting foams.

PFAS contaminants do not naturally break down in the environment and several have been listed on the Stockholm Convention as persistent contaminants. Australian health and environmental agencies have set a range of standards for environmental protection and precautionary health measures.

Up to 37 airport sites are potentially contaminated with PFAS (20 federally-leased airports and 17 regional airports), which relate to the Australian Government's provision of firefighting services. DITRDCA is undertaking PFAS investigations at these airports to understand the risks and develop management plans for any identified PFAS contamination. These investigations are funded under DITRDCA's \$130.5 million PFAS Airports Investigation Program (the Program). Airservices Australia (Airservices) is continuing to implement the National PFAS Management Program, which includes ongoing PFAS investigations at 18 airport sites. The costs of potential long-term management options cannot be accurately quantified at this time.

For Commonwealth-owned airports that are leased on a long-term basis, Airport Lessee Companies are responsible for environmental management of their airport sites. Airport leases indemnify the Commonwealth in relation to damages or injury to the environment, including in respect of costs and claims arising due to such damages or injury. However, these leases do not indemnify Airservices, as it is a corporate Commonwealth entity. The Commonwealth is not indemnified for 16 airports (which are privately or local government owned) in the Program's scope because the Commonwealth is not a party to any lease deed at these airports. The costs of potential long-term management options cannot be quantified at this time.

A number of Airport Lessee Companies have requested that Airport Environment Officers (AEOs) issue remedial orders to Airservices for PFAS contamination under the *Airports (Environment Protection) Regulations 1997*. Two Environmental Remedial Orders (EROs) have been issued to Airservices, directing it to undertake specified remedial work at Launceston and Canberra airports, within a set timeframe. AEOs are also actively considering regulatory action at Brisbane, Moorabbin and Sydney Airports.

Brisbane Airport Corporation has commenced legal proceedings in the Queensland Supreme Court against Airservices concerning legacy PFAS contamination from Airservices' use of firefighting foams containing PFAS at the airport. Australia Pacific Airports Launceston and Perth Airport Pty Ltd have also commenced legal proceedings against Airservices in relation to PFAS contamination in the Federal Court. Potential costs relating to these matters are unquantifiable at this time.

Social Services

Fiscal Risk

National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS/Scheme) provides Australians with permanent and significant disability with financial support to build capacity, increase independence and establish stronger connections with their community.

As with other demand-driven programs, the estimated costs for the NDIS are subject to adjustments to reflect observed changes in actual payments. Scheme projections are liable to change as significant reform initiatives are implemented and the Scheme continues to mature. Reform initiatives may lead to revisions to forecasts of the number of Scheme participants, the funds allocated in participant support packages, the payments by participants from those funds for supports, and the resourcing required by the National Disability Insurance Agency to effectively administer the Scheme.

National Cabinet has committed to a NDIS Financial Sustainability Framework to ensure the Scheme is sustainable in the long term, with an annual growth target for Scheme costs of no more than 8 per cent from 1 July 2026.

The *National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Act 2024* (the amending Act) commenced on 3 October 2024. Changes in the

amending Act and subsequent amendments to NDIS rules and other legislative instruments will moderate growth in NDIS expenditure by determining NDIS participant plan budgets more consistently based on participant need and supporting participants to spend in accordance with their plans.

The 2024–25 MYEFO estimates for the NDIS align with the NDIS Scheme Actuary's June 2024 projections reported in the Annual Financial Sustainability Report 2023–24 which have been reviewed by the Australian Government Actuary. The Scheme Actuary's June 2024 projections align with National Cabinet's commitment to the NDIS Financial Sustainability Framework.

Contingent liability – unquantifiable

Prygodicz v Commonwealth

In September 2024, Gordon Legal filed an extension application in the Federal Court of Australia to appeal settlement orders granted in the Prygodicz v Commonwealth class action on behalf of representative applicants impacted by the Income Compliance Program (the Robodebt scheme). Costs associated with the appeal (if any) and any potential related future litigation are not quantifiable until the matter is determined by the Court or otherwise resolved.

Contingent asset – quantifiable

National Redress Scheme

The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* supports people who experienced institutional child sexual abuse by providing a monetary payment and facilitating access to counselling and psychological services and a direct personal response from the institution determined to be responsible for the abuse. The Department of Social Services (DSS) administers the National Redress Scheme. In this capacity, DSS makes the monetary payment to the survivor and then recovers this amount from the responsible institution.

As at 22 September 2024, DSS has an administered quantifiable contingent asset of \$532.2 million in relation to the probable recovery from responsible institutions of monetary payments that may be made to survivors. The value is based on applications that have been referred to an independent decision maker for assessment and average payment values.

As at 22 September 2024, DSS has an administered quantifiable contingent liability of \$334.1 million in relation to applications made under the National Redress Scheme that have been referred to an independent decision maker for assessment. The amount is based on the number of applications and average payment values.

The difference between the contingent asset and the contingent liability represents the net risk to the Budget from the National Redress Scheme.

Treasury

Fiscal risk

Guarantee for the Asia Development Bank’s Innovative Finance Facility

The Australian Government has committed to enter into a 25-year guarantee capped at US\$200 million (A\$306.2 million) with the Asian Development Bank (ADB) to support its Innovative Finance Facility for Climate in Asia and the Pacific (the facility). The facility will support climate mitigation and adaptation finance projects of sovereign nations identified by ADB in the Asia and Pacific region.

The guarantee transfers a portion of risk associated with sovereign nations default from the ADB Facility to the Australian Government. The guarantee will only be called on in the event of a sovereign nation defaulting on a project under the facility.

Significant but remote contingencies

Guarantees under the *Commonwealth Bank Sale Act 1995*

Under the *Commonwealth Bank Sale Act 1995*, the Australian Government guarantees various superannuation and other liabilities of the Commonwealth Bank. As at 30 June 2024, the Commonwealth Bank of Australia holds no attributed liabilities and \$4.3 billion is attributable to liabilities of the Commonwealth Bank Officers’ Superannuation.

Reserve Bank of Australia – Guarantee

The Australian Government guarantees the liabilities of the Reserve Bank of Australia (RBA), measured as the Bank’s total liabilities excluding capital, reserves, and Australian Government deposits. The principal component of the RBA’s liabilities consists of exchange settlement balances. As at 30 September 2024, exchange settlement balances amount to \$232.6 billion, and the total guarantee is \$346.6 billion.

Contingent liabilities – quantifiable

Australian Taxation Office – tax disputes

At any point in time, the Australian Taxation Office is involved in a range of dispute resolution processes, including litigation, relating to tax disputes.

Details of the outcome of dispute resolution processes remain uncertain until a court ruling is made and/or an agreement is reached with the taxpayer. Accordingly, in most cases it is not possible to reliably estimate the likely financial impact of current disputes. The estimated aggregate value of tax in dispute as at 30 June 2024, for which a provision has not been made, is \$11.7 billion.

Outcomes of dispute resolution processes are included in the Commissioner of Taxation’s Annual Report each year. This may include disputes resolved through objections,

settlements and court and tribunal decisions. It may also include amounts owed by taxpayers that are subject to dispute but not finalised.

International financial institutions – uncalled capital subscriptions

The Australian Government has held an uncalled capital subscription in the International Bank for Reconstruction and Development (IBRD) since 1947. As at 22 September 2024, Australia’s uncalled capital subscription to the IBRD was around US\$4.4 billion (approximately A\$6.4 billion).

The Australian Government has an uncalled capital subscription in the European Bank for Reconstruction and Development (EBRD) since 1991. As at 22 September 2024, Australia’s uncalled capital subscription to the EBRD was around EUR237.5 million (approximately A\$389.0 million).

The Australian Government has held an uncalled capital subscription in the Asian Development Bank (ADB) since 1966. As at 22 September 2024, Australia’s uncalled capital subscription to the ADB was around US\$7.0 billion (approximately A\$10.3 billion).

The Australian Government has an uncalled capital subscription in the Multilateral Investment Guarantee Agency of around US\$26.5 million (approximately A\$38.8 million), as at 22 September 2024.

The Australian Government has subscribed to shares in the Asian Infrastructure Investment Bank (AIIB), which includes an uncalled capital subscription. As at 22 September 2024, Australia’s uncalled capital subscription to the AIIB was around US\$3.0 billion (approximately A\$4.3 billion).

International Monetary Fund – 16th General Review of Quota

The Australian Government has agreed to approve a 50 per cent increase to its International Monetary Fund (IMF) quota. Under the agreement, Australia’s quota will increase from Special Drawing Rights (SDR) 6.6 billion (approximately A\$13.1 billion) to SDR 9.9 billion (approximately A\$19.6 billion), as at 22 September 2024. This increase maintains Australia’s voting power at the IMF and share of any future SDR allocation, and increases access to fund financing.

The timing of the contribution is uncertain; it will come into effect no earlier than 15 November 2024 and is subject to conditions including consent by members representing 85 per cent of the existing quota. 25 per cent of the increase, SDR 821.6 million (approximately A\$1.6 billion) as at 22 September 2024, will be made in foreign currency (in consultation with the IMF) and the remainder will be covered by Australian dollar denominated promissory notes. If the IMF quota increase is implemented it will be largely offset by reductions in Australia’s other IMF commitments.

International Monetary Fund – New Arrangements to Borrow & Bilateral Borrowing Agreement

Australia has made a line of credit available to the International Monetary Fund (IMF) under its New Arrangements to Borrow since 1998. This is a contingent loan to help ensure that the IMF has the resources available to maintain stability in the global economy.

On 26 January 2020, the IMF Executive Board approved amendments to the New Arrangements to Borrow decision, including increasing the credit arrangements of all participants and extending the arrangement from 1 January 2021 to 31 December 2025. On 8 October 2020, the Australian Government advised the IMF that Australia consented to this decision. On 19 July 2024, a renewal of the New Arrangements to Borrow was adopted by a decision of the IMF's Executive Board. The Government is undertaking the relevant process under the *International Monetary Agreements Act 1947* to enable Australia to carry out its obligations. As at 22 September 2024, the value of Australia's New Arrangements to Borrow credit arrangement is around Special Drawing Rights (SDR) 4.4 billion (approximately A\$8.8 billion). If the IMF quota increase is implemented, the value of Australia's contribution will decrease by SDR 0.7 billion to SDR 3.7 billion (approximately A\$7.3 billion as at 22 September 2024).

Australia has also made available approximately SDR 2.0 billion (approximately A\$3.9 billion as at 22 September 2024) through a contingent bilateral loan to the IMF, known as a Bilateral Borrowing Agreement (the Agreement). This contingent bilateral loan is on terms consistent with other bilateral loans and note purchase agreements between the IMF and other contributing countries. The contingent bilateral loan will be drawn upon by the IMF only if needed to supplement the IMF's quota and New Arrangements to Borrow resources, and any drawings on loans would be repaid in full, with interest. On 26 July 2023, Australia agreed to extend the Agreement by one year through to 31 December 2024. On 20 November 2024, the Australian Government finalised a further extension of the Agreement through to 31 December 2027. If the IMF quota increase is implemented before 31 December 2027, Australia's Agreement will be allowed to expire.

International Monetary Fund – Poverty Reduction and Growth Trust

The Australian Government has entered into agreements to make a line of credit available to the International Monetary Fund (IMF) under the Poverty Reduction and Growth Trust through to 31 December 2029. The Poverty Reduction and Growth Trust provides concessional financial support to low-income countries to help them achieve, maintain, or restore a stable and sustainable macroeconomic position. Poverty Reduction and Growth Trust funds are drawn upon by the IMF as needed and will be repaid in full, with interest.

Through these agreements, the Government has made available Special Drawing Rights (SDR) 1 billion (approximately A\$2.0 billion as at 22 September 2024) to loan to the IMF under the Poverty Reduction and Growth Trust. As at 30 June 2024, SDR 260.5 million has been drawn down, leaving SDR 739.5 million (approximately A\$1.5 billion as at 22 September 2024) available to the IMF under the Poverty Reduction and Growth Trust.

International Monetary Fund – Resilience and Sustainability Trust

On 11 October 2022, the Australian Government entered into an agreement to make a line of credit of Special Drawing Rights (SDR) 760 million (approximately A\$1.5 billion as at 22 September 2024) available to the IMF under the Resilience and Sustainability Trust through to 30 November 2030. The Resilience and Sustainability Trust will provide affordable long-term financing to help vulnerable countries build resilience and sustainability to address risks stemming from climate change and pandemic preparedness. Resilience and Sustainability Trust line of credit funds are drawn upon by the IMF as needed and will be repaid in full, with interest. As at 30 June 2024, SDR 14.2 million has been drawn down, leaving SDR 745.8 million (approximately A\$1.5 billion as at 22 September 2024) available to the IMF under the Resilience and Sustainability Trust.

Government loans

Loans are recorded as financial assets. Accordingly, the amounts advanced and repaid do not normally affect the Budget aggregates of fiscal balance and underlying cash balance. Loans that are concessional (lower than market interest rate) or are agreed to be written off, result in an impact on the fiscal balance.

The Government makes loans for policy purposes. All loans contain some element of credit risk that they will not be repaid in full, although in many cases this risk is small. Table 6.3 summarises Government loans estimated to exceed \$200 million at 30 June 2024.

Table 6.3: Summary of Australian Government loans meeting the materiality threshold

Agriculture, Fisheries and Forestry					
Drought-related and farm finance concessional loans – Agriculture	171	State Governments (that through their delivery agencies, on-lend to eligible farm businesses)	Various	Various	Modified
Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans and AgRebuild Loans	2,668	Eligible Australian farm businesses and related small businesses, through the Regional Investment Corporation	5.18 per cent for all loans	Up to 10 years for all loans	Modified
Climate Change, Energy, the Environment and Water					
Clean Energy Finance Corporation	2,710	Approved entities undertaking clean energy technology projects	Approximately 4.9 per cent weighted average	Predominately 5-15 years	Modified
Education					
Higher Education Loan Program	49,200	Eligible higher education students	The lower of Wage Price Index (WPI) or Consumer Price Index (CPI) growth	9.9 years (average)	Modified
Employment and Workplace Relations					
Australian Apprenticeship Support Loans Program	884	Eligible Australian Apprentices	The lower of WPI or CPI growth		Modified
VET Student Loans Program	3,726	Eligible diploma and above students	The lower of WPI or CPI growth	2.1 years (average)	Modified
Foreign Affairs and Trade					
Government support for PsiQuantum Pty Ltd	188	PsiQuantum Pty Ltd and PsiQuantum Corporation	Commercial-in-confidence	Commercial-in-confidence	Modified
Telstra acquisition of Digicel Pacific	2,200	Telstra	Commercial-in-confidence	Various	Modified

Table 6.3: Summary of Australian Government loans meeting the materiality threshold (continued)

Portfolio	Loan amount ^(a) (\$m)	Borrower	Interest rate	Term	Status ^(b)
Industry, Science and Resources					
National Reconstruction Fund Corporation ^(c)	Various	To be determined	To be determined	To be determined	Unchanged
Infrastructure, Transport, Regional Development, Communications and the Arts					
Northern Australia Infrastructure Facility Loans	1,262	Northern Australia jurisdictions (Western Australia, Queensland or the Northern Territory) for on-lending to project proponents. The NAIF Investment Mandate Direction 2021 additionally allows for provision of financial assistance directly to other entities	Various (circa. 5 per cent)	Various	Modified
WestConnex Stage 2 Concessional Loan	2,255	WCX M5 Finco Pty Ltd	3.36 per cent	November 2015 to July 2034	Modified
Prime Minister and Cabinet					
Indigenous home ownership, business development and assistance	1,071	Eligible Indigenous persons	1.64 per cent – 6.14 per cent	Up to 32 years	Modified
Voyages Indigenous Tourism Australia Pty Ltd	330	Voyages Indigenous Tourism Australia Pty Ltd	90 Day bank bill swap reference rate plus 1.2 per cent (on \$176 million of principal)	9 years, 11 months	Modified
Social Services					
Home Equity Access Scheme	372	Eligible older Australians who meet residency requirements and own suitable real estate in Australia to use as security.	3.95 per cent	Various	Modified
Student Financial Supplement Scheme	164	Eligible recipients of Youth Allowance (student), Austudy and ABSTUDY recipients	The lower of WPI or CPI growth	Various	Modified

Table 6.3: Summary of Australian Government loans meeting the materiality threshold (continued)

Portfolio	Loan amount ^(a) (\$m)	Borrower	Interest rate	Term	Status ^(b)
Social Services					
Student Start-up Loan	821	Eligible Youth Allowance (student), Austudy and ABSTUDY Living Allowance recipients	The lower of WPI or CPI growth	Various	Modified
Treasury					
Affordable Housing Bond Aggregator	238	Housing Australia	Commonwealth cost of borrowing	Various	Modified
Commonwealth-State financing arrangements – housing and specific purpose capital	1,170	State and Northern Territory governments	4.0 per cent – 6.0 per cent	Up to 30 June 2042	Modified
International Monetary Fund – Poverty Reduction and Growth Trust	517	International Monetary Fund	IMF SDR interest rate	10 years	Modified
International Monetary Fund – Resilience and Sustainability Trust	28	International Monetary Fund	IMF SDR interest rate	20 years	Modified
Loan Agreement between the Australian Government and the Government of Indonesia	895	Government of Indonesia	Commonwealth cost of borrowing plus 0.5 per cent	15 years	Unchanged
2020 Loan Agreement between the Australian Government and the Government of Papua New Guinea	286	Government of Papua New Guinea	Commonwealth cost of borrowing plus 0.5 per cent	15 years	Unchanged
2021 Loan Agreement between the Australian Government and the Government of Papua New Guinea	307	Government of Papua New Guinea	Commonwealth cost of borrowing plus 0.5 per cent	20 years	Unchanged
2022 Loan Agreement between the Australian Government and the Government of Papua New Guinea	350	Government of Papua New Guinea	Commonwealth cost of borrowing	20 years	Unchanged
2023 Loan Agreement between the Australian Government and the Government of Papua New Guinea	344	Government of Papua New Guinea	Commonwealth cost of borrowing	20 years	Unchanged
<p>a) Loan amount is the estimated loan program amounts outstanding as at 30 June 2024 in \$ million.</p> <p>b) Status of loan items are considered 'unchanged' unless there are modifications to respective interest rates and/or loan term.</p> <p>c) The Government has established the National Reconstruction Fund, which will offer loans and guarantees and make equity investments in a range of emerging technologies and technically complex projects. These investments carry the inherent risks associated with investing in a large and diverse portfolio of financial assets. Details will be provided in this disclosure once loans, guarantees and investments are made.</p> <p>Note: The Australian Government will provide Snowy Hydro Limited with a loan of up to \$4.5 billion on commercial terms to put towards completion of Snowy 2.0. The loan will commence in 2024-25 and is expected to be refinanced by Snowy Hydro from 2029-30 onwards, once Snowy 2.0 is operational.</p>					

Agriculture, Fisheries and Forestry

Drought-related and farm finance concessional loans – Agriculture

As at 30 June 2024, the fair value of farm business, drought and dairy farm related loans was approximately \$170.7 million.

Drought Recovery and Dairy Recovery Concessional Loans Scheme: The drought recovery component of this scheme provided loans to farm businesses affected by unprecedented drought or, where applicable, Queensland farm businesses directly impacted by the combined effects of drought and the mid-2011 disruption to live cattle exports to Indonesia. The loans funded planting and restocking activities and associated expenses when seasonal conditions allowed. The loans were available from January 2015 and, in 2014–15, operated in Queensland and New South Wales. In 2015–16, drought recovery concessional loans were available in Queensland, New South Wales, South Australia and Tasmania.

The dairy recovery component of this scheme provided concessional loans to dairy farm businesses affected by the 2016 reduction in farm gate milk prices by Murray Goulburn, Fonterra and National Dairy Products. Loans were available for debt restructuring, providing new debt for operating expenses or productivity enhancement activities, or a combination of these purposes. Dairy recovery concessional loans became available in Victoria, New South Wales, South Australia and Tasmania from June 2016. Applications closed on 31 October 2016. A dairy recovery concessional loan product was available under the Farm Business Concessional Loans Scheme until 30 June 2018.

As at 1 August 2024, the scheme's interest rate was 4.23 per cent, reviewed on a six-monthly basis and revised in accordance with changes in the ten-year Australian Government bond rate. Loans have a maximum term of ten years with interest-only payments required for the first five years. Principal and interest repayments will be made in the remaining five years of the loan term.

Farm Business Concessional Loans Scheme: This scheme provided three types of concessional loans: drought assistance, dairy recovery and business improvement. This scheme was designed to cover a farmer's short-term needs when income was tight and to supplement, rather than replace, commercial finance. Loans under the scheme were first available in November 2016. Applications for loans under the scheme closed on 30 June 2018.

Drought assistance concessional loans were available in Queensland, New South Wales, Victoria, South Australia, Tasmania and the Northern Territory. Loans were available for debt restructuring, operating expenses, drought preparedness activities or drought recovery activities or a combination of these purposes.

Business improvement concessional loans were available in Queensland, New South Wales, Victoria, South Australia, Tasmania and the Northern Territory. Loans were available for eligible Farm Household Allowance (FHA) recipients who were recovering from financial

hardship and had exhausted or would exhaust their FHA 1,095-day income support entitlement by 30 June 2018. These loans were for debt restructuring only.

Dairy recovery concessional loans were available in New South Wales, Victoria, South Australia and Tasmania to eligible suppliers of Murray Goulburn, Fonterra and National Dairy Products. Loans were available for debt restructuring, providing new debt for operating expenses, productivity enhancement activities or a combination of these purposes.

As at 1 August 2024, the interest rate was 4.63 per cent, reviewed on a six-monthly basis and revised in accordance with changes in the ten-year Australian Government bond rate. Loans have a maximum term of ten years.

Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans and AgRebuild Loans

The Regional Investment Corporation commenced operations on 1 July 2018.

There are three loan products currently available to farm businesses: Farm Investment Loans, Drought Loans and AgriStarter Loans. In addition, AgBiz Drought Loans are available for small businesses. AgRebuild Loans (North Queensland flood) closed on 30 June 2020. As at 30 June 2024, the fair value of Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans, and AgRebuild Loans was approximately \$2.7 billion.

The Farm Investment, Drought, AgriStarter and AgBiz Drought loan products provide concessional loans to eligible businesses experiencing financial difficulties and are considered financially viable in the long term (additional criteria apply for each product, and terms and conditions may vary). All products are for farm businesses, except for AgBiz Drought Loans which are for small businesses that provide primary production related goods and services for drought affected farm businesses.

As at 1 August 2024, the variable interest rate was 5.18 per cent for the Farm Investment, Drought, AgriStarter and AgBiz Drought loan products. Interest rates are revised on a six-monthly basis in line with any material changes to the Australian Government ten-year bond rate where a material change is taken to be a movement of more than ten basis points (0.1 per cent). The next update will be on 1 February 2025.

Interest is not payable during the first two years of the AgRebuild Loan, or on the Drought Loans and AgBiz Drought Loans for loan applications that were received before 30 September 2020.

Loans have a maximum term of ten years.

Climate Change, Energy, the Environment and Water

Clean Energy Finance Corporation

The Clean Energy Finance Corporation (CEFC) has developed a portfolio of loans and investments across the spectrum of clean energy technologies, as required by the *Clean Energy Finance Corporation Act 2012* and the *Clean Energy Finance Corporation Investment Mandate Direction 2023* (the Investment Mandate), comprising the General Portfolio, Rewiring the Nation Fund and Specialised Investment Funds.

The CEFC's loan portfolio consists of predominantly senior-ranking secured loans and secured project finance facilities, typically secured against energy generating assets such as wind or solar farms or energy efficiency assets.

The CEFC's Rewiring the Nation Fund is expected to deliver concessional finance, including loans, for projects that support grid transformation. This portfolio of predominantly concessional loans is expected to be comprised mainly of unsecured corporate facilities, senior ranking secured loans and secured project finance facilities.

The CEFC's Specialised Investment Funds portfolio of loans (consisting of the Clean Energy Innovation Fund, the Advancing Hydrogen Fund, the Powering Australia Technology Fund and the Household Energy Upgrades Fund) are expected to be predominantly unsecured corporate facilities, senior-ranking secured loans, bonds and secured project finance facilities.

The targeted level of risk for each of these portfolios is set out in the Investment Mandate. For all but the Rewiring the Nation Fund, the CEFC Board seeks to develop a portfolio of loans and investments that, in aggregate, has an acceptable but not excessive level of risk relative to the sector and the specific focus of each of the Funds. For the Rewiring the Nation Fund, the Board must seek to develop a portfolio that, in aggregate, has an acceptable level of risk relative to the sector and the focus of the Rewiring the Nation Fund.

The Rewiring the Nation Fund investments may increase the CEFC's overall exposure to risk as the scale, concentration, loan tenor and nature of these investments will have a higher risk profile. The Specialised Investment Funds may also have a higher risk profile than the General Portfolio, however they are a relatively smaller component of the CEFC's overall exposure.

The CEFC has predominantly made loans as a co-financier either jointly or in consortiums with private sector financial institutions. Interest rates vary with a current average expected return of approximately 4.9 per cent. Loans have various maturity dates, typically in the range of 5 to 15 years, although it is anticipated that loan tenors will extend with the introduction of the Rewiring the Nation Fund. As at 30 June 2024, loans contracted and outstanding (excluding bonds and equities) totalled \$2.7 billion and are almost exclusively in the General Portfolio.

Education

Higher Education Loan Program

The Higher Education Loan Program (HELP) is an income-contingent loan program that assists eligible higher education students with the cost of their student contribution amounts and tuition fees. As at 30 June 2024, the fair value of HELP debt outstanding is estimated to be \$49.2 billion. The fair value takes into account the concessionality of HELP loans and makes an allowance for debt not expected to be repaid.

Debts outstanding for more than 11 months are indexed annually. From 1 June 2023, indexation will be based on the lower of the Wage Price Index or the Consumer Price Index.

In addition, the Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income-contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. The fair value does not yet include the impact of the 2024–25 MYEFO measure *Building Australia's Future – a fairer deal for students*.

The Australian Taxation Office collects repayment of these debts through the tax system. Repayment of debts commence when an individual debtor's income reaches the repayment threshold.

There were 2,932,349 HELP debtors as at 30 June 2024. The repayment term of a HELP debt can only be determined for people who have fully repaid their debt. As at the end of June 2024, the average time taken to repay HELP debts was 9.9 years.

Employment and Workplace Relations

Australian Apprenticeship Support Loans Program

The Australian Apprenticeship Support Loans Program (formerly Trade Support Loans Program) is an income-contingent, concessional loan program that assists eligible Australian apprentices by providing financial support of up to \$25,643 (for 2024–25) to assist with the costs of living, learning and undertaking an apprenticeship, and helping apprentices to focus on completing a qualification listed on the Australian Apprenticeships Priority List.

An eligible Australian Apprentice can access up to \$854.78 per month in the first year of their apprenticeship, \$641.08 per month in the second year, \$427.39 per month in the third year, and \$213.69 per month in the fourth year.

The loan amounts provided are higher in the early years of training to compensate for lower wages. The lifetime limit of \$25,643 was indexed on 1 July 2024 using the Consumer Price Index and will continue to be indexed annually on 1 July to maintain its real value.

The Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income-contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes will apply to Australian Apprenticeship Support Loans.

As an incentive to encourage completion of training, apprentices who successfully complete their apprenticeships are eligible for the 20 per cent discount on their loan. The loans become repayable at the same thresholds as the Higher Education Loan Program, which is \$54,435 for the 2024–25 income year. This is a demand driven program. As at 30 June 2024, the fair value of the Australian Apprenticeship Support Loans debt outstanding is estimated to be \$883.54 million. The fair value takes into account the concessionality of Australian Apprenticeship Support Loans and makes an allowance for debt not expected to be repaid. The fair value does not yet include the impact of the 2024–25 MYEFO measure *Building Australia's Future – a fairer deal for students*.

VET Student Loans Program

The VET Student Loans (VSL) Program is an income contingent loan program that assists eligible tertiary education students with the cost of their fees when undertaking approved higher-level Vocational Education and Training (VET) courses (diploma and above).

Debts outstanding for more than 11 months are indexed annually. From 1 June 2023, indexation will be based on the lower of Wage Price Index or Consumer Price Index.

In addition, the Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income-contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes will apply to VET Student Loans.

The Australian Taxation Office (ATO) collects repayment of these debts through the tax system. Repayment of debts commences when an individual debtor's income reaches the repayment threshold. Debtors must pay Higher Education Loan Program (HELP) debts before they repay VSL debts.

There were 126,403 VSL debtors as at 30 June 2024. The repayment term of a post 1 July 2019 VSL debt can only be determined for people who have fully repaid their debt. ATO data for the 2023-24 period indicates the average time to repay a VSL debt in full is 2.1 years.

Prior to the commencement of the VSL Program, loans for VET students were available through the VET-FEE HELP (VFH) scheme, which closed to new students on 31 December 2016. As at 30 June 2024, the fair value of both VFH debt and VSL debt outstanding is estimated to be \$3.726 billion. The fair value takes into account the concessionality of VSL loans and makes an allowance for debt not expected to be repaid. The fair value does not yet include the impact of the 2024–25 MYEFO measure *Building Australia's Future – a fairer deal for students*.

To support students affected by the delayed transfer of historical VET loans, accessed under the former VFH scheme and the current VSL program, the Australian Government agreed to waive historical indexation for affected loans and the entirety of affected VFH debts for study prior to 2017.

Foreign Affairs and Trade

Government support for PsiQuantum Pty Ltd

In the 2024–25 Budget, the Australian Government agreed to a financing package of equity and loans through Export Finance Australia on the National Interest Account to PsiQuantum Corporation and its wholly owned Australian subsidiary. This assistance is to support the construction and operation of quantum computing capabilities and associated investment in industry and research development in Brisbane. The package is part of a joint investment with the Queensland Government. As at 30 November 2024, the Australian Government has provided financing of US\$125 million (A\$188.3 million) with further loan funding of A\$275.0 million still to be drawn down.

Telstra acquisition of Digicel Pacific

The Australian Government provided Telstra a financing package through Export Finance Australia for Telstra's acquisition of Digicel Pacific. Telstra now owns and operates Digicel Pacific. This package includes debt and equity, including securities designed to secure the Government a long-term return. As at 30 June 2024, US\$1.4 billion (A\$2.2 billion) in funds are outstanding.

Infrastructure, Transport, Regional Development, Communications and the Arts

Northern Australia Infrastructure Facility Loans

The Northern Australia Infrastructure Facility (NAIF) is a lending facility established by the Australian Government under the *Northern Australia Infrastructure Facility Act 2016* and will continue to make investment decisions until 30 June 2026. The primary purpose of the NAIF is to provide loans or alternative financing mechanisms to infrastructure projects. The infrastructure that NAIF can finance is wide ranging and includes assets that facilitate the establishment or enhancement of business activity or increase economic activity in a region.

To be eligible for a loan from the NAIF, including up to 100 per cent of the project's debt, project proponents must meet the mandatory criteria outlined in the NAIF Investment Mandate that commenced on 15 December 2023. Since its establishment, the NAIF has been amended to:

- expand the eligibility for NAIF financing to include non-construction activities associated with the development of economic infrastructure

- provide NAIF with expanded debt tools, including the ability to provide letters of credit, guarantees and lend in foreign currency, finance smaller loans through working with financing partnerships, and in certain circumstances provide financing directly to proponents rather than via the States or Northern Territory
- make equity investments subject to a cap of \$50 million and a minimum of \$5 million per investment, for non-controlling interest
- enhance the potential to deliver significant public benefit to northern Australia by removing the prohibition against the Australian Government assuming the majority risk in any project. The new requirement is that the financial risk be acceptable but not excessive
- legislate the requirement to earmark \$500 million of its \$7 billion appropriation to go towards realising the Government’s Critical Minerals Strategy and create alignment of investment decisions to Government Policy Priorities
- add further areas to be considered as part of NAIF’s Risk Appetite Statement – including risk sharing between NAIF and the Australian Government, climate change related risks and net zero transition risks
- extend NAIF’s internal and external reporting on investments
- further tighten NAIFs Direct Financing powers and a greater emphasis on consulting/collaborating with other Commonwealth entities/Specialist Investment Vehicles.

The Australian Government updated the Investment Mandate to give effect to these changes.

WestConnex Stage 2 Concessional Loan

The WestConnex concessional loan is a \$2 billion loan facility provided to deliver WestConnex Stage 2. The concessional loan enabled Stage 2 to be brought forward, allowing Stages 1 and 2 to proceed in parallel. This resulted in significant time savings compared to the original approach where these stages progressed in sequence.

WestConnex Stage 2 includes the King Georges Road Interchange Upgrade (completed in 2016) and construction of new twin tunnels from Kingsgrove to a new St Peters interchange, providing motorway connections to Alexandria and Mascot, the M4-M5 Link (completed in January 2023) and the future Sydney Gateway.

The concessional loan agreement requires that the loan be repaid between September 2029 and July 2034.

Prime Minister and Cabinet

Indigenous home ownership, business development and assistance

Indigenous Business Australia delivers flexible loans with concessional interest rates to improve Indigenous home ownership across Australia, including in remote Indigenous communities. Indigenous Business Australia also provides concessional interest rate business loans and business support to increase Indigenous ownership of small-to-medium-sized enterprises and support their sustainability and growth.

As at 30 June 2024, the expected fair value of outstanding loans for Indigenous home ownership and business development and assistance is estimated to total \$1,071.1 million.

Voyages Indigenous Tourism Australia Pty Ltd

The Indigenous Land and Sea Corporation purchased Ayers Rock Resort for \$291.2 million in May 2011 and immediately on-sold it to its wholly owned subsidiary, Voyages Indigenous Tourism Australia Pty Ltd, creating an inter-company loan that is partly funded by borrowings. The interest rate has been set at the 90-day bank bill swap reference rate plus a margin of 5 per cent, and is reset six-monthly. Effective 1 July 2024, the margin has been reduced to 1.2 per cent. As at 30 June 2024, the outstanding loan balance is estimated to total \$329.6 million.

Social Services

Home Equity Access Scheme

The Home Equity Access Scheme (HEAS) is a voluntary arrangement which allows eligible older Australians to receive a non-taxable loan from the Australian Government. The loan can be paid as regular fortnightly instalments or capped lump sum advance payments, or both, for people of Age Pension age who meet certain residency criteria and own suitable real estate in Australia.

Any amount received under HEAS, and any interest and costs accrued, is attributed as a debt against real estate assets provided as collateral by the participant. The loan can be paid back at any time or is recovered on the sale of the secured real estate or from the person's estate. Additionally, since 1 July 2022, a No Negative Equity Guarantee applies to HEAS loans, limiting the recoverable debt to the equity in the property used to secure the loan.

Student Financial Supplement Scheme

The Student Financial Supplement Scheme (SFSS) commenced in January 1993 and closed on 31 December 2003. It was a voluntary income-contingent loan scheme for tertiary students (primarily Austudy and ABSTUDY) to help cover their living expenses while studying. Under the scheme, eligible students were able to trade one dollar of income support entitlement for two dollars in loans. Debtors are required to start repaying their

SFSS loan once they earn \$54,435 for 2024–25 and only after they have repaid any Higher Education Loan Program and Vocational Education and Training student loan debt.

The Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income-contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes apply to SFSS loans.

The estimated fair value of SFSS loans outstanding is \$163.9 million at 30 June 2024. The fair value does not yet include the impact of the 2024–25 MYEFO measure *Building Australia's Future – a fairer deal for students*.

Student Start-up Loan

The Student Start-up Loan (SSL) is a voluntary income-contingent loan for student payment (Youth Allowance (student), Austudy and ABSTUDY Living Allowance) recipients undertaking higher education. Introduced on 1 January 2016, the SSL is paid a maximum of twice a year and each SSL payment is valued at \$1,273 (in 2024). The SSL is repayable under similar arrangements to Higher Education Loan Program (HELP) debts. Students are required to start repaying their SSL once they earn over \$54,435 for 2024–25, and only after they have repaid any HELP and Vocational Education Training student loan debt. When it commenced, the SSL was initially for new student payment recipients undertaking higher education. From 1 July 2017, with the closure of the Student Start-up Scholarship, the SSL has become available to all eligible student payment recipients undertaking higher education.

The Government has announced that it will deliver a 20 per cent reduction to the balance of outstanding income-contingent student loan debts by 1 June 2025, and raise the minimum student debt repayment threshold and introduce a marginal repayment system from 1 July 2025. These changes apply to Student Start-up loans.

The estimated fair value of the SSL is \$820.6 million at 30 June 2024. The fair value does not yet include the impact of the 2024–25 MYEFO measure *Building Australia's Future – a fairer deal for students*.

Treasury

Affordable Housing Bond Aggregator

The Australian Government, through the Treasury, has made available a line of credit for the Housing Australia Affordable Housing Bond Aggregator. The Government has announced the line of credit will be increased to a total of \$4 billion through amendments to the *Housing Australia Act 2018*. The provision of funds will be in accordance with the *Housing Australia Act 2018*. The line of credit is ongoing, and funds borrowed will be repaid with interest. The Treasury manages the receipt of interest and principal repayments from Housing Australia. As at 30 June 2024, the value of outstanding advances issued to Housing Australia from the line of credit is \$238 million.

Commonwealth-State financing arrangements – housing and specific purpose capital

From 1945 to 1989, the Australian Government made concessional advances to state and Northern Territory governments under Commonwealth–state financing arrangements for housing and for specific purpose capital. The advances were concessional fixed-rate loans to be repaid over 53 years, with the last loans maturing in 2042. Annual payments, comprising both interest and principal repayment, are made to the Commonwealth. As at 30 June 2024, the amortised value of the advances was \$1.2 billion (and principal value of \$1.3 billion).

The Australian Office of Financial Management manages the receipt of interest and principal repayments from state and Northern Territory governments to the Commonwealth.

International Monetary Fund – Poverty Reduction and Growth Trust

The Australian Government has entered into two agreements to make a line of credit of Special Drawing Rights (SDR) 1 billion (approximately A\$2.0 billion as at 22 September 2024) available to the International Monetary Fund (IMF) under the Poverty Reduction and Growth Trust (PRGT) through to 31 December 2029.

The PRGT provides concessional financial support to low-income countries to help them achieve, maintain, or restore a stable and sustainable macroeconomic position. PRGT funds are drawn upon by the IMF as needed and will be repaid in full, with interest.

The estimated value of loans outstanding to Australia was SDR 260.5 million (approximately A\$517.2 million as at 30 June 2024).

On 11 October 2022, the Government entered into an agreement to lend SDR 1 billion (approximately A\$2.0 billion as at 30 June 2024) to the PRGT Pooled Investments, in order to provide subsidy resources to the PRGT of SDR 36 million (approximately A\$71.4 million as at 22 September 2024). This loan was drawn down by the IMF on 21 October 2022. On 30 October 2023 the Government advised the IMF that it would increase the subsidy resources provided to SDR 82 million (approximately A\$162.7 million as at 22 September 2024).

PRGT Pooled Investments funds will be repaid in full, with interest.

International Monetary Fund – Resilience and Sustainability Trust

On 11 October 2022, the Australian Government entered into an agreement to make a Special Drawing Rights (SDR) 760 million (approximately A\$1.5 billion as at 22 September 2024) line of credit available to the International Monetary Fund (IMF) under the Resilience and Sustainability Trust's Loan Account through to 30 November 2030. The Resilience and Sustainability Trust Loan Account provides affordable long-term financing to help vulnerable countries build economic resilience and sustainability to address the

risks stemming from climate change and pandemics. Resilience and Sustainability Trust Loan Account funds are drawn upon by the IMF as needed and will be repaid in full, with interest. As at 30 June 2024, SDR 14.2 million (approximately A\$28.1 million as at 30 June 2024) has been drawn down, leaving SDR 745.8 million (approximately A\$1.5 billion as at 22 September 2024) available to the IMF under the Resilience and Sustainability Trust.

Additionally, on 11 October 2022, the Australian Government entered into an agreement to lend SDR 152 million (approximately A\$301.7 million as at 30 June 2024) to the Resilience and Sustainability Trust Deposit Account through to 30 November 2050, and SDR 15.2 million (approximately A\$30.2 million as at 30 June 2024) to the Resilience and Sustainability Trust Reserve Account through to liquidation of the Trust.

Resilience and Sustainability Trust Deposit Account funds will be repaid in full, with interest. Resilience and Sustainability Trust Reserve Account funds will be repaid on liquidation of the Trust and will not accrue interest.

These additional contributions will enable the IMF to build sufficient reserves over time to manage risks associated with Resilience and Sustainability Trust lending such as potential late payments.

Part 7: Australian Government Budget Financial Statements

Consistent with the *Charter of Budget Honesty Act 1998* (the Charter), the Government has produced a set of financial statements for the Australian Government general government sector (GGS), the public non-financial corporations (PNFC) sector, the total non-financial public sector (NFPS) and the public financial corporations (PFC) sector. The financial statements comply with both the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) and Australian Accounting Standards (AAS), with departures disclosed. These statements are:

- an operating statement, including other economic flows, which shows net operating balance and net lending/borrowing (fiscal balance)
- a balance sheet, which shows net worth, net financial worth, net financial liabilities and net debt
- a cash flow statement, which includes the calculation of the underlying cash balance.

In addition to these general purpose statements, notes to the financial statements are required. These notes include a summary of accounting policies, disaggregated information and other disclosures required by AAS.

The statements reflect the Government's policy that the ABS GFS remains the basis of budget accounting policy, except where AAS is applied because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

The Australian, state and territory governments have an agreed framework – the Uniform Presentation Framework (UPF) – for the presentation of government financial information on a basis broadly consistent with the Australian Accounting Standard AASB 1049. The financial statements are consistent with the requirements of the UPF.

Australian Government Budget Financial Statements

Table 7.1: Australian Government general government sector operating statement

	Note	Estimates			
		2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Revenue					
Taxation revenue	3	663,609	687,854	724,623	763,828
Sales of goods and services	4	21,067	21,808	23,252	24,154
Interest income	5	11,046	11,039	11,095	12,274
Dividend and distribution income	5	7,137	7,155	7,488	7,954
Other	6	15,394	15,354	14,571	14,229
Total revenue		718,253	743,211	781,029	822,438
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	29,452	29,898	29,589	29,802
Superannuation	7	8,791	8,686	9,050	9,449
Depreciation and amortisation	8	13,708	13,781	14,236	14,462
Supply of goods and services	9	214,694	227,661	235,593	247,359
Other operating expenses(a)	7	12,674	12,396	11,983	12,784
<i>Total gross operating expenses</i>		<i>279,319</i>	<i>292,422</i>	<i>300,451</i>	<i>313,855</i>
Superannuation interest expense	7	14,241	15,037	15,518	15,962
Interest expenses	10	31,499	39,621	41,851	45,873
Current transfers					
Current grants	11	217,606	224,156	228,748	235,507
Subsidy expenses		18,955	19,609	20,018	21,411
Personal benefits	12	161,934	171,539	180,803	191,075
<i>Total current transfers</i>		<i>398,495</i>	<i>415,304</i>	<i>429,569</i>	<i>447,993</i>
Capital transfers					
Mutually agreed write-downs		14,894	2,926	3,092	3,290
Other capital grants		20,200	19,307	18,499	17,672
<i>Total capital transfers</i>		<i>35,093</i>	<i>22,234</i>	<i>21,591</i>	<i>20,962</i>
Total expenses		758,648	784,618	808,980	844,646
Net operating balance		-40,394	-41,407	-27,951	-22,208
Other economic flows – included in operating result					
Net write-downs of assets		-13,350	-12,281	-12,872	-13,614
Assets recognised for the first time		368	393	420	449
Actuarial revaluations		-806	-777	-751	-843
Net foreign exchange gains		273	16	0	0
Net swap interest received		-187	-7	3	-1
Market valuation of debt		-7,018	-13,525	-11,761	-11,076
Other gains/(losses)		7,005	9,291	9,929	10,737
Total other economic flows – included in operating result		-13,715	-16,888	-15,032	-14,348
Operating result(b)		-54,109	-58,296	-42,983	-36,556

Table 7.1: Australian Government general government sector operating statement (continued)

	Note	Estimates			
		2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Non-owner movements in equity					
Revaluation of equity investments		-1,052	0	0	0
Actuarial revaluations		-7,520	-213	-214	-215
Other economic revaluations		719	168	192	180
Total other economic flows - included in equity		-7,853	-45	-22	-34
Comprehensive result –					
Total change in net worth		-61,962	-58,341	-43,005	-36,590
Net operating balance		-40,394	-41,407	-27,951	-22,208
Net acquisition of non-financial assets					
Purchases of non-financial assets		21,875	21,358	22,164	25,151
<i>less</i> Sales of non-financial assets		2,503	89	6	6
<i>less</i> Depreciation		13,708	13,781	14,236	14,462
<i>plus</i> Change in inventories		-171	800	474	557
<i>plus</i> Other movements in non-financial assets		0	0	0	0
Total net acquisition of non-financial assets		5,493	8,288	8,396	11,240
Fiscal balance (Net lending/borrowing)(c)		-45,887	-49,695	-36,347	-33,448

a) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

b) Operating result under AAS.

c) The term fiscal balance is not used by the ABS.

Table 7.2: Australian Government general government sector balance sheet

	Note	Estimates			
		2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Assets					
Financial assets					
Cash and deposits		72,301	73,883	68,195	64,274
Advances paid	13	67,346	79,247	94,017	106,829
Investments, loans and placements	14	250,888	259,819	268,569	287,863
Other receivables	13	85,311	91,369	97,686	105,193
Equity investments					
Investments in other public sector entities		51,407	56,894	60,081	61,585
Equity accounted investments		6,311	6,421	6,581	6,676
Investments – shares		97,372	104,196	112,359	111,614
<i>Total financial assets</i>		630,937	671,830	707,489	744,034
Non-financial assets					
Land	15	14,733	14,944	15,030	15,159
Buildings		51,798	53,378	54,942	57,502
Plant, equipment and infrastructure		114,601	117,913	122,181	128,841
Inventories		11,477	12,504	13,405	14,352
Intangibles		14,836	15,997	16,549	16,673
Investment properties		233	233	233	233
Biological assets		5	5	5	5
Heritage and cultural assets		12,792	12,790	12,786	12,785
Assets held for sale		86	81	81	81
Other non-financial assets		5	5	5	5
<i>Total non-financial assets</i>		220,566	227,850	235,218	245,637
Total assets		851,503	899,679	942,706	989,671
Liabilities					
Interest bearing liabilities					
Deposits held		418	418	418	418
Government securities		879,842	971,247	1,049,123	1,116,785
Loans	16	32,250	33,488	34,277	34,430
Lease liabilities		18,066	17,103	16,155	15,935
<i>Total interest bearing liabilities</i>		930,575	1,022,257	1,099,974	1,167,568

Table 7.2: Australian Government general government sector balance sheet (continued)

	Note	Estimates			
		2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Provisions and payables					
Superannuation liability	17	302,602	312,934	321,831	330,871
Other employee liabilities	17	62,260	61,837	63,548	65,512
Suppliers payables	18	15,815	16,013	17,314	19,585
Personal benefits payables	18	4,327	4,862	4,843	4,508
Subsidies payables	18	680	672	664	664
Grants payables	18	5,957	5,504	5,183	5,353
Other payables	18	6,372	6,497	6,266	6,290
Provisions	18	93,515	98,042	95,027	97,855
<i>Total provisions and payables</i>		<i>491,527</i>	<i>506,362</i>	<i>514,677</i>	<i>530,638</i>
Total liabilities		1,422,102	1,528,618	1,614,650	1,698,205
Net worth(a)		-570,599	-628,939	-671,944	-708,534
<i>Net financial worth(b)</i>		<i>-791,164</i>	<i>-856,789</i>	<i>-907,162</i>	<i>-954,171</i>
<i>Net financial liabilities(c)</i>		<i>842,571</i>	<i>913,683</i>	<i>967,243</i>	<i>1,015,756</i>
<i>Net debt(d)</i>		<i>540,039</i>	<i>609,307</i>	<i>669,192</i>	<i>708,601</i>

- a) Net worth equals total assets minus total liabilities.
b) Net financial worth equals total financial assets minus total liabilities.
c) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.
d) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements)

Table 7.3: Australian Government general government sector cash flow statement^(a)

	Estimates			
	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Cash receipts from operating activities				
Taxes received	645,565	669,651	705,421	743,077
Receipts from sales of goods and services	22,039	21,774	22,920	24,173
Interest receipts	9,968	9,659	9,222	10,120
Dividends, distributions and income tax equivalents	7,206	7,129	7,460	7,927
Other receipts	19,142	19,951	18,322	18,740
Total operating receipts	703,919	728,164	763,345	804,038
Cash payments for operating activities				
Payments to employees(b)	-46,906	-48,261	-48,867	-50,341
Payments for goods and services	-211,530	-226,502	-232,985	-245,064
Grants and subsidies paid	-251,369	-265,094	-273,566	-274,069
Interest paid	-24,579	-28,147	-30,840	-37,574
Personal benefit payments	-162,616	-171,714	-181,505	-192,079
Other payments(b)	-11,800	-13,656	-11,022	-11,319
Total operating payments	-708,799	-753,374	-778,784	-810,447
Net cash flows from operating activities	-4,880	-25,210	-15,439	-6,410
Cash flows from investments in non-financial assets				
Sales of non-financial assets	266	256	41	41
Purchases of non-financial assets	-19,562	-19,168	-20,155	-22,608
Net cash flows from investments in non-financial assets	-19,296	-18,913	-20,114	-22,568
Net cash flows from investments in financial assets for policy purposes	-20,816	-23,363	-24,549	-20,839
Net cash flows from investments in financial assets for liquidity purposes	-4,842	-4,924	-5,013	-5,753
Cash receipts from financing activities				
Borrowing	345,600	748,135	801,990	742,179
Other financing	6,912	148	165	88
Total cash receipts from financing activities	352,512	748,283	802,155	742,267
Cash payments for financing activities				
Borrowing	-315,610	-669,216	-738,094	-687,701
Other financing	-12,084	-5,075	-4,634	-2,919
Total cash payments for financing activities	-327,694	-674,291	-742,728	-690,620
Net cash flows from financing activities	24,817	73,992	59,427	51,648
Net increase/(decrease) in cash held	-25,016	1,582	-5,688	-3,921

Table 7.3: Australian Government general government sector cash flow statement (continued)^(a)

	Estimates			
	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
GFS cash surplus(+)/deficit-(c)	-24,176	-44,123	-35,553	-28,977
<i>plus</i> Principal payments of lease liabilities(d)	-2,772	-2,792	-2,800	-2,694
Equals underlying cash balance(e)	-26,949	-46,915	-38,353	-31,671
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-20,816	-23,363	-24,549	-20,839
Equals headline cash balance	-47,764	-70,278	-62,902	-52,510

a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.

c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.

d) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the underlying cash balance to maintain consistency of measure following the implementation of AASB 16.

e) The term underlying cash balance is not used by the ABS.

Table 7.4: Australian Government public non-financial corporations sector operating statement

	Estimates	
	2024-25	\$m
Revenue		
Grants and subsidies		193
Sales of goods and services		23,195
Interest income		34
Other		63
Total revenue		23,485
Expenses		
Gross operating expenses		
Wages and salaries(a)		5,121
Superannuation		559
Depreciation and amortisation		4,454
Supply of goods and services		11,054
Other operating expenses(a)		894
<i>Total gross operating expenses</i>		<i>22,082</i>
Interest expenses		2,188
Other property expenses		350
Current transfers		
Tax expenses		251
<i>Total current transfers</i>		<i>251</i>
Total expenses		24,871
Net operating balance		-1,385
Other economic flows		-699
Comprehensive result – Total change in net worth excluding contribution from owners		-2,084
Net acquisition of non-financial assets		
Purchases of non-financial assets		11,267
<i>less</i> Sales of non-financial assets		<i>50</i>
<i>less</i> Depreciation		<i>4,454</i>
<i>plus</i> Change in inventories		<i>7</i>
<i>plus</i> Other movements in non-financial assets		<i>5</i>
Total net acquisition of non-financial assets		6,775
Fiscal balance (Net lending/borrowing)(b)		-8,160

a) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

b) The term fiscal balance is not used by the ABS.

Table 7.5: Australian Government public non-financial corporations sector balance sheet

	Estimates	
	2024-25	\$m
Assets		
Financial assets		
Cash and deposits		1,671
Investments, loans and placements		1,135
Other receivables		5,773
Equity investments		356
<i>Total financial assets</i>		8,935
Non-financial assets		
Land and other fixed assets		80,261
Other non-financial assets(a)		4,211
<i>Total non-financial assets</i>		84,472
Total assets		93,407
Liabilities		
Interest bearing liabilities		
Deposits held		12
Advances received and loans		37,080
Lease liabilities		13,775
<i>Total interest bearing liabilities</i>		50,867
Provisions and payables		
Superannuation liability		6
Other employee liabilities		1,985
Other payables		6,630
Other provisions(a)		1,093
<i>Total provisions and payables</i>		9,714
Total liabilities		60,581
Shares and other contributed capital		32,825
Net worth(b)		32,825
<i>Net financial worth(c)</i>		-51,646
<i>Net debt(d)</i>		48,061

a) Excludes the impact of commercial taxation adjustments.

b) Under AASB 1049, net worth equals total assets minus total liabilities. Under the ABS GFS, net worth equals total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

c) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under the ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

d) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits and investments, loans and placements).

Table 7.6: Australian Government public non-financial corporations sector cash flow statement^(a)

	Estimates	
	2024-25	\$m
Cash receipts from operating activities		
Receipts from sales of goods and services	25,362	
Grants and subsidies received	185	
GST input credit receipts	197	
Other receipts	39	
Total operating receipts	25,783	
Cash payments for operating activities		
Payments to employees ^(b)	-5,731	
Payments for goods and services	-12,306	
Interest paid	-2,567	
GST payments to taxation authority	-531	
Distributions paid	-348	
Other payments ^(b)	-1,177	
Total operating payments	-22,659	
Net cash flows from operating activities	3,125	
Cash flows from investments in non-financial assets		
Sales of non-financial assets	48	
Purchases of non-financial assets	-10,776	
Net cash flows from investments in non-financial assets	-10,728	
Net cash flows from investments in financial assets for policy purposes	0	
Net cash flows from investments in financial assets for liquidity purposes	-241	
Net cash flows from financing activities		
Borrowing (net)	1,998	
Other financing (net)	5,666	
Net cash flows from financing activities	7,665	
Net increase/(decrease) in cash held	-179	
Cash at the beginning of the year	1,851	
Cash at the end of the year	1,671	
GFS cash surplus(+)/deficit(-)^(c)	-7,603	
<i>plus</i> Principal payments of lease liabilities ^(d)	-575	
Adjusted GFS cash surplus(+)/deficit(-)^(d)	-8,178	

- a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.
- b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.
- c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.
- d) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

Table 7.7: Australian Government total non-financial public sector operating statement

	Estimates	
	2024-25	\$m
Revenue		
Taxation revenue	662,510	
Sales of goods and services	42,562	
Interest income	11,060	
Dividend and distribution income	6,796	
Other	15,450	
Total revenue	738,378	
Expenses		
Gross operating expenses		
Wages and salaries(a)	34,573	
Superannuation	9,350	
Depreciation and amortisation	18,162	
Supply of goods and services	224,028	
Other operating expenses(a)	13,576	
<i>Total gross operating expenses</i>	<i>299,689</i>	
Superannuation interest expense	14,241	
Interest expenses	33,667	
Current transfers		
Current grants	217,606	
Subsidy expenses	18,097	
Personal benefits	161,934	
<i>Total current transfers</i>	<i>397,637</i>	
Capital transfers	34,945	
Total expenses	780,180	
Net operating balance	-41,802	
Other economic flows	-21,162	
Comprehensive result – Total change in net worth	-62,963	
Net acquisition of non-financial assets		
Purchases of non-financial assets	33,141	
<i>less</i> Sales of non-financial assets	<i>2,553</i>	
<i>less</i> Depreciation	<i>18,162</i>	
<i>plus</i> Change in inventories	<i>-164</i>	
<i>plus</i> Other movements in non-financial assets	<i>4</i>	
Total net acquisition of non-financial assets	12,266	
Fiscal balance (Net lending/borrowing)(b)	-54,068	

a) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

b) The term fiscal balance is not used by the ABS.

Table 7.8: Australian Government total non-financial public sector balance sheet

	Estimates	
	2024-25	\$m
Assets		
Financial assets		
Cash and deposits	74,149	
Advances paid	66,829	
Investments, loans and placements	251,988	
Other receivables	89,590	
Equity investments	107,245	
<i>Total financial assets</i>	<i>589,800</i>	
Non-financial assets		
Land and other fixed assets	285,658	
Other non-financial assets	19,553	
<i>Total non-financial assets</i>	<i>305,211</i>	
Total assets	895,011	
Liabilities		
Interest bearing liabilities		
Deposits held	430	
Government securities	879,842	
Advances received and loans	68,777	
Lease liabilities	31,841	
<i>Total interest bearing liabilities</i>	<i>980,889</i>	
Provisions and payables		
Superannuation liability	302,608	
Other employee liabilities	64,245	
Other payables	39,268	
Other provisions	93,591	
<i>Total provisions and payables</i>	<i>499,713</i>	
Total liabilities	1,480,602	
Net worth(a)	-585,591	
<i>Net financial worth(b)</i>	<i>-890,802</i>	
<i>Net debt(c)</i>	<i>587,924</i>	

- a) Under AASB 1049, net worth equals total assets minus total liabilities. Under the ABS GFS, net worth equals total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.
- b) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under the ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.
- c) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

Table 7.9: Australian Government total non-financial public sector cash flow statement^(a)

	Estimates	
	2024-25	\$m
Cash receipts from operating activities		
Taxes received	645,357	
Receipts from sales of goods and services	43,549	
Interest receipts	9,984	
Dividends, distributions and income tax equivalents	6,866	
Other receipts	19,084	
Total operating receipts	724,840	
Cash payments for operating activities		
Payments to employees(b)	-52,637	
Payments for goods and services	-220,300	
Grants and subsidies paid	-251,184	
Interest paid	-27,126	
Personal benefit payments	-162,616	
Other payments(b)	-12,753	
Total operating payments	-726,616	
Net cash flows from operating activities	-1,776	
Cash flows from investments in non-financial assets		
Sales of non-financial assets	314	
Purchases of non-financial assets	-30,319	
Net cash flows from investments in non-financial assets	-30,005	
Net cash flows from investments in financial assets for policy purposes	-14,112	
Net cash flows from investments in financial assets for liquidity purposes	-5,083	
Net cash flows from financing activities		
Borrowing (net)	31,769	
Other financing (net)	-5,813	
Net cash flows from financing activities	25,956	
Net increase/(decrease) in cash held	-25,020	
Cash at the beginning of the year	99,168	
Cash at the end of the year	74,149	
GFS cash surplus(+)/deficit(-)(c)	-31,781	
<i>plus</i> Principal payments of lease liabilities(d)	-3,347	
Adjusted GFS cash surplus(+)/deficit(-)(d)	-35,128	

- a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.
- b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.
- c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.
- d) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

Table 7.10: Australian Government public financial corporations sector operating statement

	Estimates	
	2024-25	\$m
Revenue		
Grants and subsidies		263
Sales of goods and services		1,373
Interest income		10,561
Other		7
Total revenue		12,203
Expenses		
Gross operating expenses		
Wages and salaries(a)		396
Superannuation		44
Depreciation and amortisation		62
Supply of goods and services		1,119
Other operating expenses(a)		83
<i>Total gross operating expenses</i>		<i>1,704</i>
Interest expenses		13,810
Other property expenses		14
Current transfers		
Tax expenses		11
<i>Total current transfers</i>		<i>11</i>
Total expenses		15,538
Net operating balance		-3,335
Other economic flows		8,473
Comprehensive result – Total change in net worth excluding contribution from owners		5,139
Net acquisition of non-financial assets		
Purchases of non-financial assets		137
<i>less</i> Sales of non-financial assets		<i>0</i>
<i>less</i> Depreciation		<i>62</i>
<i>plus</i> Change in inventories		<i>-85</i>
<i>plus</i> Other movements in non-financial assets		<i>0</i>
Total net acquisition of non-financial assets		-10
Fiscal balance (Net lending/borrowing)(b)		-3,325

a) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

b) The term fiscal balance is not used by the ABS.

Table 7.11: Australian Government public financial corporations sector balance sheet^(a)

	Estimates	
	2024-25	\$m
Assets		
Financial assets		
Cash and deposits		1,348
Investments, loans and placements		444,550
Other receivables		621
Equity investments		1,545
<i>Total financial assets</i>		<i>448,064</i>
Non-financial assets		
Land and other fixed assets		903
Other non-financial assets(b)		62
<i>Total non-financial assets</i>		<i>965</i>
Total assets		449,029
Liabilities		
Interest bearing liabilities		
Deposits held		436,168
Borrowing		10,726
<i>Total interest bearing liabilities</i>		<i>446,894</i>
Provisions and payables		
Superannuation liability		0
Other employee liabilities		189
Other payables		11,318
Other provisions(b)		2,498
<i>Total provisions and payables</i>		<i>14,005</i>
Total liabilities		460,899
Shares and other contributed capital		-11,870
Net worth(c)		-11,870
<i>Net financial worth(d)</i>		<i>-12,835</i>
<i>Net debt(e)</i>		<i>995</i>

a) Assumes no valuation or currency movement.

b) Excludes the impact of commercial taxation adjustments.

c) Under AASB 1049, net worth equals total assets minus total liabilities. Under the ABS GFS, net worth equals total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

d) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under the ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

e) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits and investments, loans and placements).

Table 7.12: Australian Government public financial corporations sector cash flow statement^(a)

	Estimates	
	2024-25	\$m
Cash receipts from operating activities		
Receipts from sales of goods and services	1,177	
Grants and subsidies received	263	
GST input credit receipts	0	
Interest receipts	9,088	
Other receipts	30	
Total operating receipts	10,558	
Cash payments for operating activities		
Payments to employees(b)	-441	
Payments for goods and services	-1,379	
Interest paid	-14,610	
GST payments to taxation authority	0	
Distributions paid	-29	
Other payments(b)	-91	
Total operating payments	-16,550	
Net cash flows from operating activities	-5,993	
Cash flows from investments in non-financial assets		
Sales of non-financial assets	0	
Purchases of non-financial assets	-113	
Net cash flows from investments in non-financial assets	-112	
Net cash flows from investments in financial assets for policy purposes	-1,542	
Net cash flows from investments in financial assets for liquidity purposes(c)	-10,594	
Net cash flows from financing activities		
Borrowing and deposits received(net)(c)	19,531	
Other financing (net)	-1,304	
Net cash flows from financing activities	18,227	
Net increase/(decrease) in cash held	-14	
Cash at the beginning of the year	1,362	
Cash at the end of the year	1,348	
GFS cash surplus(+)/deficit-(d)	-6,105	
<i>plus</i> Principal payments of lease liabilities(e)	-15	
Adjusted GFS cash surplus(+)/deficit-(e)	-6,120	

- a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.
- b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.
- c) Assumes no cash flows associated with valuation or currency movements.
- d) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.
- e) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

Notes to the general government sector financial statements

Note 1: External reporting standards and accounting policies

The *Charter of Budget Honesty Act 1998* (the Charter) requires that the Mid-Year Economic and Fiscal Outlook (MYEFO) be based on external reporting standards and that departures from applicable external reporting standards be identified.

The external standards used for MYEFO reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0), which is based on the International Monetary Fund (IMF) accrual GFS framework
- the Australian Accounting Standards (AAS), issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards as adopted in Australia for use by the not-for-profit sector and specific standards such as AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049).

The financial statements have been prepared on an accrual basis that complies with both the ABS GFS and AAS, except for departures disclosed at Note 2. A more detailed description of the AAS and the ABS GFS frameworks, in addition to definitions of key terms used in these frameworks, can be found in Attachment A. Detailed accounting policies, as well as a set of notes and other disclosures as required by AAS, are disclosed in the Australian Government Consolidated Financial Statements.

Fiscal reporting focuses on the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies. This sector comprises all government departments, offices and some other bodies. In preparing financial statements for the GGS, all material transactions and balances between entities within the GGS have been eliminated.

The Government's key fiscal aggregates are based on the ABS GFS concepts and definitions, including the ABS GFS cash surplus/deficit and net financial worth. AASB 1049 requires the disclosure of other ABS GFS fiscal aggregates, including the net operating balance, net lending/borrowing (fiscal balance) and net worth. In addition to these ABS GFS aggregates, the Uniform Presentation Framework (UPF) requires disclosure of net debt, net financial worth and net financial liabilities.

AASB 1049 and the UPF also provide a basis for reporting the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors and the total non-financial public sector (NFPS).

Explanations of major variations in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth since the 2024–25 Budget are disclosed in Part 3: *Fiscal strategy and outlook*, with decisions taken since the 2024–25 Budget disclosed in Appendix A: *Policy decisions taken since the 2024–25 Budget*.

Updates to fiscal risks and contingent liabilities since the 2024–25 Budget are disclosed in Part 6: *Statement of Risks*.

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The major differences between AAS and the ABS GFS treatments of transactions are outlined in Table 7.13.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to the ABS GFS measurement of key fiscal aggregates, where different, in notes to the financial statements. Only one measure of each aggregate has been included on the face statements to avoid confusion.

Further information on the differences between the two systems is provided in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0).

Table 7.13: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Circulating coins – seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins is treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Valuation of loans	Changes in the valuation of loans are treated as a revenue or an expense. In some circumstances recognition as a revenue or an expense is delayed until the loan ends or is transferred.	Changes in the valuation of loans (excluding mutually agreed write-downs) are treated as an 'other economic flow'.	ABS GFS
Timing recognition of Boosting Cash Flow for Employers	Expense recognition is based on underlying economic activity that gives rise to the Cash Flow Boost payment.	Recognised when the businesses receive payments after submitting their activity statements and having met all requirements.	AAS
Leases	AASB 16 introduced a single lease accounting framework for lessees, which replaced the distinction between operating and finance leases. Right of use assets and lease liabilities are recognised on the balance sheets for leases that were previously accounted for as operating expense.	The distinction between operating leases and finance leases is continued for lessees.	AAS
Concessional loans	Concessional elements are treated as an expense on initial recognition and unwound over the loan term.	Concessional elements are treated as an 'other economic flow'.	AAS
Investment in other public sector entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities are valued based on their net assets in the balance sheet.	AAS
Provision for restoration, decommissioning and make-good	Capitalised when the asset is acquired.	Capitalised when make-good activity takes place.	AAS
Renewable Energy Certificates (RECs)	The issuance and registration of RECs is considered to be an administrative function and does not result in the recognition of assets or liabilities and, consequently, no revenue or expenses are recognised.	The issuance and registration of RECs are considered to be government financial transactions resulting in the recognition of assets, liabilities, revenue and expenses.	AAS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS
Dividends paid by the Reserve Bank of Australia	Dividends are recognised in the year profit was earned.	Dividends are recognised when the Treasurer makes a determination.	AAS

Table 7.13: Major differences between AAS and ABS GFS (continued)

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
National Disability Insurance Scheme (NDIS) revenue	Funding contributions by the state and territory governments to NDIS are treated as sales of goods and services revenue. In-kind disability services provided by the state and territory governments are treated as other revenue.	Funding contributions by the state and territory governments to NDIS are treated as grants revenue. In-kind disability services provided by the state and territory governments are treated as sales of goods and services revenue.	AAS
Commercial tax effect accounting assets and liabilities	Corporations in the PNFC and PFC sectors record tax expenses on a commercial basis.	Deferred tax assets and liabilities are reversed so that corporations record tax expenses on a consistent basis to the Australian Taxation Office.	ABS GFS
Timing recognition of vaccine expense	Recognised when vaccines are delivered to the states and territories.	Recognised when the vaccine doses are administered. Vaccine wastage after distributions are recognised as an 'other economic flow'.	AAS
Regional Broadband Scheme	The revenue from the levy on internet service providers (ISPs) and the associated subsidy expense to NBN Co for the provision of regional broadband services are recorded separately on a gross basis.	The revenue from the levy on ISPs and the associated subsidy expense to NBN Co are recorded on a net basis.	AAS
Fiscal aggregates differences			
Net worth of PNFC and PFC sectors	Calculated as assets less liabilities.	Calculated as assets less liabilities less shares and other contributed capital.	AAS
Net financial worth of PNFC and PFC sectors	Calculated as financial assets less total liabilities.	Calculated as financial assets less total liabilities less shares and contributed capital.	AAS
Classification differences			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	ABS GFS
Spectrum sales	Recognise non-financial asset sale for fiscal balance when licences take effect, which may be after the auction of licences, as this is regarded as the point at which control is transferred. Recognise cash at the time of receipt.	Recognise non-financial asset sale for fiscal balance at time of auction as this is regarded as the point at which control is transferred. Recognise cash at the time of receipt.	AAS
Classification of Australian Government funding of non-government schools	Direct grants to states and territories made in accordance with bilateral agreements with the Commonwealth and consistent with section 96 of the Constitution.	Personal benefit payments – indirect included in goods and services expenses.	AAS

Note 3: Taxation revenue by type

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Individuals and other withholding taxes				
Gross income tax withholding	296,800	311,800	331,200	354,500
Gross other individuals	87,400	86,800	88,800	97,600
<i>less: Refunds</i>	39,900	42,100	43,400	45,100
Total individuals and other withholding tax	344,300	356,500	376,600	407,000
Fringe benefits tax	5,030	5,100	5,120	5,240
Company tax	135,500	139,000	147,100	151,100
Superannuation fund taxes	21,930	23,230	25,180	23,480
Petroleum resource rent tax	1,400	1,880	1,530	1,590
Income taxation revenue	508,160	525,710	555,530	588,410
Goods and services tax	94,770	99,290	104,690	110,650
Wine equalisation tax	1,130	1,220	1,240	1,300
Luxury car tax	1,170	1,210	1,280	1,330
Excise and Custom duty				
Petrol	7,050	7,450	7,600	7,800
Diesel	17,040	17,850	18,770	19,520
Other fuel products	2,040	2,020	2,070	2,120
Tobacco	8,750	8,650	8,500	8,300
Beer	2,620	2,850	2,930	3,010
Spirits	3,310	3,450	3,560	3,640
Other alcoholic beverages(a)	1,760	1,850	1,920	1,960
Other customs duty				
Textiles, clothing and footwear	170	170	180	150
Passenger motor vehicles	380	370	340	120
Other imports	1,560	1,600	1,670	890
<i>less: Refunds and drawbacks</i>	730	730	730	730
Total excise and customs duty	43,950	45,530	46,810	46,780
Major bank levy	1,750	1,810	1,900	2,000
Agricultural levies	682	625	629	636
Visa application charges	4,147	4,211	4,406	4,586
Other taxes	7,850	8,249	8,138	8,136
Mirror taxes	943	1,000	1,055	1,110
<i>less: Transfers to states in relation to mirror tax revenue</i>	943	1,000	1,055	1,110
Mirror tax revenue	0	0	0	0
Indirect taxation revenue	155,449	162,144	169,093	175,418
Taxation revenue	663,609	687,854	724,623	763,828
<i>Memorandum:</i>				
<i>Total excise</i>	30,970	32,570	33,870	35,010
<i>Total customs duty</i>	12,980	12,960	12,940	11,770
<i>Capital gains tax(b)</i>	29,900	26,100	24,700	26,000

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Note 3(a): Taxation revenue by source

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Taxes on income, profits and capital gains				
Income and capital gains levied on individuals	349,330	361,600	381,720	412,240
Income and capital gains levied on enterprises	158,830	164,110	173,810	176,170
Total taxes on income, profits and capital gains	508,160	525,710	555,530	588,410
Taxes on employers' payroll and labour force	2,087	2,252	2,092	2,097
Taxes on the provision of goods and services				
Sales/goods and services tax	97,070	101,720	107,210	113,280
Excises and levies	31,652	33,195	34,499	35,646
Taxes on international trade	12,980	12,960	12,940	11,770
Total taxes on the provision of goods and services	141,702	147,875	154,649	160,696
Taxes on the use of goods and performance of activities	11,660	12,017	12,352	12,625
Total taxation revenue	663,609	687,854	724,623	763,828

Note 4: Sales of goods and services revenue

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Sales of goods	1,427	1,544	1,596	1,658
Rendering of services	16,435	17,048	18,178	19,156
Lease rental	351	440	449	489
Fees from regulatory services	2,854	2,776	3,029	2,851
Total sales of goods and services revenue	21,067	21,808	23,252	24,154

Note 5: Interest and dividend and distribution revenue

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Interest from other governments				
State and territory debt	10	10	8	4
Housing agreements	62	57	53	48
Total interest from other governments	72	67	60	52
Interest from other sources				
Advances	743	1,137	1,635	2,140
Deposits	3,706	2,976	2,322	2,485
Indexation of HELP receivable and other student loans	1,277	1,238	1,116	1,104
Other	5,248	5,620	5,962	6,492
Total interest from other sources	10,974	10,972	11,034	12,222
Total interest	11,046	11,039	11,095	12,274
Dividends and distributions				
Dividends from other public sector entities	369	298	303	378
Other dividends and distributions	6,768	6,857	7,184	7,576
Total dividends and distributions	7,137	7,155	7,488	7,954
Total interest and dividend and distribution revenue	18,183	18,194	18,582	20,227

Note 6: Other sources of non-taxation revenue

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Industry contributions	89	113	118	123
Royalties	905	739	580	514
Seigniorage	53	48	44	44
Other	14,347	14,454	13,829	13,548
Total other sources of non-taxation revenue	15,394	15,354	14,571	14,229

Note 7: Employee and superannuation expense

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Wages and salaries expenses	29,452	29,898	29,589	29,802
Other operating expenses				
Leave and other entitlements	3,791	3,787	3,755	3,825
Separations and redundancies	128	83	84	120
Workers compensation premiums and claims	5,810	5,491	4,982	5,655
Other	2,945	3,035	3,161	3,184
Total other operating expenses	12,674	12,396	11,983	12,784
Superannuation expenses				
Superannuation	8,791	8,686	9,050	9,449
Superannuation interest cost	14,241	15,037	15,518	15,962
Total superannuation expenses	23,032	23,724	24,568	25,411
Total employee and superannuation expense	65,158	66,017	66,140	67,997

Note 8: Depreciation and amortisation expense

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Depreciation				
Specialist military equipment	5,173	5,098	5,435	5,644
Buildings	4,283	4,300	4,368	4,382
Other infrastructure, plant and equipment	2,921	3,043	3,096	3,131
Heritage and cultural assets	65	67	68	69
Other	5	5	5	4
Total depreciation(a)	12,447	12,512	12,972	13,229
Total amortisation	1,261	1,268	1,263	1,233
Total depreciation and amortisation expense	13,708	13,781	14,236	14,462
<i>Memorandum:</i>				
Depreciation relating to right of use assets				
Specialist military equipment	39	39	39	39
Buildings	2,499	2,414	2,430	2,379
Other infrastructure, plant and equipment	300	301	300	295
Other	5	5	5	4
Total depreciation of right of use assets	2,843	2,760	2,774	2,717

a) Includes depreciation of right of use (leased) assets, resulting from implementation of AASB 16.

Note 9: Supply of goods and services expense

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Supply of goods and services	54,702	56,176	54,421	56,031
Lease expenses	151	144	131	151
Personal benefits – indirect	150,408	162,089	171,782	180,598
Health care payments	6,770	6,795	6,624	6,747
Other	2,662	2,458	2,636	3,832
Total supply of goods and services expense	214,694	227,661	235,593	247,359

Note 10: Interest expense

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Interest on debt				
Government securities(a)	24,355	28,953	33,887	38,328
Loans	159	198	242	281
Other	1,036	825	828	851
Total interest on debt	25,550	29,976	34,957	39,460
Interest on lease liabilities	428	422	422	442
Other financing costs	5,521	9,223	6,472	5,970
Total interest expense	31,499	39,621	41,851	45,873

a) Public debt interest estimates are calculated using the contract interest rates incurred on existing Australian Government Securities (AGS), previously referred to as Commonwealth Government Securities, when issued and on technical assumptions, based on prevailing market interest rates across the yield curve, for yields on future AGS issuance.

Note 11: Current and capital grants expense

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Current grants expense				
State and territory governments	168,549	176,012	183,698	191,460
Private sector	6,400	5,917	5,612	5,682
Overseas	5,095	4,498	4,803	4,977
Non-profit organisations	19,593	13,534	12,763	12,903
Multi-jurisdictional sector	13,921	14,502	14,847	15,321
Other	4,049	9,694	7,025	5,164
Total current grants expense	217,606	224,156	228,748	235,507
Capital grants expense				
Mutually agreed write-downs	14,894	2,926	3,092	3,290
Other capital grants				
State and territory governments	17,760	16,952	16,307	15,081
Local governments	1,203	1,007	900	947
Non-profit organisations	996	792	312	52
Private sector	68	240	146	116
Multi-jurisdictional sector	0	0	0	0
Overseas	5	0	0	0
Other	167	316	835	1,476
Total capital grants expense	35,093	22,234	21,591	20,962
Total grants expense	252,699	246,390	250,339	256,469

Note 12: Personal benefits expense

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Social welfare – assistance to the aged	62,171	65,394	68,344	71,101
Assistance to veterans and dependants	4,411	4,318	4,189	4,089
Assistance to people with disabilities	34,376	36,173	37,593	38,932
Assistance to families with children	31,446	33,291	34,708	35,169
Assistance to the unemployed	16,494	17,092	17,371	16,937
Student assistance	2,910	3,048	3,183	3,328
Other welfare programs	824	965	984	998
Financial and fiscal affairs	1,200	1,290	1,095	1,039
Vocational and industry training	380	397	252	233
Other	7,722	9,571	13,085	19,249
Total personal benefits expense	161,934	171,539	180,803	191,075

Note 13: Advances paid and other receivables

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Advances paid				
Loans to state and territory governments	1,386	1,259	1,080	910
Student loans	42,525	45,321	48,559	52,059
Other	24,468	34,140	45,984	55,574
less Impairment allowance	1,033	1,473	1,606	1,713
Total advances paid	67,346	79,247	94,017	106,829
Other receivables				
Goods and services receivable	1,664	1,729	1,784	1,776
Recoveries of benefit payments	6,587	6,751	6,884	6,964
Taxes receivable	44,633	49,209	54,125	59,448
Prepayments	6,787	7,100	7,328	8,235
Other	29,346	30,385	31,463	32,753
less Impairment allowance	3,706	3,804	3,898	3,985
Total other receivables	85,311	91,369	97,686	105,193

Note 14: Investments, loans and placements

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Investments – deposits	6,008	5,586	4,631	4,283
IMF quota and SDR holdings	23,393	23,441	23,526	23,611
Structured finance securities	782	877	977	1,076
Collective investment vehicles	123,672	130,602	137,971	152,617
Other interest bearing securities	58,821	60,184	61,034	63,612
Other	38,212	39,129	40,430	42,664
Total investments, loans and placements	250,888	259,819	268,569	287,863

Note 15: Non-financial assets

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Land and buildings				
Land	14,733	14,944	15,030	15,159
Buildings	51,798	53,378	54,942	57,502
Total land and buildings	66,531	68,321	69,973	72,661
Plant, equipment and infrastructure				
Specialist military equipment	91,970	95,581	100,449	107,551
Other plant, equipment and infrastructure	22,632	22,332	21,732	21,290
Total plant, equipment and infrastructure	114,601	117,913	122,181	128,841
Inventories				
Inventories held for sale	422	492	467	401
Inventories not held for sale	11,055	12,012	12,938	13,951
Total inventories	11,477	12,504	13,405	14,352
Intangibles				
Computer software	7,611	8,130	8,253	8,354
Other	7,225	7,868	8,296	8,318
Total intangibles	14,836	15,997	16,549	16,673
Total investment properties	233	233	233	233
Total biological assets	5	5	5	5
Total heritage and cultural assets	12,792	12,790	12,786	12,785
Total assets held for sale	86	81	81	81
Total other non-financial assets	5	5	5	5
Total non-financial assets(a)	220,566	227,850	235,218	245,637
<i>Memorandum:</i>				
Total relating to right of use assets				
Land	151	146	143	139
Buildings	14,685	13,948	13,278	12,754
Specialist military equipment	186	165	144	122
Other plant, equipment and infrastructure	1,193	1,001	757	1,087
Total right of use assets	16,215	15,260	14,321	14,102

a) Includes right of use (leased) assets, resulting from implementation of AASB 16.

Note 16: Loans

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Promissory notes	9,359	9,212	9,212	9,212
Special drawing rights	18,955	18,993	18,993	18,993
Other	3,936	5,284	6,073	6,226
Total loans	32,250	33,488	34,277	34,430

Note 17: Employee and superannuation liabilities

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Total superannuation liability(a)	302,602	312,934	321,831	330,871
Other employee liabilities				
Leave and other entitlements	10,557	10,808	11,036	11,220
Accrued salaries and wages	989	1,065	1,080	753
Workers compensation claims	2,061	2,089	2,120	2,157
Military compensation	47,956	47,161	48,584	50,640
Other	698	713	727	742
Total other employee liabilities	62,260	61,837	63,548	65,512
Total employee and superannuation liabilities	364,862	374,771	385,379	396,383

- a) For budget reporting purposes, a discount rate of 5.0 per cent determined by actuaries in preparing the 2023 Long Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the spot rates on long-term government bonds were used. Consistent with AAS, the superannuation liability for the 2023–24 Final Budget Outcome (FBO) was calculated using the spot rates on long-term government bonds as at 30 June 2024 that best matched each individual scheme's liability duration. These rates were between 4.2 and 4.8 per cent per annum.

Note 18: Provisions and payables

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Suppliers payables				
Trade creditors	7,930	8,170	8,395	9,249
Lease rental payable	0	0	0	0
Personal benefits payables – indirect	2,988	2,912	3,936	5,268
Other creditors	4,897	4,931	4,982	5,068
Total suppliers payables	15,815	16,013	17,314	19,585
Total personal benefits payables – direct	4,327	4,862	4,843	4,508
Total subsidies payable	680	672	664	664
Grants payables				
State and territory governments	83	74	65	65
Non-profit organisations	717	718	719	722
Private sector	382	346	326	326
Overseas	2,185	1,775	1,485	1,652
Local governments	64	64	64	64
Other	2,527	2,528	2,525	2,524
Total grants payables	5,957	5,504	5,183	5,353
Total other payables	6,372	6,497	6,266	6,290
Provisions				
Provisions for tax refunds	2,225	2,230	2,235	2,240
Grants provisions	18,383	16,021	9,112	8,522
Personal benefits provisions – direct	6,873	6,980	7,070	7,135
Personal benefits provisions – indirect	4,489	5,199	5,920	6,583
Provisions for subsidies	7,704	7,952	8,218	8,567
Other	53,841	59,661	62,472	64,807
Total provisions	93,515	98,042	95,027	97,855

Note 19: Reconciliation of cash

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Net operating balance (revenues less expenses)	-40,394	-41,407	-27,951	-22,208
<i>less</i> Revenues not providing cash				
Other	2,448	2,787	3,126	3,346
Total revenues not providing cash	2,448	2,787	3,126	3,346
<i>plus</i> Expenses not requiring cash				
Increase/(decrease) in employee entitlements	10,515	8,919	9,643	9,947
Depreciation/amortisation expense	13,708	13,781	14,236	14,462
Mutually agreed write-downs	14,894	2,926	3,092	3,290
Other	4,836	9,180	8,609	5,961
Total expenses not requiring cash	43,953	34,806	35,580	33,660
<i>plus</i> Cash provided/(used) by working capital items				
Decrease/(increase) in inventories	-677	-1,506	-1,409	-1,487
Decrease/(increase) in receivables	-14,366	-15,433	-16,652	-17,598
Decrease/(increase) in other financial assets	-715	-1,084	-937	-1,252
Decrease/(increase) in other non-financial assets	514	416	726	52
Increase/(decrease) in benefits, subsidies and grants payable	6,627	-1,103	-4,986	1,461
Increase/(decrease) in suppliers' liabilities	-398	8	25	687
Increase/(decrease) in other provisions and payables	3,025	2,880	3,290	3,622
Net cash provided/(used) by working capital	-5,990	-15,822	-19,943	-14,515
<i>equals</i> (Net cash from/(to) operating activities)	-4,880	-25,210	-15,439	-6,410
<i>plus</i> (Net cash from/(to) investing activities)	-44,954	-47,199	-49,676	-49,159
Net cash from operating activities and investment	-49,834	-72,410	-65,115	-55,569
<i>plus</i> (Net cash from/(to) financing activities)	24,817	73,992	59,427	51,648
equals Net increase/(decrease) in cash	-25,016	1,582	-5,688	-3,921
Cash at the beginning of the year	97,318	72,301	73,883	68,195
Net increase/(decrease) in cash	-25,016	1,582	-5,688	-3,921
Cash at the end of the year	72,301	73,883	68,195	64,274

Attachment A

Financial reporting standards and budget concepts

The MYEFO primarily focuses on the financial performance and position of the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies. AASB 1049 recognises the GGS as a reporting entity.

AASB 1049 Conceptual framework

AASB 1049 seeks to ‘harmonise’ the ABS GFS and AAS.

The reporting framework for AASB 1049 requires the preparation of accrual-based general purpose financial reports, showing government assets, liabilities, revenue, expenses and cash flows. GGS reporting under AASB 1049 aims to provide users with information about the stewardship of each government in relation to its GGS and accountability for the resources entrusted to it; information about the financial position, performance and cash flows of each government’s GGS; and information that facilitates assessments of the macroeconomic impact. AASB 1049 also provides a basis for whole-of-government reporting including for the PNFC and PFC sectors.

AASB 1049 has adopted the AAS conceptual framework and principles for the recognition of assets, liabilities, revenues and expenses and their presentation, measurement and disclosure. In addition, AASB 1049 has broadly adopted the ABS GFS conceptual framework for presenting government financial statements. In particular, AASB 1049 requires the GGS to prepare a separate set of financial statements, overriding AASB 10 *Consolidated Financial Statements*. AASB 1049 also follows the ABS GFS by requiring changes in net worth to be split into either transactions or ‘other economic flows’ and for this to be presented in a single operating statement. AASB 1049 is therefore broadly consistent with international statistical standards and the International Monetary Fund’s (IMF) *Government Finance Statistics Manual 2014*.⁵

5 Additional information on the Australian accrual GFS framework is available in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0).

All financial data presented in the financial statements are recorded as either stocks (assets and liabilities) or flows (classified as either transactions or ‘other economic flows’). Transactions result from a mutually agreed interaction between economic entities. Despite their compulsory nature, taxes are transactions deemed to occur by mutual agreement between the government and the taxpayer. Transactions that increase or decrease net worth (assets less liabilities) are reported as revenues and expenses respectively in the operating statement.⁶

A change to the value or volume of an asset or liability that does not result from a transaction is an ‘other economic flow’. This can include changes in values from market prices, most actuarial valuations and exchange rates, and changes in volumes from discoveries, depletion and destruction. All ‘other economic flows’ are reported in the operating statement.

Consistent with the ABS GFS framework, and in general AAS, the financial statements record flows in the period in which they occur. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods and can be reliably assigned to the relevant period(s).

Operating statement

The operating statement presents details of transactions in revenues, expenses, the net acquisition of non-financial assets (net capital investment) and other economic flows for an accounting period.

Revenues arise from transactions that increase net worth and expenses arise from transactions that decrease net worth. Revenues less expenses gives the net operating balance. The net operating balance is similar to the National Accounts concept of government saving plus capital transfers.

The net acquisition of non-financial assets (net capital investment) equals gross fixed capital formation, less depreciation, plus changes (investment) in inventories, plus other transactions in non-financial assets.

‘Other economic flows’ are presented in the operating statement and outline changes in net worth that are driven by economic flows other than revenues and expenses. Revenues, expenses and ‘other economic flows’ sum to the total change in net worth during a period. The majority of ‘other economic flows’ for the Australian Government GGS arise from price movements in its assets and liabilities.

⁶ Not all transactions impact net worth. For example, transactions in financial assets and liabilities do not impact net worth as they represent the swapping of assets and liabilities on the balance sheet.

Net operating balance

The net operating balance is the excess of revenue from transactions over expenses from transactions. The net operating balance excludes expenditure on the acquisition of capital assets but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation). By including all accruing costs, including depreciation, the net operating balance encompasses the full current cost of providing government services. This makes it a measure of the sustainability of the government's fiscal position over time and provides an indication of the sustainability of the existing level of government services.

Fiscal balance

The fiscal balance (or net lending/borrowing) is the net operating balance less net capital investment. The fiscal balance includes the impact of net expenditure (effectively purchases less sales) on non-financial assets rather than consumption (depreciation) of non-financial assets.⁷

The fiscal balance measures the Australian Government's investment-saving balance. It measures in accrual terms the gap between government savings plus net capital transfers and investment in non-financial assets. As such, it approximates the contribution of the Australian Government GGS to the balance on the current account in the balance of payments.

Balance sheet

The balance sheet shows stocks of assets, liabilities and net worth. In accordance with the UPF, net debt, net financial worth and net financial liabilities are also reported in the balance sheet.

Net worth

The net worth of the GGS, PNFC and PFC sectors is defined as assets less liabilities. This differs from the ABS GFS definition for the PNFC and PFC sectors where net worth is defined as assets less liabilities less shares and other contributed capital. Net worth is an economic measure of wealth, reflecting the Australian Government's contribution to the wealth of Australia.

⁷ The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation is deducted in the calculation of net capital investment as the full investment in non-financial assets is included in the calculation of fiscal balance.

Net financial worth

Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets minus liabilities. This differs from the ABS GFS definition of net financial worth for the PNFC and PFC sectors, defined as financial assets, less liabilities, less shares and other contributed capital. Net financial worth is a broader measure than net debt, in that it incorporates provisions made (such as superannuation) as well as equity holdings. Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt.

As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

Net financial liabilities

Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the jurisdiction. Net financial liabilities is a more accurate indicator than net debt of a jurisdiction's fiscal position as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements. Excluding the net worth of other sectors of government results in a purer measure of financial worth than net financial worth as, in general, the net worth of other sectors of government, in particular the PNFC sector, is backed by physical assets.

Net debt

Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements). Financial assets include the Future Fund's investments in interest bearing securities and collective investment vehicles (CIVs). CIVs enable investors to pool their money and invest the pooled funds, rather than buying securities directly. Net debt does not include superannuation related liabilities. Net debt is a common measure of the strength of a government's financial position. High levels of net debt impose a call on future revenue flows to service that debt.

The 2015 ABS GFS Manual presents debt in a matrix format, with no single net debt aggregate identified. The Australian Government continues to report net debt in accordance with the UPF as described above.

Cash flow statement

The cash flow statement identifies how cash is generated and applied in a single accounting period. The cash flow statement reflects a cash basis of recording (rather than an accrual basis) where information is derived indirectly from underlying accrual transactions and movements in balances. This, in effect, means that transactions are captured when cash is received or when cash payments are made. Cash transactions are specifically identified because cash management is considered an integral function of accrual budgeting.

Underlying cash balance

The underlying cash balance is the cash counterpart of the fiscal balance, reflecting the Australian Government's cash investment-saving balance.

For the GCS, the underlying cash balance is calculated as shown below:

Net cash flows from operating activities
plus
Net cash flows from investments in non-financial assets
equals
ABS GFS cash surplus/deficit
plus
Principal payments of lease liabilities
equals
Underlying cash balance

Under the *Future Fund Act 2006*, earnings are required to be reinvested to meet the Government's future public sector superannuation liabilities. The Government excluded net Future Fund cash earnings from the calculation of the underlying cash balance between 2005–06 and 2019–20. From 2020–21 onwards, net Future Fund cash earnings have been included in the calculation of the underlying cash balance because the Future Fund became available to meet the Government's superannuation liabilities from this year.

In contrast, net Future Fund earnings have been included in the net operating balance and fiscal balance for all years because superannuation expenses relating to future cash payments are recorded in the net operating balance and fiscal balance.

Net Future Fund earnings are separately identified in the historical tables in Appendix E: *Historical Australian Government Data*.

Headline cash balance

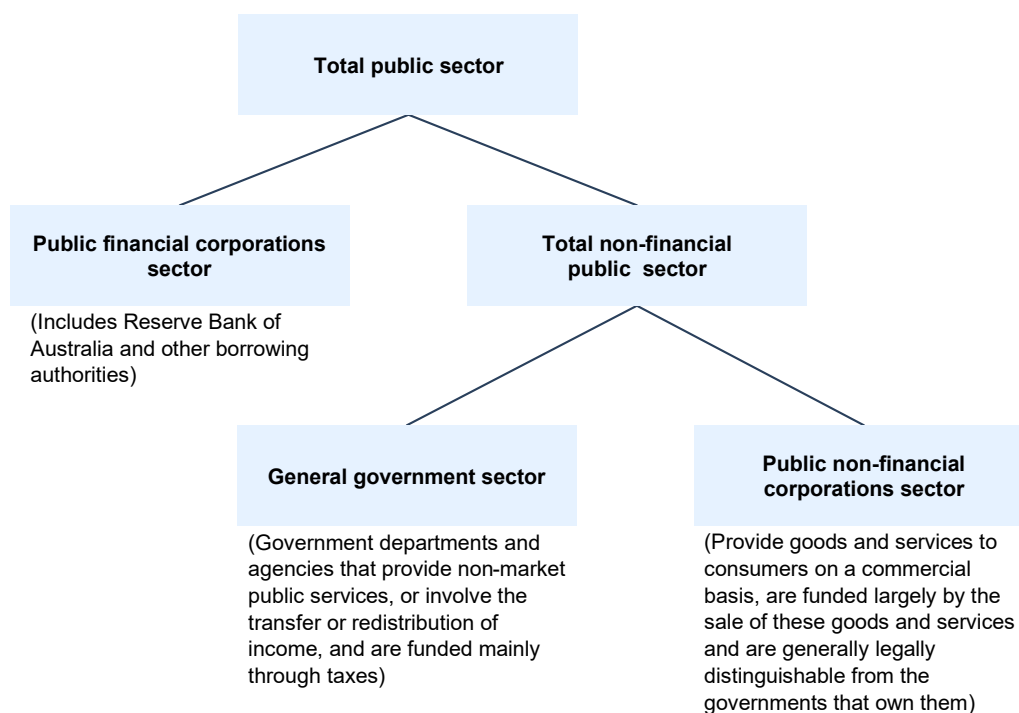
The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes to the underlying cash balance.

Net cash flows from investments in financial assets for policy purposes include equity transactions and advances paid. Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Advances paid include net loans to the states and net loans to students.

Sectoral classifications

To assist in analysing the public sector, data are presented by institutional sector as shown in Figure 7.1. The ABS GFS defines the GGS, PNFC and PFC sectors. AASB 1049 has also adopted this sectoral reporting.

Figure 7.1: Institutional structure of the public sector



All entities are classified as GGS entities except for the following list of portfolio entities that are classified as PFC or PNFC (Table 7.14).

A table which provides a full list of public sector principal entities under the current portfolio structure is available on the Department of Finance website at: <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list>.

Table 7.14: Entities outside of the general government sector – 2024–25

Public financial corporations
<p>Employment and Workplace Relations Portfolio</p> <ul style="list-style-type: none"> • Coal Mining Industry (Long Service Leave Funding) Corporation <p>Foreign Affairs and Trade Portfolio</p> <ul style="list-style-type: none"> • Export Finance and Insurance Corporation (Export Finance Australia) <p>Industry, Science and Resources Portfolio</p> <ul style="list-style-type: none"> • CSIRO Coinvestment Fund Pty Ltd • CSIRO FollowOn Services Pty Ltd • CSIRO FollowOn Services 2 Pty Ltd • CSIRO General Partner Pty Ltd • CSIRO General Partner 2 Pty Ltd • CSIROGP Fund 2 Pty Ltd • MS GP Fund 3 Pty Ltd • MS NGS Pty Ltd • MS Opportunity Fund Pty Ltd • MS Parallel Fund Pty Ltd <p>Treasury Portfolio</p> <ul style="list-style-type: none"> • Australian Reinsurance Pool Corporation • Housing Australia – Australian Housing Bond Aggregator (AHBA)* • Reserve Bank of Australia

Table 7.14: Entities outside of the general government sector – 2024–25 (continued)

Public non-financial corporations
<p>Climate Change, Energy, the Environment and Water Portfolio</p> <ul style="list-style-type: none"> • Snowy Hydro Limited <p>Finance Portfolio</p> <ul style="list-style-type: none"> • ASC Pty Ltd • Australian Naval Infrastructure Pty Ltd • CEA Technologies Pty Limited[†] <p>Infrastructure, Transport, Regional Development, Communications and the Arts Portfolio</p> <ul style="list-style-type: none"> • Airservices Australia • Australian Postal Corporation (Australia Post) • Australian Rail Track Corporation Limited • National Intermodal Corporation Limited • NBN Co Limited • WSA Co Ltd <p>Prime Minister and Cabinet Portfolio</p> <ul style="list-style-type: none"> • Voyages Indigenous Tourism Australia Pty Ltd <p>Social Services Portfolio</p> <ul style="list-style-type: none"> • Australian Hearing Services (Hearing Australia)

* In October 2023, the National Housing Finance and Investment Corporation was renamed Housing Australia. Housing Australia, a corporate Commonwealth entity, operates an affordable housing bond aggregator to encourage greater private and institutional investment and provide cheaper and longer term finance to registered providers of affordable housing. The Housing Australia Bond Aggregator is a PFC. Other Housing Australia programs, including the National Housing Infrastructure Facility, are included in the GGS.

† On 28 July 2023, the Australian Government acquired a non-controlling (minority) ownership interest in CEA Technologies Pty Limited (CEA). The Australian Government's ownership interest in CEA will increase in 2024–25, and CEA is expected to become a majority owned Commonwealth company by 28 January 2025.

Appendix A: Policy decisions taken since the 2024–25 Budget

Receipt Measures

Table A.1: Receipt measures since the 2024–25 Budget^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
AGRICULTURE, FISHERIES AND FORESTRY					
<i>Department of Agriculture, Fisheries and Forestry</i>					
Primary Industries – changes to agricultural production levies(b)	-	0.4	0.7	0.7	0.7
Portfolio total	-	0.4	0.7	0.7	0.7
CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER					
<i>Clean Energy Finance Corporation</i>					
Rewiring the Nation – recapitalisation(b)	-	-	1.0	11.7	23.3
Portfolio total	-	-	1.0	11.7	23.3
EDUCATION					
<i>Department of Education</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	-
Australian Universities Accord - further reforms(b)	-	-	-0.9	-2.6	-4.7
Building Australia's Future – A fairer deal for students(b)	-	-152.6	-197.2	-203.5	-215.1
<i>Tertiary Education Quality and Standards Agency</i>					
Australian Universities Accord - further reforms(b)	-	1.5	1.5	1.5	1.5
Portfolio total	-	-151.1	-196.6	-204.6	-218.2
EMPLOYMENT AND WORKPLACE RELATIONS					
<i>Department of Employment and Workplace Relations</i>					
Building Australia's Future – A fairer deal for students(b)	-	-19.9	-40.5	-40.4	-41.8
Portfolio total	-	-19.9	-40.5	-40.4	-41.8

Table A.1: Receipt measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
FOREIGN AFFAIRS AND TRADE					
<i>Export Finance and Insurance Corporation (National Interest component)</i>					
Critical Minerals Facility – additional support for Iluka Resources Eneabba Rare Earths Refinery(b)	-	-	nfp	nfp	nfp
Southeast Asia Investment Financing Facility – Investment in FAST-P Green Investments Partnership fund(b)	-	nfp	nfp	nfp	nfp
Portfolio total	-	-	-	-	-
HEALTH AND AGED CARE					
<i>Department of Health and Aged Care</i>					
Pharmaceutical Benefits Scheme New and Amended Listings(b)	nfp	nfp	nfp	nfp	nfp
Private Health Insurance – Prescribed List of Medical Devices and Human Tissue Products(b)	-	-1.3	-	-	-
Portfolio total	-	-1.3	-	-	-
HOME AFFAIRS					
<i>Department of Home Affairs</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	5.0	5.0	..	..
Australia-United Arab Emirates Comprehensive Economic Partnership Agreement	-	-	-16.0	-18.0	-20.0
Indexation of Citizenship Application Fees	-	-	-	-	-
Migration – uplift of Visa Application Charges(b)	-	-	-	-	-
Portfolio total	-	5.0	-11.0	-18.0	-20.0
INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS					
<i>Australian Communications and Media Authority</i>					
Supporting News and Media Diversity(b)	-	-	-50.2	-0.1	-
<i>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</i>					
Supporting Aviation Priorities(b)	-	-	nfp	-	-
Portfolio total	-	-	-50.2	-0.1	-
SOCIAL SERVICES					
<i>National Disability Insurance Agency</i>					
National Disability Insurance Scheme Reform(b)	-	-	-	-	-
Portfolio total	-	-	-	-	-

Table A.1: Receipt measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
TREASURY					
<i>Australian Competition and Consumer Commission</i>					
Ensuring a Better Deal for Consumers(b)	-	-	7.0	8.0	13.0
<i>Australian Prudential Regulation Authority</i>					
Superannuation in Retirement(b)	-	1.3	2.0	2.5	0.9
<i>Australian Securities and Investments Commission</i>					
Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program(b)	-	-	-	0.5	0.6
Corporations – fee for takeover transactions(b)	-	2.8	5.7	5.7	2.8
Superannuation in Retirement(b)	-	-	3.5	2.9	2.9
<i>Australian Taxation Office</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	..	5.0	5.0	5.0
Building Australia's Future – delivering pay rises for early educators(b)	-	168.0	*	*	-
Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program(b)	-	-	42.6	114.4	120.1
Defence Support to the Pacific and the Middle East(b)	-	-0.1	..	-	-
Defence Workforce Plan – investing in Defence's people(b)	-	-	40.0	48.0	49.0
Housing – securing more affordable housing supply and better outcomes for renters	-	-5.0	-10.0	-15.0	-15.0
Indirect Tax Concession Scheme – diplomatic and consular concessions(b)	-	-1.4	-0.7	-0.2	..
International Tax – signing of the Australia-Slovenia Tax Treaty	-	-
Legacy Superannuation Retirement Product Conversions and Reserves(b)	-	*	*	*	*
Migration – uplift of Visa Application Charges(b)	-	-	-	-	-
Modernising Tax Administration Systems(b)	-	-	-	17.4	64.2
Payday Super(b)	-	-	-	-20.0	-107.0
Penalties – addressing gaps in the current tax penalty regime	-	-	..	*	*
Philanthropy – updates to the list of specifically listed deductible gift recipients	-	-	-0.6	-0.2	..
Philanthropy – support to double philanthropic giving by 2030	-	-
Research and Development Tax Incentive – excluding activities relating to gambling and tobacco(b)	-	-	-	6.0	6.0

Table A.1: Receipt measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
Strengthening Tax Compliance – boosting the Shadow Economy Compliance Program(b)	-	13.3	68.1	122.6	162.1
Superannuation in Retirement(b)	-	-	-	..	..
Supporting News and Media Diversity(b)	-	-	..	..	..
Taxation – allow tax deductions for interest payments on foreign bail-in bonds	-	-	-	-	-
Temporary Financial Assistance to the NSW Government for NSW Police Officers(b)	-	-	19.0	7.0	-
<i>Department of the Treasury</i>					
International Assistance – pursuing Australia’s national interest through multilateral development banks(b)	-	..	2.2	4.0	5.8
Portfolio total	-	178.9	183.8	308.7	310.3
Decisions taken but not yet announced and not for publication (nfp) (c)	8.8	390.4	424.6	340.8	485.3
Total impact of receipt measures(d)	8.8	402.4	311.8	398.8	539.7

* The nature of the measure is such that a reliable estimate cannot be provided.

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in receipts, no sign before an estimate indicates a gain in receipts.

(b) These measures can also be found in the payment measures summary table.

(c) Includes the impact of measures that are not for publication (nfp).

(d) Measures may not add due to rounding.

Agriculture, Fisheries and Forestry

Primary Industries – changes to agricultural production levies

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Agriculture, Fisheries and Forestry	-	0.4	0.7	0.7	0.7
<i>Related payments (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	-	0.4	0.7	0.7	0.7

The Government is making changes to the following agricultural levies and associated charges at the request of industry to better reflect the current needs of the agricultural sector:

- Fresh lychees levy: from 1 January 2025, the Government will decrease the marketing component of the fresh lychees levy from 2.5 to 2.25 cents per kilogram of fresh lychees, decrease the research and development component from 5.5 to 5.25 cents per kilogram and introduce a biosecurity activity component of 0.5 cents per kilogram. These changes will maintain the overall levy rate at 8 cents per kilogram of fresh lychees.
- Custard apples levy: from 1 January 2025, the Government will decrease the rate of the marketing component of the custard apples levy to nil (previously 13 cents per box and tray and \$16 per tonne of custard apples). The Government will increase the research and development component from 27 to 40 cents per box and tray; and from \$34 to \$50 per tonne of custard apples. The changes will maintain the overall levy rate at 40 cents per box and tray; and \$50 per tonne of custard apples.
- Macadamia nuts levy: from 1 January 2025, the Government will activate a biosecurity response component of the macadamia nuts levy of 0.79 cents per kilogram of macadamia nut kernels (or in-shell equivalent). This change will increase the overall levy rate from 25.21 to 26 cents per kilogram of macadamia nut kernels (or in-shell equivalent).
- Apples levy and pears levy: from 1 January 2025, the Government will increase the biosecurity response components of the apples levy and pears levy from 0.05 to 0.242 cents per kilogram of apples and pears (other than those sold for processing or that are processed). This change will increase the overall levy rate for those apples from 1.895 to 2.087 cents per kilogram; and the overall levy rate for those pears from 2.149 to 2.341 cents per kilogram.

This measure is estimated to increase receipts by \$2.5 million and increase payments by \$2.6 million over five years from 2023–24.

Education

Building Australia’s Future – A fairer deal for students

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Employment and Workplace Relations	-	-19.9	-40.5	-40.4	-41.8
Department of Education	-	-152.6	-197.2	-203.5	-215.1
Total – Receipts	-	-172.5	-237.7	-243.9	-256.9
<i>Related payments (\$m)</i>					
Australian Taxation Office	-	1.9	4.7	0.2	0.1
Services Australia	-	1.3	0.3	-	-
Department of Education	-	-	0.4	-	-
Department of Employment and Workplace Relations	-	-	-	-	-
Total – Payments	-	3.2	5.3	0.2	0.1

The Government will provide \$919.9 million over four years from 2024–25 (and an additional \$2.0 billion from 2028–29 to 2034–35) for initiatives to reduce the burden of student debts and ease cost-of-living pressures. Funding includes:

- \$737.7 million over four years from 2024–25 (and an additional \$1.6 billion from 2028–29 to 2034–35) to provide a one-off reduction of 20 per cent on the outstanding balance of debts for Higher Education Loan Program (HELP) loans and other income – contingent student loans. This is estimated to reduce existing student debt by around \$16.0 billion, effective by 1 June 2025, subject to the passage of legislation
- \$182.2 million over four years from 2024–25 (and an additional \$402.3 million from 2028–29 to 2034–35) to introduce a marginal repayment system for HELP and other income -contingent student loans, increase the minimum repayment threshold and index the repayments threshold to growth in average earnings, effective from 1 July 2025, subject to the passage of legislation.

The cost of this measure will be partially met from within the existing resourcing of the Department of Education.

Home Affairs

Australia-United Arab Emirates Comprehensive Economic Partnership Agreement

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Home Affairs	-	-	-16.0	-18.0	-20.0

On 6 November 2024, the governments of Australia and the United Arab Emirates (UAE) signed the Australia-UAE Comprehensive Economic Partnership Agreement (CEPA). The Australia-UAE CEPA eliminates tariffs on over 99 per cent of Australian exports to the UAE, enabling an increase in Australian goods exports to the UAE once fully implemented, creating commercially significant benefits for Australian exporters.

The Australia-UAE CEPA:

- provides Australian exporters with greater market access to the UAE
- facilitates two-way investment, including in critical sectors of our economy
- contains the first standalone chapter in an Australian trade agreement dedicated to First Nations trade and investment economic cooperation
- strengthens cooperation to address shared environmental challenges, including commitments to work together on transitioning to net zero.

This measure is estimated to decrease receipts by \$54.0 million over five years from 2023–24.

Further information can be found in the media release of 6 November 2024 issued by the Minister for Trade and Tourism.

Indexation of Citizenship Application Fees

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Home Affairs	-	-	-	-	-

The Government will index the Australian citizenship application fee on 1 July each year based on the Consumer Price Index to reflect the cost of processing applications. On 1 July 2023, indexation was applied to reflect the period since the last fee increase on 1 July 2021. The first ongoing increase occurred on 1 July 2024.

This measure is estimated to increase receipts by \$73.3 million over five years from 2023–24. The increased revenue from this measure will support other Government policy priorities in the Department of Home Affairs.

The Government has already provisioned for this revenue increase.

Migration – uplift of Visa Application Charges

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	-	-	-
Department of Home Affairs	-	-	-	-	-
Total – Receipts	-	-	-	-	-
<i>Related payments (\$m)</i>					
Department of the Treasury	-	-	-	-	-
Department of Home Affairs	-	-	-	-	-
Total – Payments	-	-	-	-	-

The Government increased the Visa Application Charge (VAC) for student and student guardian primary visa applicants to \$1,600, which took effect on 1 July 2024.

Student visa applicants from the Pacific and Timor-Leste are eligible for a partial VAC refund until a separate VAC for Pacific and Timor-Leste students is introduced in 2025.

The Government has provided \$5.3 million over four years from 2024–25 to the Department of Home Affairs to implement associated system changes.

The Government will also increase the VAC for temporary graduate visa applicants by 14.75 per cent from 1 February 2025.

The measure will help fund costs associated with major reforms in the Education, Skills and Training and Home Affairs portfolios.

This measure is estimated to increase receipts by \$1.7 billion over five years from 2023–24.

The Government has already provisioned for the revenue increase from the VAC uplift.

Treasury

Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	42.6	114.4	120.1
Australian Securities and Investments Commission	-	-	-	0.5	0.6
Total – Receipts	-	-	42.6	114.9	120.7
<i>Related payments (\$m)</i>					
Australian Taxation Office	-	-	33.2	34.7	1.0
Department of the Treasury	-	-	12.4	33.1	35.4
Australian Securities and Investments Commission	-	-	0.5	0.6	-
Total – Payments	-	-	46.2	68.3	36.4

The Government will provide \$66.9 million to the Australian Taxation Office (ATO) and \$1.1 million to the Australian Securities and Investments Commission to extend and enhance the *Phoenix Compliance Program* for two years from 1 July 2025.

This will enable the ATO to continue and build on its existing work to combat illegal phoenix activity. Illegal phoenix activity exploits workers, disrupts supply chains, impacts on the viability of the businesses that are not paid and creates unfair competition between those who comply with their obligations and those who do not.

This measure is estimated to increase receipts by \$278.2 million and increase payments by \$150.9 million over five years from 2023–24. This includes an increase in GST payments to the states and territories of \$80.9 million.

Corporations – fee for takeover transactions

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Securities and Investments Commission	-	2.8	5.7	5.7	2.8
<i>Related payments (\$m)</i>					
Australian Securities and Investments Commission	-	0.3	-	-	-

The Government will apply new Australian Securities and Investments Commission fees and increase existing fees on the lodgment of documents necessary to implement certain takeovers of Australian entities, including a public company or listed registered managed investment scheme.

The new fees and increased fees will apply to documents lodged from 1 January 2025 to 31 December 2027.

As a result of the measure, the fees payable for a takeover will be:

- \$195,000 for transactions worth over \$500 million
- \$145,000 for transactions worth \$100 million to \$500 million
- \$50,000 for transactions worth \$35 million to less than \$100 million
- \$10,000 for transactions worth \$10 million to less than \$35 million.

These changes ensure that the fees charged in connection with takeovers better reflect the cost to the Government for providing, and the value to the proponents of, the overall infrastructure for takeovers relative to the value of the transactions involved.

The measure is estimated to increase receipts by \$17.1 million and increase payments by \$0.3 million over five years from 2023–24.

Housing – securing more affordable housing supply and better outcomes for renters

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-5.0	-10.0	-15.0	-15.0

The Government has updated the policy announced in the 2023–24 Budget titled *Housing (Build-To-Rent Developments) – accelerating tax deductions and reducing managed investment trust withholding tax rate* to secure more affordable tenancies and more protections for renters.

The changes will improve outcomes for tenants including by requiring build-to-rent (BTR) operators to offer tenancies for a minimum of five years (instead of three years under the original measure), preventing BTR operators from using no-fault evictions and requiring affordable tenancies to be managed in partnership with registered, not-for-profit community housing organisations.

The Government has also extended eligibility for the reduced withholding tax rate to BTR developments constructed or under construction before 7.30 pm (AEST) on 9 May 2023, provided they meet all eligibility criteria, including providing affordable housing.

Legislation to give effect to the revised policy will commence on 1 January 2025. This measure is estimated to decrease receipts by \$45 million over five years from 2023–24.

Indirect Tax Concession Scheme – diplomatic and consular concessions

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-1.4	-0.7	-0.2	..
<i>Related payments (\$m)</i>					
<i>Department of the Treasury</i>	-	-1.4	-0.7	-0.2	..

The Government has extended refunds of indirect tax (including GST, fuel and alcohol taxes) under the Indirect Tax Concession Scheme (ITCS). New access to refunds has been provided to France and Bangladesh relating to the construction and renovation of their current and future diplomatic missions and consular posts. Oman will also have ITCS access extended for its Embassy and applicable accredited staff.

This measure is estimated to decrease receipts by \$2.3 million and decrease GST payments to the states and territories by \$2.3 million over five years from 2023–24.

International Tax – signing of the Australia-Slovenia Tax Treaty

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-

The Government signed the *Convention between Australia and the Republic of Slovenia for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* on 9 September 2024. The Convention will enter into force after both Australia and Slovenia have completed their domestic processes for ratification.

The Convention facilitates trade and investment between Australia and Slovenia by reducing double taxation, lowering withholding tax rates and improving certainty for taxpayers in both countries. It is also in line with the G20/OECD Base Erosion and Profit Shifting recommendations, in accordance with the Government’s commitment to tax integrity.

This measure is estimated to result in a negligible decrease in receipts over five years from 2023–24.

Legacy Superannuation Retirement Product Conversions and Reserves

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	*	*	*	*
<i>Related payments (\$m)</i>					
<i>Services Australia</i>	-	2.6	1.0	1.0	1.0
<i>Department of Social Services</i>	-	0.4	2.4	4.7	7.1
<i>Department of Veterans' Affairs</i>	-	0.2	0.4	0.4	0.4
<i>Total – Payments</i>	-	3.2	3.9	6.1	8.5

The Government will enable individuals to exit certain legacy retirement products, together with any associated reserves – making it easier for individuals to shift to more contemporary retirement products.

Specifically, the Government is making amendments to:

- extend the take up period to five years
- broaden eligibility to also allow the exit of products converted from a previous pension that commenced prior to 2007 and was one of the specified legacy retirement products
- expand the flexible reserves treatment to all superannuation reserves
- no longer apply a flat 15 per cent tax to allocations.

Allocations of a reserve from participating pension exits will be exempt from contribution caps when they are made back to the pension recipient. All other allocations will count towards the non-concessional contributions cap.

As announced in the 2021–22 Budget measure titled *Self-managed Superannuation Funds – legacy retirement product conversions*, social security treatment will not be preserved for those who elect to take advantage of the conversion. However, conversions will not be subject to re-assessment of social security treatment for the period before conversion.

The measure will have effect from the financial year in which enabling regulations are registered.

This measure is estimated to result in an unquantifiable increase in receipts and an increase in payments of \$21.7 million over five years from 2023–24.

Modernising Tax Administration Systems

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	-	17.4	64.2
<i>Related payments (\$m)</i>					
Australian Taxation Office	-	11.8	34.6	22.6	6.9

The Government will provide \$76.0 million over four years from 2024–25 to the Australian Taxation Office (ATO) to modernise income tax reporting systems from 1 July 2026.

Improvements to ATO systems will reduce compliance costs on an ongoing basis for trustees, beneficiaries and tax agents, making lodgement easier and enabling the vast majority of trust tax returns to be lodged electronically. The improvements will also enable prefill of trust income for beneficiaries, in the same way salary and wages, bank interest and other types of income are currently prefilled.

Prefill capability will be enhanced by amending the law to require trustees to report the Tax File Numbers of beneficiaries on the trust income tax return's Statement of Distribution when they have an entitlement. This amendment will commence on the first day of the next quarter after Royal Assent.

This measure is expected to increase receipts by \$81.6 million over five years from 2023–24.

This measure finalises the details of the 2022–23 March Budget measure titled *Digitalising Trust Income Reporting and Processing*.

Penalties – addressing gaps in the current tax penalty regime

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	..	*	*

The Government will amend the tax law to strengthen Australia's current tax penalty regime by:

- ensuring tax scheme penalties apply where taxpayers are in a loss position, from 1 July 2026
- penalising large taxpayers that mischaracterise or undervalue interest or dividend payments, to which withholding tax would otherwise apply, starting from 1 July 2026
- extending the application of the Shortfall Interest Charge to repayments of overclaimed refundable offsets to disincentivise overclaiming, starting from the first 1 January, 1 April, 1 July or 1 October after Royal Assent of the *Future Made in Australia (Production Tax Credit and Other Measures) Bill 2024*.

This measure will target several gaps within the current tax penalty regime to improve tax compliance and integrity of the tax system, and to strengthen the disincentives for tax avoidance.

This measure is estimated to result in an unquantifiable increase in receipts over five years from 2023–24.

Philanthropy – updates to the list of specifically listed deductible gift recipients

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	-0.6	-0.2	..

The Government will amend the tax law to specifically list the following organisations as deductible gift recipients (DGRs) for gifts received from 1 July 2025 to 30 June 2030:

- Coaxial Foundation Ltd (Coaxial)
- Partnerships for Local Action and Community Empowerment Ltd (PLACE)
- Paul Ramsay Foundation Limited (PRFL)
- The Great Synagogue Foundation
- The Parenthood Project Limited.

The listing of Coaxial is subject to the condition that DGR funds can only be used for purposes consistent with existing DGR categories in the tax law, for early childhood education and care (ECEC), or advancing gender equality in Australia. Coaxial must maintain minimum annual distributions consistent with the ancillary fund requirements and must not apply any deductible gifts received from the public towards the purpose of providing access to ECEC.

The listing of PLACE is subject to charity registration with the Australian Charities and Not-for-profits Commission.

The listing of PRFL is subject to the condition that it maintains minimum annual distributions consistent with the ancillary fund requirements.

The Government will also remove the following specifically listed DGRs which have either voluntarily requested removal or no longer operate for the purpose for which they were originally provided DGR status:

- Bradman Memorial Fund
- Clontarf Foundation
- NSCA Foundation Ltd
- Sydney Talmudical College Association Refugees Overseas Aid Fund
- The Australian Future Leaders Foundation Limited
- The Ranfurly Library Service Inc
- The Roberta Sykes Indigenous Education Foundation
- WA National Parks and Reserves Association Inc.

Since the 2024–25 Budget, the Government has agreed to modify the start date for the specific listings for Combatting Antisemitism Fund Limited and Skip Foundation Ltd to apply to gifts received from 1 July 2024 to 30 June 2029. The Government has also agreed to a modified condition for the specific listing of Skip Foundation Ltd, which may now use DGR funds to advance gender equality and philanthropic activity in Australia.

This measure is estimated to decrease receipts by \$0.8 million over five years from 2023–24.

Philanthropy – support to double philanthropic giving by 2030

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-

The Government will implement further reforms as part of its commitment to double philanthropic giving by 2030 by:

- removing the condition that a gift to a deductible gift recipient be valued at \$2 or more before the donor may claim a tax deduction. This will apply to gifts made from 1 July 2024
- aligning and increasing the minimum annual distribution rate for public and private ancillary funds and allow ancillary funds to smooth distributions over three years. This will apply from the first financial year after registration of amending ministerial guidelines. The distribution rate will be subject to consultation, and a five-year grace period will apply to any increase in the minimum distribution rate.

This measure implements two key recommendations of the Productivity Commission’s *Future foundations for giving* report. The Government continues to consider its response to the Commission report’s other recommendations.

This measure is estimated to result in a negligible decrease in receipts over five years from 2023–24.

Research and Development Tax Incentive – excluding activities relating to gambling and tobacco

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	-	6.0	6.0
<i>Related payments (\$m)</i>					
Australian Taxation Office	-	-	-	-4.0	-4.0

The Government will exclude activities related to gambling and tobacco from Research and Development Tax Incentive eligibility for income years starting on or after 1 July 2025.

Research and development activities related to gambling can exacerbate addiction and associated harms, while activities related to tobacco can increase health risks. Excluding these activities will ensure that the Government is not subsidising this type of research and

development. Activities that are solely for the purpose of harm reduction, such as reducing addiction, will remain eligible to receive support.

This measure is estimated to increase receipts by \$12.0 million and decrease payments by \$8.0 million over five years from 2023–24.

Strengthening Tax Compliance – boosting the Shadow Economy Compliance Program

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	13.3	68.1	122.6	162.1
<i>Related payments (\$m)</i>					
Australian Taxation Office	-	7.0	13.9	14.1	14.2
Department of the Treasury	-	3.3	16.5	29.6	39.2
<i>Total – Payments</i>	-	10.3	30.4	43.7	53.4

The Government will boost the Shadow Economy Compliance Program from 1 January 2025 to 30 June 2028.

These additional resources will enable the Australian Taxation Office to intensify its focus on high-risk shadow economy behaviour such as worker exploitation, under-reporting of taxable income, illicit tobacco, and illegal shadow economy activity that creates an unlevel playing field for law abiding businesses.

This measure is estimated to increase receipts by \$366.1 million and increase payments by \$137.8 million over five years from 2023–24. This includes an increase in GST payments to the states and territories of \$88.6 million.

This measure builds on the 2024–25 Budget measure titled *Strengthening Tax Compliance – extending the Shadow Economy Compliance Program*.

Taxation – allow tax deductions for interest payments on foreign bail-in bonds

Receipts (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	-	-	-

The Government will clarify the law to ensure continuity of established Australian Taxation Office administrative treatment on foreign bail-in bonds. This will allow bail-in bonds for Australian branches of foreign banks to continue to be treated as debt for tax purposes, enabling deductibility of interest payments. This will align with the treatment currently applying to bail-in bonds issued domestically by Australian banks. This measure will apply retrospectively.

Bail-in bonds are financial instruments that are subject to conditions imposed by a prudential regulator that allow the regulator to convert the instrument into equity in a period of financial distress.

This measure is estimated to have no impact on receipts over five years from 2023–24.

Payment Measures

Table A.2: Payment measures since the 2024–25 Budget^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
AGRICULTURE, FISHERIES AND FORESTRY					
<i>Australian Pesticides and Veterinary Medicines Authority</i>					
Supporting Agriculture Priorities	-	-	5.2	-	-
<i>Department of Agriculture, Fisheries and Forestry</i>					
Phase Out of Live Sheep Exports by Sea – additional transition support	-	-	-	-	-
Primary Industries – changes to agricultural production levies(b)	-	0.4	0.7	0.7	0.7
Supporting Agriculture Priorities	-	-0.7	52.3	0.3	4.2
Supporting Australia’s Avian Influenza Preparedness and Response	-	21.7	2.9	-	-
Portfolio total	-	21.4	61.1	1.1	4.9
ATTORNEY-GENERAL’S					
<i>Attorney-General’s Department</i>					
Attorney-General’s Portfolio – additional resourcing	-	-	1.8	-	-
Ending Gender-Based Violence – National Cabinet	-	0.6	9.1	7.7	5.2
Malaysia Airlines Flight MH17 – ongoing efforts	-	-	2.2	-	-
National Access to Justice Partnership	-	-	5.9	7.1	7.7
Strengthening Australia’s Arrangements for High Risk Terrorist Offenders – continuation	-	-	6.0	-	-
Supporting Aviation Priorities(b)	-	-	-	-	-
<i>Australian Criminal Intelligence Commission</i>					
Ending Gender-Based Violence – National Cabinet	-	-	-	-	-
<i>Australian Federal Police</i>					
Attorney-General’s Portfolio – additional resourcing	-	15.1	14.5	-	-
Nuclear-Powered Submarine Program – security and industry growth	-	-	5.5	-	-
Pacific Policing Initiative – Centres of Excellence	-	-	-	-	-
Strengthening Australia’s Arrangements for High Risk Terrorist Offenders – continuation	-	-	8.1	-	-

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
ATTORNEY-GENERAL'S (continued)					
<i>Australian Security Intelligence Organisation</i>					
Attorney-General's Portfolio – additional resourcing	-	-	3.9	-	-
Strengthening Australia's Arrangements for High Risk Terrorist Offenders – continuation	-	-	0.7	-	-
<i>Federal Court of Australia</i>					
Ending Gender-Based Violence – National Cabinet	-	0.4	3.5	3.3	3.4
Family Law System – improving access	-	-	14.7	14.9	15.0
<i>Office of the Australian Information Commissioner</i>					
Attorney-General's Portfolio – additional resourcing	-	0.5	1.2	1.3	-
Social Media Age Limits	-	0.6	2.2	1.1	1.1
<i>Office of the Director of Public Prosecutions</i>					
Strengthening Australia's Arrangements for High Risk Terrorist Offenders – continuation	-	-	0.1	-	-
Vaping Regulation Reform Package	-	-	1.1	1.4	-
<i>Various Agencies</i>					
Attorney-General's Portfolio – additional resourcing	-	-	-	-	-
Portfolio total	-	17.2	80.3	36.7	32.3
CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER					
<i>Australian Renewable Energy Agency</i>					
Future Made in Australia – accelerating investment in Australian industries	-	1.5	2.0	3.0	2.2
<i>Bureau of Meteorology</i>					
Rewiring the Nation – recapitalisation(b)	-	0.8	-	-	-
Strengthening Australia's Climate Information and Reporting	-	-	-	-	-
<i>Clean Energy Finance Corporation</i>					
Rewiring the Nation – recapitalisation(b)	-	-	-	-	-
<i>Clean Energy Regulator</i>					
Future Made in Australia – accelerating investment in Australian industries	-	-	3.2	4.5	2.4
<i>Department of Climate Change, Energy, the Environment and Water</i>					
Additional Support for Seamless	-	0.5	0.5	-	-
Enabling a Reliable and Secure Energy Transition	-	31.3	296.7	303.0	132.9
Expansion of the Social Housing Energy Performance Initiative	-	-	1.4	2.6	2.3
Future Made in Australia – accelerating investment in Australian industries	-	-23.0	9.5	29.9	25.1

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER (continued)					
Murray-Darling Basin Plan – additional funding	-	nfp	nfp	nfp	nfp
National Water Grid Fund – continuing delivery	-	-	-	-	-
Priority Conservation and Recovery Actions for the Maugean Skate	-	5.9	15.1	7.6	-
Protecting Australia's Iconic National Parks – additional funding	-	2.5	4.9	5.0	5.1
Rewiring the Nation – recapitalisation(b)	-	1.6	23.4	11.7	9.1
Securing the Future of Antarctic Operations	-	0.1	0.1	-	-
Strengthening Australia's Climate Information and Reporting	-	4.0	5.5	0.8	-
Supporting Australia's Avian Influenza Preparedness and Response	-	10.5	25.4	-	-
Supporting Timely Environmental Approvals	-	-	68.5	-	-
<i>Director of National Parks</i>					
Protecting Australia's Iconic National Parks – additional funding	-	1.7	10.5	-	-
South-east Marine Parks – adjustment assistance	-	nfp	nfp	-	-
<i>Great Barrier Reef Marine Park Authority</i>					
Rebuilding the Great Barrier Reef Aquarium	-	-39.0	12.2	46.6	80.4
Portfolio total	-	-1.8	479.0	414.7	259.6
DEFENCE					
<i>Australian Submarine Agency</i>					
Nuclear-Powered Submarine Program – security and industry growth	-	-	-20.0	-	-
<i>Australian War Memorial</i>					
Australian War Memorial – financial sustainability	-	-	0.3	-	-
<i>Department of Defence</i>					
Additional Support for Australian Defence Force Members and Veterans	-	-	-	-	-
Civil Maritime Security Capabilities	-	nfp	nfp	nfp	-
Defence Support to the Pacific and the Middle East(b)	-	18.3	-	-	-
Defence Workforce Plan – investing in Defence's people(b)	-	-	-	-	-
Further Defence Support to Ukraine	-	24.2	-	-	-

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
DEFENCE (continued)					
Investing in Defence Naval Shipbuilding in Australia	-	-	-	-	-
Nuclear-Powered Submarine Program – infrastructure and capacity investment	-	nfp	nfp	nfp	nfp
Nuclear-Powered Submarine Program – security and industry growth	-	-	14.5	-	-
Parliamentary Joint Committee on Defence – reversal	-	-1.9	-1.6	-1.6	-1.7
Royal Commission into Defence and Veteran Suicide – initial steps	-	-7.0	-2.5	-	-
Supporting Education and Training for Defence Industry	-	-1.0	-	-	-
<i>Department of Veterans' Affairs</i>					
Additional Support for Australian Defence Force Members and Veterans	-	-	-	..	..
An Effective and Clinically Appropriate Medicare Benefits Schedule	-	0.8	0.6	0.8	0.9
Department of Veterans' Affairs – additional resourcing to support service delivery	-	30.4	-	-	-
Eighth Community Pharmacy Agreement	-	-	-	-	-
Ensuring the Viability and Quality of Aged Care	-	-7.9	-21.1	-21.9	-53.4
Funding Pay Increases for Aged Care Workers	-	0.2	0.2	-	-
Improving Aged Care Support	-	1.6	..	-32.7	-37.4
Improving Cancer Outcomes	-	0.1	0.1	..	-
Legacy Superannuation Retirement Product Conversions and Reserves(b)	-	0.2	0.4	0.4	0.4
Pharmaceutical Benefits Scheme New and Amended Listings(b)	0.1	7.4	10.1	10.1	9.0
Royal Commission into Defence and Veteran Suicide – initial steps	-	4.5	-	-	-
Strengthening Medicare	-	-	0.2	..	-
Portfolio total	0.1	69.9	-18.7	-44.9	-82.0
EDUCATION					
<i>Department of Education</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	0.4	1.0	1.0	1.0
Australia's Counter-Terrorism and Violent Extremism Strategy 2024	-	0.2	0.4	0.4	0.4
Australian Universities Accord - further reforms(b)	-	24.0	61.8	28.7	-4.2
Building Australia's Future – delivering pay rises for early educators(b)	-	652.3	1,828.0	1,089.2	-
Building Australia's Future – Early Childhood Education and Care Reforms	-	2.7	169.5	329.7	331.6

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
EDUCATION (continued)					
Building Australia's Future – A fairer deal for students(b)	-	-	0.4	-	-
Building Boarding Schools on Country – additional funding	-	2.7	1.0	-	-
Closing the Gap Partnership on Early Childhood Care and Development	-	-	3.6	3.7	4.1
Education – reprioritisation	-	-35.1	-47.1	-53.4	-61.5
First Nations Education Partnership Funding, Education Policy and Education Programs Extensions	-	-	-	-	-
GENERATION Survey of Post-School Destinations	-	0.4	-	-	-
Quality Outcomes – Parliament and Civics Education Rebate and National Youth Parliament	-	2.8	-	-	-
Review into Bullying in Schools	-	1.2	-	-	-
Strengthening the Integrity and Sustainability of the International Education Sector	-	2.3	7.7	5.0	5.3
Supplementary Funding for the Inclusion Support Program	-	-	105.0	-	-
<i>Tertiary Education Quality and Standards Agency</i>					
Australian Universities Accord - further reforms(b)	-	3.4	1.2	1.2	1.2
Portfolio total	-	657.2	2,132.3	1,405.7	278.0
EMPLOYMENT AND WORKPLACE RELATIONS					
<i>Australian Skills Quality Authority</i>					
Strengthening the Integrity and Sustainability of the International Education Sector	-	2.4	4.0	0.7	0.7
<i>Department of Employment and Workplace Relations</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	0.2	0.7	0.4	0.2
Building Australia's Future – A fairer deal for students(b)	-	-	-	-	-
Building Australia's Future – Free TAFE	-	-	-	-	-
Employment and Workplace Relations – reprioritisation	-	-21.7	-20.0	-3.0	-14.9
Employment Services Reform – additional supports	-	-5.3	38.5	33.3	-0.2
New Remote Employment Service	-	7.7	5.9	0.9	1.7
Skills and Training – other priorities	-	1.6	3.0	-0.3	-0.7
Strengthening the Integrity and Sustainability of the International Education Sector	-	-	-	-	-
Workplace Relations – additional supports	-	9.6	8.9	-	-
Portfolio total	-	-5.5	41.1	32.0	-13.2

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
FINANCE					
<i>Australian Electoral Commission</i>					
Electoral Communications	-	2.2	4.6	6.3	10.2
Reforming the Commonwealth Funding and Disclosure Scheme	-	nfp	nfp	nfp	nfp
<i>Department of Finance</i>					
Electoral Communications	-	0.2	1.2	0.2	0.2
Establishment of the Australian Centre for Disease Control	-	-	0.1	0.1	-
Finance Portfolio – additional resourcing	-	1.5	2.8	-	-
National Disability Insurance Scheme Reform(b)	-	-	-	-	-
Nuclear-Powered Submarine Program – infrastructure and capacity investment	-	nfp	nfp	nfp	nfp
Payday Super(b)	-	0.1	0.1	0.1	0.1
Reforming the Commonwealth Funding and Disclosure Scheme	-	0.1	0.1	0.1	0.1
Supporting Safety and Remediation in the Resources Sector	-	-	nfp	nfp	nfp
<i>Digital Transformation Agency</i>					
Enabling a Reliable and Secure Energy Transition	-	0.1	0.1	0.1	0.1
Payday Super(b)	-	0.1	0.1	0.1	0.1
Reforming the Commonwealth Funding and Disclosure Scheme	-	0.1	0.1	0.1	0.1
Treasury Portfolio – additional resourcing	-
<i>Parliamentary Workplace Support Service</i>					
Finance Portfolio – additional resourcing	-	-	2.4	2.4	2.5
Portfolio total	-	4.2	11.6	9.6	13.5
FOREIGN AFFAIRS AND TRADE					
<i>Australian Trade and Investment Commission</i>					
Sculpture by the Sea – Perth	-	0.8	0.8	-	-
<i>Department of Foreign Affairs and Trade</i>					
Enhancing Pacific Engagement	-	52.2	70.1	61.2	76.7
Lebanon Repatriation and Related Support	-	44.9	-	-	-
Malaysia Airlines Flight MH17 – ongoing efforts	-	-	3.7	-	-
<i>Export Finance and Insurance Corporation (National Interest component)</i>					
Critical Minerals Facility – additional support for Iluka Resources Eneabba Rare Earths Refinery(b)	-	-	nfp	nfp	nfp
Southeast Asia Investment Financing Facility – Investment in FAST-P Green Investments Partnership fund(b)	-	nfp	nfp	nfp	nfp
Portfolio total	-	97.8	74.5	61.2	76.7

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
HEALTH AND AGED CARE					
<i>Aged Care Quality and Safety Commission</i>					
Ensuring the Viability and Quality of Aged Care	-	1.3	1.4	-	-
<i>Australian Digital Health Agency</i>					
Ensuring the Viability and Quality of Aged Care	-	1.1	-	-	-
<i>Australian Sports Commission</i>					
Investment in Sports	-	0.6	0.6	-	-
<i>Department of Health and Aged Care</i>					
10-Year National Action Plan for the Health and Wellbeing of LGBTIQ+ People	-	2.4	5.5	4.6	3.1
Adding Maternal Vaccine for Respiratory Syncytial Virus to the National Immunisation Program	-	43.3	41.3	41.9	42.6
An Effective and Clinically Appropriate Medicare Benefits Schedule	-	61.4	48.1	59.9	69.3
Assistance for Recent Arrivals from Conflict Zones(b)	-	0.2	0.9	1.0	0.9
Eighth Community Pharmacy Agreement	-	-27.9	-38.0	-30.9	10.4
Ending Gender-Based Violence – additional investment	-	-	-	-	-
Ending Gender-Based Violence – National Cabinet	-	-	-	-	-
Ensuring the Viability and Quality of Aged Care	-	-247.3	1,141.1	860.6	-1,581.8
Establishment of the Australian Centre for Disease Control	-	10.2	84.2	81.4	75.7
Funding Pay Increases for Aged Care Workers	-	-12.3	60.4	24.5	21.6
Government Response to the Disability Royal Commission	-	-	-	-	-
Improving Aged Care Support	-	244.2	178.3	-1,123.4	-1,298.2
Improving Cancer Outcomes	-	9.9	13.5	2.1	0.5
Investment in Sports	-	-0.8	2.5	-	-
Pharmaceutical Benefits Scheme New and Amended Listings(b)	4.1	544.2	676.6	633.3	624.7
Preventive Health	-	22.8	58.6	14.0	13.1
Private Health Insurance – Prescribed List of Medical Devices and Human Tissue Products(b)	-	-1.3	-1.3	-1.3	-1.3
Private Hospital Financial Health Check	-	-	-	-	-
Renegotiating Supply of the Novavax COVID-19 Vaccine	-	-146.6	-60.1	-	-
Securing Access to Medicines	-	4.9	0.4	-	-
Strengthening Medicare	-	0.8	479.8	94.7	7.4
Supporting Australia's Avian Influenza Preparedness and Response	-	4.4	17.7	-	-

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
HEALTH AND AGED CARE (continued)					
Telethons	-	6.8	..	-	-
Vaping Regulation Reform Package	-	18.4	70.3	61.7	-
Portfolio total	4.1	540.8	2,781.7	724.2	-2,012.0
HOME AFFAIRS					
<i>Department of Home Affairs</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	0.5	-18.7	7.1	3.7
Australia's Counter-Terrorism and Violent Extremism Strategy 2024	-	-	1.8	1.1	1.2
Civil Maritime Security Capabilities	-	nfp	nfp	nfp	nfp
Combating Antisemitism and Islamophobia	-	1.5	5.6	5.7	-
Department of Home Affairs – reprioritisation	-	-27.8	-22.4	-22.2	-1.5
Government Response to the Disability Royal Commission	-	-	-	-	-
Government Response to the Multicultural Framework Review	-	-	-	-	-
Lebanon Repatriation and Related Support	-	1.0	-	-	-
Longer-term Funding for the Sustainability of Operations	-	-	-	-	-
Migration – uplift of Visa Application Charges(b)	-	-	-	-	-
Strengthening Australia's Arrangements for High Risk Terrorist Offenders – continuation	-	-	0.4	-	-
United States Global Entry Program	-	-	-	-	-
Vaping Regulation Reform Package	-	-	15.4	15.9	-
<i>National Emergency Management Agency</i>					
Disaster Support	-	-	3.6	-	-
Lebanon Repatriation and Related Support	-	0.1	-	-	-
Portfolio total	-	-24.7	-14.3	7.7	3.4
INDUSTRY, SCIENCE AND RESOURCES					
<i>Department of Industry, Science and Resources</i>					
Future Made in Australia – accelerating investment in Australian industries	-	-19.2	-24.1	-32.7	-54.5
Science and Resources Technology Uplift	-	0.5	-	0.5	-
Supporting Safety and Remediation in the Resources Sector	-	nfp	nfp	nfp	nfp
<i>Geoscience Australia</i>					
Future Made in Australia – accelerating investment in Australian industries	-	-7.6	-3.7	-5.3	-
Portfolio total	-	-26.3	-27.8	-37.5	-54.5

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS					
<i>Australian Broadcasting Corporation</i>					
Supporting News and Media Diversity(b)	-	-	-	40.9	42.2
<i>Australian Communications and Media Authority</i>					
Social Media Age Limits	-	3.8	16.2	13.3	12.4
<i>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</i>					
Building Australia's Future – Building a Better Future Through Considered Infrastructure Investment	-	-	-	-	-
Community Infrastructure	-	-8.2	-	-7.0	-
Employment Services Reform – additional supports	-	-	0.3	0.3	0.3
Funding for the Indian Ocean Territories	-	0.8	5.4	10.1	1.0
Rebuilding the Great Barrier Reef Aquarium	-	-	-	-	-
Revive – National Cultural Policy Location Offset	-	-	-	-	-
Social Media Age Limits	-	5.1	12.4	4.4	3.6
Supporting Aviation Priorities(b)	-	14.2	1.7	-	-
Supporting Connectivity	-	-1.2	1.1	1.2	1.2
Supporting News and Media Diversity(b)	-	2.1	56.6	55.8	54.9
<i>Special Broadcasting Service Corporation</i>					
Supporting News and Media Diversity(b)	-	2.0	3.9	-	-
Portfolio total	-	18.4	97.6	119.0	115.6
PARLIAMENT					
<i>Department of the House of Representatives</i>					
Quality Outcomes – Parliament and Civics Education Rebate and National Youth Parliament	-	0.1	0.9	0.7	-
Portfolio total	-	0.1	0.9	0.7	-
PRIME MINISTER AND CABINET					
<i>Aboriginal Hostels Limited</i>					
Aboriginal Hostels Limited Reform Agenda	-	-	10.0	-	-
<i>Department of the Prime Minister and Cabinet</i>					
Ending Gender-Based Violence – National Cabinet	-	-	-	-	-
Royal Commission into Defence and Veteran Suicide – initial steps	-	2.5	2.5	-	-
<i>Indigenous Business Australia</i>					
First Nations Economic Empowerment	-	-	-	-	-

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
PRIME MINISTER AND CABINET (continued)					
<i>National Indigenous Australians Agency</i>					
Aboriginal Hostels Limited Reform Agenda	-	-	-10.0	-	-
Australian Universities Accord - further reforms(b)	-	-	-86.3	-88.8	-91.1
Indigenous Boarding Providers – grants program extension	-	11.5	23.5	12.0	-
McDonald v Commonwealth Class Action - settlement	-	nfp	nfp	-	-
National Access to Justice Partnership	-	-	-27.5	-28.1	-28.7
New Remote Employment Service	-	4.4	134.0	121.9	120.1
Secretariat of National Aboriginal and Islander Child Care	-	1.1	1.2	-	-
Supporting News and Media Diversity(b)	-	-	4.0	4.0	4.0
Youpla Support Program – additional funding	-	-	-	-	-
<i>Office of the Official Secretary to the Governor-General</i>					
Remuneration for Honours Council Members	-	-	-	-	-
Portfolio total	-	19.5	51.4	21.0	4.3
SOCIAL SERVICES					
<i>Department of Social Services</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	13.1	57.9	59.7	48.4
Carer Support	-	-	-	-	-
Employment Services Reform – additional supports	-	-
Ending Gender-Based Violence – additional investment	-	-	-	-	-
Ending Gender-Based Violence – National Cabinet	-	3.7	5.1	8.6	15.5
Government Response to the Disability Royal Commission	-	-	-	-	-
Housing Support	-	-	-	-	-
Income Management – maintenance	-	-	-	-	-
Legacy Superannuation Retirement Product Conversions and Reserves(b)	-	0.4	2.4	4.7	7.1
National Disability Insurance Scheme Reform(b)	-	-	7.6	-	-
New Remote Employment Service	-	-	15.3	17.0	2.6
Partnering with Communities for Change	-	2.5	2.8	0.6	-
Strengthening Medicare	-	-	8.5	8.7	-

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
SOCIAL SERVICES (continued)					
<i>National Disability Insurance Agency</i>					
Assistance for Recent Arrivals from Conflict Zones(b)	-	0.3	3.9	4.4	4.6
Government Response to the Disability Royal Commission	-	-	-	-	-
National Disability Insurance Scheme Reform(b)	-	-	785.8	2.3	-
<i>NDIS Quality and Safeguards Commission</i>					
Government Response to the Disability Royal Commission	-	-	-	-	-
National Disability Insurance Scheme Reform(b)	-	-	71.3	72.5	-
<i>Services Australia</i>					
Addressing Surcharges	-	0.1	0.3	0.4	0.5
An Effective and Clinically Appropriate Medicare Benefits Schedule	-	1.8	1.5	0.8	0.9
Assistance for Recent Arrivals from Conflict Zones(b)	-	6.6	3.5	1.9	1.1
Building Australia's Future – delivering pay rises for early educators(b)	-	0.3	0.1	0.2	-
Building Australia's Future – Early Childhood Education and Care Reforms	-	-	6.3	0.2	-
Building Australia's Future – A fairer deal for students(b)	-	1.3	0.3	-	-
Eighth Community Pharmacy Agreement	-	-	-	-	-
Employment Services Reform – additional supports	-	0.5	-	-	-
Ending Gender-Based Violence – additional investment	-	-	-	-	-
Ensuring the Viability and Quality of Aged Care	-	95.6	34.6	20.0	22.2
Improving Aged Care Support	-	2.3	17.7	1.6	1.3
Improving Cancer Outcomes	-	..	..	-	-
Income Management – maintenance	-	nfp	nfp	-	-
Legacy Superannuation Retirement Product Conversions and Reserves(b)	-	2.6	1.0	1.0	1.0
New Remote Employment Service	-	-1.5	28.6	2.3	0.6
Pharmaceutical Benefits Scheme New and Amended Listings(b)	0.2	1.3	0.6	0.4	0.4
Strengthening Medicare	-	..	0.3	-	-
Portfolio total	0.2	130.9	1,055.2	207.3	106.0

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
TREASURY					
<i>Australian Bureau of Statistics</i>					
Building Australia's Future – delivering pay rises for early educators(b)	-	-	0.2	0.2	0.1
Treasury Portfolio – additional resourcing	-	20.2	44.4	33.5	-0.2
<i>Australian Competition and Consumer Commission</i>					
Addressing Surcharges	-	1.1	1.1	-	-
Ensuring a Better Deal for Consumers(b)	-	4.7	8.5	8.6	8.7
Revitalising National Competition Policy	-	-	1.5	1.5	1.5
Treasury Portfolio – additional resourcing	-	2.1	4.3	1.9	1.8
<i>Australian Prudential Regulation Authority</i>					
Superannuation in Retirement(b)	-	1.3	2.0	2.5	0.9
<i>Australian Securities and Investments Commission</i>					
Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program(b)	-	-	0.5	0.6	-
Corporations – fee for takeover transactions(b)	-	0.3	-	-	-
Streamlining Consumer Redress under the Scams Prevention Framework	-	-	-	-	-
Superannuation in Retirement(b)	-	3.5	2.9	2.9	2.9
<i>Australian Taxation Office</i>					
Addressing Surcharges	-	5.0	9.4	9.7	10.0
Building Australia's Future – A fairer deal for students(b)	-	1.9	4.7	0.2	0.1
Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program(b)	-	-	33.2	34.7	1.0
Future Made in Australia – accelerating investment in Australian industries	-	1.1	2.4	5.5	12.3
Modernising Tax Administration Systems(b)	-	11.8	34.6	22.6	6.9
Payday Super(b)	-	63.3	105.4	118.2	-32.7
Research and Development Tax Incentive – excluding activities relating to gambling and tobacco(b)	-	-	-	-4.0	-4.0
Revive – National Cultural Policy Location Offset	-	-	-	4.2	1.1
Strengthening Tax Compliance – boosting the Shadow Economy Compliance Program(b)	-	7.0	13.9	14.1	14.2
Supporting News and Media Diversity(b)	-	0.8	0.8	0.3	-
Treasury Portfolio – additional resourcing	-	-	-2.0	-	-

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
<i>Department of the Treasury</i>					
Adding Maternal Vaccine for Respiratory Syncytial Virus to the National Immunisation Program	-	-	1.8	1.8	1.9
Additional Support for Seamless	-	-1.3	-0.7	-11.9	-
Assistance for Recent Arrivals from Conflict Zones(b)	-
Australia's Counter-Terrorism and Violent Extremism Strategy 2024	-	-	26.7	26.9	28.1
Building Australia's Future – Building a Better Future Through Considered Infrastructure Investment	-	375.0	160.1	155.9	35.4
Building Australia's Future – Free TAFE	-	-	-	82.7	171.1
Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program(b)	-	-	12.4	33.1	35.4
Community Infrastructure	-	12.7	1.9	0.7	-
Enabling a Reliable and Secure Energy Transition	-	-	nfp	nfp	nfp
Ending Gender-Based Violence – National Cabinet	-	4.6	20.6	23.8	21.6
Ensuring a Better Deal for Consumers(b)	-	-	-	-	-
Expansion of the Social Housing Energy Performance Initiative	-	-	50.0	122.8	156.7
Future Made in Australia – accelerating investment in Australian industries	-	-	-	-	-
Housing Support	-	10.0	-	-	-
Indirect Tax Concession Scheme – diplomatic and consular concessions(b)	-	-1.4	-0.7	-0.2	..
Infrastructure Funding for The Greek Orthodox Archdiocese of Australia	-	6.3	16.3	2.5	-
Investment in Sports	-	0.8	0.4	-	-
Migration – uplift of Visa Application Charges(b)	-	-	-	-	-
Murray-Darling Basin Plan – additional funding	-	-	-	-	-
National Access to Justice Partnership	-	-	207.7	228.4	243.6
National Water Grid Fund – continuing delivery	-	-46.6	8.0	41.3	36.1
Northern Heart Centre in Launceston	-	22.0	48.0	20.0	20.0
Phase Out of Live Sheep Exports by Sea – additional transition support	-	-	-	-	-
Preventive Health	-	-	-	-	-
Rebuilding the Great Barrier Reef Aquarium	-	-44.0	-19.5	-36.5	-
Revitalising National Competition Policy	-	-	nfp	nfp	nfp
Securing Access to Medicines	-	15.0	5.0	-	-
Securing the Future of Antarctic Operations	-	-	47.0	47.0	47.0

Table A.2: Payment measures since the 2024–25 Budget^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
Streamlining Consumer Redress under the Scams Prevention Framework	-	5.2	9.5	-	-
Strengthening Australia's Arrangements for High Risk Terrorist Offenders – continuation	-	-	4.0	-	-
Strengthening Medicare	-	-	12.5	4.9	4.9
Strengthening Tax Compliance – boosting the Shadow Economy Compliance Program(b)	-	3.3	16.5	29.6	39.2
Supporting Australia's Avian Influenza Preparedness and Response	-	163.6	3.0	-	-
Supporting Aviation Priorities(b)	-	10.0	6.2	-	-
Supporting Connectivity	-	2.0	-	-	-
Supporting Education and Training for Defence Industry	-	1.0	-	-	-
Supporting Safety and Remediation in the Resources Sector	-	nfp	nfp	nfp	nfp
Temporary Financial Assistance to the NSW Government for NSW Police Officers(b)	-	53.0	15.0	-	-
Treasury Portfolio – additional resourcing	-	-	2.0	-	-
Vaping Regulation Reform Package	-	1.0	1.0	-	-
Workplace Relations – additional supports	-	2.0	-	-	-
<i>Housing Australia</i>					
Housing Support	-	10.0	-	-	-
Portfolio total	-	728.2	922.6	1,030.0	865.7
Decisions taken but not yet announced and not for publication (nfp) (c)	-4.0	218.6	828.1	1,187.3	3,321.6
Total impact of payment measures(d)	0.4	2,466.0	8,556.6	5,175.4	2,919.8

* The nature of the measure is such that a reliable estimate cannot be provided.

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in payments, no sign before an estimate indicates increased payments.

(b) These measures can also be found in the receipt measures summary table.

(c) Includes the impact of measures that are not for publication (nfp).

(d) Measures may not add due to rounding.

Agriculture, Fisheries and Forestry

Phase Out of Live Sheep Exports by Sea – additional transition support

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Agriculture, Fisheries and Forestry	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Total – Payments	-	-	-	-	-

The Government will provide an additional \$32.6 million over three years from 2025–26 (and \$0.2 million in 2028–29) to support the phase out of live sheep exports by sea, including to assist sheep producers and businesses in associated supply chains to adapt.

The Government has already provided funding for this measure.

Partial funding for this measure will be held in the Contingency Reserve pending the finalisation of a co-design process with industry.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2024–25 Budget measure titled *Phase Out of Live Sheep Exports by Sea – transition support*.

Supporting Agriculture Priorities

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Pesticides and Veterinary Medicines Authority	-	-	5.2	-	-
Department of Agriculture, Fisheries and Forestry	-	-0.7	52.3	0.3	4.2
Total – Payments	-	-0.7	57.5	0.3	4.2

The Government will provide \$62.6 million over four years from 2024–25 (and an additional \$0.4 million in 2028–29) to support priorities in the Agriculture, Fisheries and Forestry portfolio. Funding includes:

- \$46.6 million in 2025–26 to sustain export regulatory functions, including assurance and verification to meet trading partner requirements and exporter demand
- \$7.9 million over three years from 2025–26 (and an additional \$0.2 million in 2028–29) to continue the *Improved Access to Agricultural and Veterinary Chemicals* program to help farmers gain access to safe and effective agricultural and veterinary chemicals
- \$5.2 million in 2025–26 to support the Australian Pesticides and Veterinary Medicines Authority to continue to regulate and control agricultural and veterinary chemicals

- \$2.2 million over two years from 2024–25 for climate policy and technical capabilities within the Department of Agriculture, Fisheries and Forestry
- \$0.6 million over three years from 2025–26 (and an additional \$0.2 million in 2028–29) to continue the *AgFAIR* program to support fair employment practices in the horticulture sector.

The cost of this measure will be partially met from savings identified in the Agriculture, Fisheries and Forestry portfolio.

Supporting Australia’s Avian Influenza Preparedness and Response

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	163.6	3.0	-	-
Department of Agriculture, Fisheries and Forestry	-	21.7	2.9	-	-
Department of Climate Change, Energy, the Environment and Water	-	10.5	25.4	-	-
Department of Health and Aged Care	-	4.4	17.7	-	-
Total – Payments	-	200.3	48.9	-	-

The Government will provide \$249.6 million over two years from 2024–25 for High Pathogenicity Avian Influenza (HPAI H7 and HPAI H5) preparedness and response activities. Funding includes:

- \$154.6 million in 2024–25 for the Commonwealth’s share of HPAI H7 responses in Victoria, New South Wales, and the Australian Capital Territory, and for potential further detections in the high-risk period over spring
- \$37.0 million over two years from 2024–25 for initiatives to protect Australian agriculture against HPAI H5N1, including improved national biosecurity response, surveillance and scientific capabilities, vaccines for priority threatened bird species, enhanced wild bird surveillance through Wildlife Health Australia, and a national communications campaign
- \$35.9 million over two years from 2024–25 for initiatives to protect threatened species and priority biodiversity against HPAI H5N1, including preparedness and response planning for the most vulnerable species and places, including Commonwealth national parks
- \$22.1 million over two years from 2024–25 to strengthen public health HPAI H5N1 preparedness by increasing the number of HPAI vaccines for human infections in the National Medical Stockpile.

The Treasury manages Commonwealth payments to the states and territories.

The cost of this measure will be partially met from within the existing resourcing of the Department of Agriculture, Fisheries and Forestry.

Attorney-General's

Attorney-General's Portfolio – additional resourcing

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Federal Police	-	15.1	14.5	-	-
Office of the Australian Information Commissioner	-	0.5	1.2	1.3	-
Australian Security Intelligence Organisation	-	-	3.9	-	-
Attorney-General's Department	-	-	1.8	-	-
Various Agencies	-	-	-	-	-
Total – Payments	-	15.6	21.3	1.3	-

The Government will provide \$78.0 million over three years from 2024–25 to support the delivery of Government priorities in the Attorney-General's portfolio, including:

- \$39.8 million over three years from 2024–25 for crime prevention and law enforcement initiatives, with costs to be met from the Confiscated Assets Account under the *Proceeds of Crime Act 2002*
- \$26.7 million over two years from 2024–25 for the Australian Federal Police (AFP) to enhance capabilities to counter people smuggling in support of border protection activities
- \$8.6 million in 2025–26 for the Attorney-General's Department, the Australian Security Intelligence Organisation and the AFP to continue facilitating access to data for law enforcement and national security purposes under the AUS-US Data Access Agreement
- \$3.0 million over three years from 2024–25 for the Office of the Australian Information Commissioner to develop a Children's Online Privacy Code.

The Government has also provided for additional crime prevention and community safety initiatives. Funding for these initiatives is not for publication (nfp) pending finalisation of grant details.

Family Law System – improving access

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Federal Court of Australia	-	-	14.7	14.9	15.0

The Government will provide \$44.5 million over three years from 2025–26 (and \$15.2 million per year ongoing) to the Federal Circuit and Family Court of Australia to continue providing family law case management services to improve outcomes for vulnerable groups and victims of family and domestic violence.

National Access to Justice Partnership

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	-	207.7	228.4	243.6
Attorney-General's Department	-	-	5.9	7.1	7.7
National Indigenous Australians Agency	-	-	-27.5	-28.1	-28.7
Total – Payments	-	-	186.1	207.4	222.6

The Government will provide \$3.9 billion over five years from 2025–26 (and \$812.3 million per year ongoing from 2030–31) to establish a new National Access to Justice Partnership (NAJP) from 1 July 2025 following the expiry of the National Legal Assistance Partnership (NLAP). This funding represents an increase of \$800.0 million to the legal assistance sector, with a focus on supporting frontline service delivery, including indexation to ensure funding does not reduce in real terms over time and funding to reduce community legal sector pay disparity. Funding will benefit Legal Aid Commissions, Community Legal Centres including Women’s Legal Services, Aboriginal and Torres Strait Islander Legal Services and Family Violence Prevention Legal Services.

The NAJP also includes ongoing funding for programs currently provided outside the existing NLAP, including the *Temporary Visa Holders Experiencing Family and Domestic Violence Program* (formerly the legal assistance component of the Leaving Violence Program), Family Violence Prevention Legal Services, Supplementary Legal Assistance, and the *Indigenous Women’s Program*. Funding for Specialist Elder Abuse Units and Health Justice Units will also become part of the NAJP from 1 July 2026.

The Treasury manages Commonwealth payments to the states and territories.

The cost of this measure will be partially met from within the existing resourcing of the National Indigenous Australians Agency’s *Indigenous Advancement Strategy*. The Government has already provided partial funding for this measure.

This funding is a component of the \$4.4 billion Commonwealth package agreed at National Cabinet on 6 September 2024.

This measure supports the implementation of the *National Plan to End Violence against Women and Children 2022–2032*.

See also the related payment measures titled *Ending Gender-Based Violence – National Cabinet in Cross Portfolio* and *Ending Gender-Based Violence – additional investment in the Social Services portfolio*.

Pacific Policing Initiative – Centres of Excellence

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Federal Police	-	-	-	-	-

The Government will provide \$219.5 million over four years from 2024–25 (and \$59.4 million per year ongoing) to establish three additional police training Centres of Excellence in the Pacific as part of the Pacific Policing Initiative to enhance policing capabilities through specialist training and operational support for Pacific police personnel.

The Government has already provided funding for this measure.

This measure builds on the 2024–25 Budget measure titled *Policing Engagement and Training* and the 2023–24 MYEFO measure titled *Enhancing Pacific Engagement*.

See also the related payment measure titled *Enhancing Pacific Engagement* in the Foreign Affairs and Trade portfolio.

Strengthening Australia's Arrangements for High Risk Terrorist Offenders – continuation

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Federal Police	-	-	8.1	-	-
Attorney-General's Department	-	-	6.0	-	-
Department of the Treasury	-	-	4.0	-	-
Australian Security Intelligence Organisation	-	-	0.7	-	-
Department of Home Affairs	-	-	0.4	-	-
Office of the Director of Public Prosecutions	-	-	0.1	-	-
Total – Payments	-	-	19.3	-	-

The Government will provide \$69.3 million in 2025–26 to continue to protect the Australian community from the threats posed by convicted high risk terrorist offenders, including the assessment of ongoing risks, and seeking and implementing post-sentence supervision orders after the completion of custodial sentences.

The Government previously included funding in the Contingency Reserve for this purpose and this measure builds on the 2023–24 Budget measure titled *Strengthening Australia's Arrangements for High Risk Terrorist Offenders*.

The Treasury manages Commonwealth payments to the states and territories.

Climate Change, Energy, the Environment and Water

Additional Support for Seamless

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	0.5	0.5	-	-
Department of the Treasury	-	-1.3	-0.7	-11.9	-
Total – Payments	-	-0.8	-0.2	-11.9	-

The Government will provide \$1.0 million over two years from 2024–25 to support *Seamless*, an industry-led voluntary product stewardship scheme that addresses the environmental impacts of clothing textiles and supports circular economy outcomes.

The Government will also achieve savings of \$14.0 million over three years from 2024–25 by redirecting uncommitted funding from the *Recycling Modernisation Fund – Plastics Technology* stream to support other priorities in the Climate Change, Energy, the Environment and Water portfolio, including *Seamless*.

Enabling a Reliable and Secure Energy Transition

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	31.3	296.7	303.0	132.9
Digital Transformation Agency	-	0.1	0.1	0.1	0.1
Department of the Treasury	-	-	nfp	nfp	nfp
Total – Payments	-	31.3	296.8	303.0	133.0

The Government will provide \$768.5 million over five years from 2024–25 (and \$0.7 million per year ongoing) to support actions to accelerate a reliable and secure energy transition across Australia. Funding includes:

- \$728.1 million over five years from 2024–25 to support the Australian Energy Market Operator to uplift core digital systems to enhance energy security and reliability
- \$34.9 million in 2025–26 to further fund the Australian Energy Market Operator to deliver Capacity Investment Scheme tenders and undertake contract management activities for selected projects
- \$2.5 million over four years from 2024–25 (and \$0.7 million per year ongoing from 2028–29) for the Australian Energy Infrastructure Commissioner to continue delivering community engagement and support for communities affected by the energy transition

- \$2.3 million over two years from 2024–25 for an expert panel led review into wholesale market settings in the National Electricity Market to promote investments in firmed, renewable generation and storage capacity.

Partial savings in this measure have already been provided for by the Government.

The cost of this measure will also be partially met from savings identified in the Climate Change, Energy, the Environment and Water portfolio, including savings from the 2023–24 Budget measure titled *Capacity Investment Scheme* through amendments to the Federation Funding Agreement with New South Wales. The financial implications of this measure are not for publication (nfp) as the disclosure would impair the Commonwealth’s position in negotiating contracts with industry.

This measure builds on the 2023–24 Budget measures titled *Capacity Investment Scheme* and *Ensuring the Supply of Reliable, Secure and Affordable Energy*, the 2023–24 MYEFO measures titled *Capacity Investment Scheme – expansion* and *Enabling Australia’s Energy Transformation* and the 2024–25 Budget measure titled *Harnessing the Energy Transition to Benefit Consumers*.

Expansion of the Social Housing Energy Performance Initiative

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	-	50.0	122.8	156.7
Department of Climate Change, Energy, the Environment and Water	-	-	1.4	2.6	2.3
Total – Payments	-	-	51.4	125.3	159.0

The Government will provide additional funding of \$499.3 million over four years from 2025–26 to extend the *Social Housing Energy Performance Initiative* to fund social housing energy performance upgrades for additional homes in partnership with states and territories.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2023–24 Budget measure titled *Household Energy Upgrades Fund – establishment*.

Murray-Darling Basin Plan – additional funding

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	-	-	-	-
Department of Climate Change, Energy, the Environment and Water	-	nfp	nfp	nfp	nfp
Total – Payments	-	-	-	-	-

The Government will provide funding over four years from 2024–25 to continue implementation of the Murray-Darling Basin Plan, including:

- \$3.0 million over two years from 2024–25 for Murray-Darling Basin states to undertake business cases investigating land and water partnerships
- funding for additional voluntary water purchases to contribute towards environmental outcomes under the Basin Plan.

The Government will also achieve a saving of \$12.8 million over two years from 2024–25 by reducing funding from the 2023–24 Budget measure titled *Future-proofing the Murray-Darling Basin*.

The Government has already provided partial funding for this measure and the remainder of the cost will be met by reprioritising funding from the *On-farm Emergency Water Infrastructure Rebate Scheme*.

The financial implications for some elements of this measure are not for publication (nfp) because they would impair the Commonwealth’s position in negotiating contracts.

This measure builds on the 2024–25 Budget measure titled *Murray-Darling Basin Plan – continuing delivery*.

National Water Grid Fund – continuing delivery

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	-	-	-	-
Department of the Treasury	-	-46.6	8.0	41.3	36.1
Total – Payments	-	-46.6	8.0	41.3	36.1

The Government will provide \$278.2 million over six years from 2024–25 to deliver new water infrastructure projects to drive economic growth, create jobs and support renewable industries. Funding includes:

- \$150.6 million over five years from 2025–26 to support construction of the Greater South East Irrigation Scheme, Tasmania

- \$65.0 million over two years from 2024–25 for planning works for the Northern Water Supply Project, South Australia
- \$34.8 million over four years from 2024–25 for new water infrastructure projects in New South Wales, including \$18.1 million for the Yass Water Treatment Plant Upgrade
- \$27.8 million over two years from 2025–26 to support First Nations communities through the Better Bores for Communities – Phase 1 package, Northern Territory.

The Government will also achieve savings of \$34.1 million over two years from 2024–25 by redirecting uncommitted funding from the National Water Grid Fund to support other priorities in the Climate Change, Energy, the Environment and Water portfolio.

The Government has already provided partial funding for this measure. Further expenditure will be met by reallocating funding from within the National Water Grid Fund and the \$150.0 million allocated to improve water security for First Nations communities under the 2023–24 Budget measure titled *Closing the Gap – further investment*.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2024–25 Budget measure titled *National Water Grid Fund – responsible investment in water infrastructure for the regions*.

Priority Conservation and Recovery Actions for the Maugean Skate

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	5.9	15.1	7.6	-

The Government will provide \$28.6 million over three years from 2024–25 to support the conservation of the Maugean skate. Funding includes:

- \$21.2 million over three years from 2024–25 to scale up the reoxygenation of water in Macquarie Harbour
- \$4.9 million over three years from 2024–25 to expand the Maugean skate captive breeding program
- \$2.5 million over three years from 2024–25 to monitor the population of the Maugean skate and environmental conditions in Macquarie Harbour, as well as undertake compliance activities and engagement with the local community of Strahan.

The cost of this measure will be met from savings identified in the Climate Change, Energy, the Environment and Water portfolio.

Protecting Australia’s Iconic National Parks – additional funding

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	2.5	4.9	5.0	5.1
Director of National Parks	-	1.7	10.5	-	-
Total – Payments	-	4.1	15.5	5.0	5.1

The Government will provide \$30.2 million over four years from 2024–25 to meet the Commonwealth’s obligations and protect the cultural and environmental values of Australia’s iconic national parks. Funding includes:

- \$17.5 million over four years from 2024–25 to sustain the Office of the Supervising Scientist’s core functions under the *Environment Protection (Alligator Rivers Region) Act 1978*, and undertake essential monitoring and oversee remediation of the Ranger Uranium and Jabiluka mines
- \$12.7 million over two years from 2024–25 to provide waste management services within the Mutitjulu community in the Uluru-Kata Tjuta National Park and develop a Weed Management Plan to achieve better environmental outcomes in the Jabiru township in the Kakadu National Park.

The cost of this measure will be partially met from reprioritising funding from the 2024–25 Budget measure titled *Jabiru Remediation – continuing delivery* and from savings identified in the Climate Change, Energy, the Environment and Water portfolio.

This measure builds on the 2023–24 Budget measure titled *Protecting Australia’s Iconic National Parks*.

Rebuilding the Great Barrier Reef Aquarium

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	-	-	-	-
Great Barrier Reef Marine Park Authority	-	-39.0	12.2	46.6	80.4
Department of the Treasury	-	-44.0	-19.5	-36.5	-
Total – Payments	-	-82.9	-7.3	10.1	80.4

The Government will provide \$149.6 million over four years from 2024–25 (and an additional \$11.5 million in 2028–29) for a redeveloped aquarium in Townsville, enhancing its role as Australia’s national education centre for the Great Barrier Reef and boosting the local and regional economy.

The cost of this measure will be met from within the existing resourcing of the Great Barrier Reef Marine Park Authority and the redirection of existing funding for the Townsville City Deal.

Rewiring the Nation – recapitalisation

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	1.6	23.4	11.7	9.1
Bureau of Meteorology	-	0.8	-	-	-
Clean Energy Finance Corporation	-	-	-	-	-
Total – Payments	-	2.4	23.4	11.7	9.1
<i>Related receipts (\$m)</i>					
<i>Clean Energy Finance Corporation</i>	-	-	1.0	11.7	23.3

The Government will provide additional funding of \$1.2 billion over six years from 2024–25 to optimise and expand Australia’s energy grid, and boost connection times for new renewable and storage projects. Funding includes:

- \$1.2 billion to recapitalise the *Rewiring the Nation* program to provide additional concessional finance and underwriting support for transmission and distribution projects critical to Australia’s energy transformation
- \$36.9 million over six years from 2024–25 to support the optimisation and utilisation of existing grid infrastructure through regulatory reforms and grid enhancing technologies
- \$10.1 million over two years from 2024–25 to establish the Accelerated Connections Fund to reduce grid bottlenecks and fast-track connections for new critical renewable generation and clean storage projects.

The cost of this measure will be met from savings identified in the Climate Change, Energy, the Environment and Water portfolio.

This measure builds on the 2022–23 October Budget measure titled *Powering Australia – Rewiring the Nation*.

Securing the Future of Antarctic Operations

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	0.1	0.1	-	-
Department of the Treasury	-	-	47.0	47.0	47.0
Total – Payments	-	0.1	47.1	47.0	47.0

The Government will provide \$188.2 million over five years from 2024–25 for an agreement with the Tasmanian Government to construct a new Macquarie Wharf 6 in the Port of Hobart to support *Australian Antarctic Program* operations.

The cost of this measure will be partially met from savings identified in the Climate Change, Energy, the Environment and Water portfolio.

This measure builds on the 2023–24 MYEFO measure titled *Australian Antarctic Program – continuing delivery*.

South-east Marine Parks – adjustment assistance

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Director of National Parks	-	nfp	nfp	-	-

The Government will establish a new grants program to support commercial fishers impacted by planned changes to the South-east Marine Parks management arrangements.

The cost of this measure will be met from reprioritising funding from the 2021–22 Budget measure titled *Oceans Leadership Package* and from savings identified within the Director of National Parks.

The financial implications of this measure are not for publication (nfp) due to an ongoing consultation process required under the *Environment Protection and Biodiversity Conservation Act 1999*.

Strengthening Australia’s Climate Information and Reporting

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	4.0	5.5	0.8	-
Bureau of Meteorology	-	-	-	-	-
Total – Payments	-	4.0	5.5	0.8	-

The Government will provide \$10.5 million over three years from 2024–25 to strengthen Australia’s climate information and emissions reporting mechanisms in response to reviews of the Australian Climate Service and the National Greenhouse and Energy Reporting (NGER) scheme. Funding includes:

- \$10.2 million over three years from 2024–25 to implement key improvements to fugitive methane emissions reporting under the NGER scheme in response to the Climate Change Authority’s 2023 review of the NGER legislation, including through the work of an expert panel
- \$0.3 million in 2024–25 to develop actions in response to the recommendations of the Independent Review of the Australian Climate Service.

The Government has already provided partial funding for this measure. The remainder of the cost will be met from savings identified in the Department of Climate Change, Energy, the Environment and Water.

This measure builds on the 2023–24 Budget measure titled *National Climate Adaptation and Risk Program*.

Supporting Timely Environmental Approvals

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	-	68.5	-	-

The Government will provide \$68.5 million in 2025–26 for the Department of Climate Change, Energy, the Environment and Water to maintain resourcing for environmental assessment, approval and compliance functions to support the timely delivery of approvals, including in priority areas such as renewable energy, transmission, critical minerals and housing.

This measure extends the 2022–23 October Budget measure titled *Sustaining Environmental Assessments* and builds on the 2024–25 Budget measure titled *Future Made in Australia – Strengthening Approvals Processes*.

Cross Portfolio

Ending Gender-Based Violence – National Cabinet

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	4.6	20.6	23.8	21.6
Department of Social Services	-	3.7	5.1	8.6	15.5
Attorney-General's Department	-	0.6	9.1	7.7	5.2
Federal Court of Australia	-	0.4	3.5	3.3	3.4
Australian Criminal Intelligence Commission	-	-	-	-	-
Department of Health and Aged Care	-	-	-	-	-
Department of the Prime Minister and Cabinet	-	-	-	-	-
Total – Payments	-	9.4	38.2	43.5	45.7

The Government will provide \$350.4 million over four years from 2024–25 to address the national crisis of gender-based violence, including violence against children and young people. Funding includes:

- \$214.7 million over three years from 2025–26 (and an additional \$152.2 million from 2028–29 to 2029–30) to extend the National Partnership Agreement on Family, Domestic and Sexual Violence Responses to support frontline service delivery, with a focus on specialist services for women and children and working with men, with funding to be matched by states and territories bringing the total investment to over \$700 million across governments
- \$82.4 million over four years from 2024–25 to strengthen responses to high-risk and serial perpetrators of family and domestic violence, including by improving information sharing across systems and jurisdictions and intervening early to stop violence escalating
- \$49.4 million over four years from 2024–25 (and \$15.8 million per year ongoing) to enhance and expand child centric trauma-informed supports for children and young people, with a specific focus on First Nations children and young people
- \$2.6 million over three years from 2024–25 to develop national standards for men's behaviour change programs
- \$1.0 million over two years from 2025–26 to review and update the *National framework for action to prevent alcohol-related family violence*, to address the role of alcohol and other drugs in exacerbating violence
- \$0.2 million in 2024–25 to conduct an audit of key Commonwealth government systems to identify areas where they are being weaponised by perpetrators and to embed 'safety by design' principles within new and existing systems.

The Government has already provided partial funding for this measure.

The cost of this measure will be partially met from within the existing resourcing of the Department of Social Services, the Department of the Prime Minister and Cabinet, the Department of Health and Aged Care, the Australian Criminal Intelligence Commission and the Attorney-General's Department.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2024–25 Budget measures titled *The Leaving Violence Program – financial support for victim-survivors of intimate partner violence* and *Ending Gender-Based Violence – additional resourcing*.

See also the related payment measures titled *Ending Gender-Based Violence – additional investment* in the Social Services portfolio and *National Access to Justice Partnership* in the Attorney-General's portfolio.

This funding is a component of the \$4.4 billion Commonwealth package agreed at National Cabinet on 6 September 2024.

This measure supports the implementation of the *National Plan to End Violence against Women and Children 2022–2032*.

Future Made in Australia – accelerating investment in Australian industries

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Renewable Energy Agency	-	1.5	2.0	3.0	2.2
Australian Taxation Office	-	1.1	2.4	5.5	12.3
Clean Energy Regulator	-	-	3.2	4.5	2.4
Department of the Treasury	-	-	-	-	-
Geoscience Australia	-	-7.6	-3.7	-5.3	-
Department of Industry, Science and Resources	-	-19.2	-24.1	-32.7	-54.5
Department of Climate Change, Energy, the Environment and Water	-	-23.0	9.5	29.9	25.1
Total – Payments	-	-47.3	-10.7	5.0	-12.3

The Government will provide \$469.6 million over 14 years from 2024–25 to accelerate investment in Future Made in Australia priorities, including renewable hydrogen and refining and processing of critical minerals. Funding includes:

- \$336.2 million over 14 years from 2024–25 to participate in the Australia-Germany H2Global program, connecting Australian suppliers with overseas purchasers and attracting matched co-investment from the German Government in the development of renewable hydrogen export products

- \$70.0 million over three years from 2025–26 to establish a grants program to support the participation of First Nations organisations and communities in the development of clean energy projects and accelerate development of First Nations led projects
- \$19.6 million over four years from 2024–25 to administer the Hydrogen Production Tax Incentive to support the production of renewable hydrogen in Australia
- \$11.9 million over four years from 2024–25 to administer and support the delivery of the Critical Minerals Production Tax Incentive
- \$11.2 million over two years from 2024–25 to support the establishment of a new Front Door to act as a single entry point for investors and proponents of major, transformational projects across all sectors of the economy
- \$10.7 million over seven years from 2024–25 in additional resourcing to implement the Battery Breakthrough Initiative, administered by the Australian Renewable Energy Agency, to promote development of battery manufacturing capabilities through production credits and capital grants to attract investors and build a sustainable industry
- \$5.5 million over four years from 2024–25 to the Australian Made Campaign Limited to increase the profile and awareness of the Australian Made, Australian Grown logo in key export markets
- \$4.6 million over five years from 2024–25 to undertake targeted research and data collection initiatives, and explore regulatory reform and capital investment options to address barriers First Nations people and communities face to participate in clean energy projects and programs.

Funding for the Battery Breakthrough Initiative will be held in the Contingency Reserve pending consultation and design.

The Government has also updated design and delivery parameters for the *Critical Minerals Production Tax Incentive*, the Future Made in Australia Innovation Fund and the *Hydrogen Headstart* program.

The cost of this measure will be partially met from within the existing resourcing of the Department of Climate Change, Energy, the Environment and Water, the Australian Renewable Energy Agency and the Treasury, and savings identified in the Industry, Science, and Resources portfolio and the Climate Change, Energy, the Environment and Water portfolio.

The Government has already provided partial funding for this measure.

This measure builds on the 2022–23 October Budget measure titled *Support for Energy Security and Reliability* and the 2024–25 Budget measures titled *Future Made in Australia – Making Australia a Renewable Energy Superpower* and *Future Made in Australia – Attracting Investment in Key Industries*.

Defence

Additional Support for Australian Defence Force Members and Veterans

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Veterans' Affairs	-	-	-
Department of Defence	-	-	-	-	-
Total – Payments	-	-	-

The Government will provide \$0.4 million over three years from 2025–26 (and \$53,000 per year ongoing) to provide additional support to Australian Defence Force members and veterans. Funding includes:

- \$0.4 million in 2025–26 for the completion of Bravery Trust's trial program to provide financial counselling services to current and former Australian Defence Force members
- \$75,000 over two years from 2026–27 (and \$53,000 per year ongoing) to fund legal and financial advice for vulnerable military personnel and veterans who are considering lump sum compensation payments under the amended *Military Rehabilitation and Compensation Act 2004*.

The Government will also support veterans and their families by allocating compensation payments for eligible young persons of severely impaired veterans in line with the caring arrangements for eligible young persons or children, rather than paying the full amount to the primary carer.

The Government will require Parliament to review the operation of the reforms to veterans' compensation in the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024. The review will take place 12 months after the commencement of the Act.

The cost of this measure will be partially met from within the existing resourcing of the Department of Defence.

This measure supports the *Australian Government Response to the Interim Report of the Royal Commission into Defence and Veteran Suicide*.

Australian War Memorial – financial sustainability

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian War Memorial	-	-	0.3	-	-

The Government will provide \$8.1 million in 2025–26 to support the financial sustainability of the Australian War Memorial.

This measure builds on the 2024–25 Budget measure titled *Australian War Memorial – financial sustainability*.

Defence Support to the Pacific and the Middle East

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Defence	-	18.3	-	-	-
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-0.1	..	-	-

The Government will provide \$25.4 million over four years from 2024–25 (and an additional \$2.2 million from 2028–29 to 2034–35) to provide Defence support to Australia’s Pacific partners and in response to the escalation of conflict in the Middle East. Funding includes:

- \$18.3 million in 2024–25 for *Operation BEECH* to ensure the readiness of Australian Defence Force personnel to deploy in support of the Australian Government response to the Middle East conflict, and assist Australian citizens and foreign nationals where required
- \$4.1 million over four years from 2024–25 (and an additional \$2.2 million from 2028–29 to 2034–35) to provide the Government of Papua New Guinea with 12 armoured vehicles and sustainment support
- \$3.0 million in 2024–25 to establish the Pacific Special Advisory Team, a multinational group of defence personnel to support Pacific civilian authorities and organisations to respond to disasters.

The cost of this measure will be partially met from within the existing resourcing of the Department of Defence.

This measure builds on the 2024–25 Budget measure titled *Defence Assistance – regional and global support*.

Defence Workforce Plan – investing in Defence’s people

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Defence	-	-	-	-	-
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	40.0	48.0	49.0

The Government will provide \$609.4 million over three years from 2025–26 (and an additional \$363.4 million from 2028–29 to 2034–35) to support the Defence Workforce Plan and grow the Australian Defence Force (ADF) to 69,000 personnel by the early 2030s. Funding includes:

- \$571.8 million over three years from 2025–26 to extend and expand the current Continuation Bonus so that eligible, permanent ADF members nearing the end of their initial service obligation receive a \$40,000 bonus, and a second cohort of eligible, permanent ADF members also receive a \$40,000 bonus after a minimum seven years of service

- \$37.6 million over three years from 2025–26 (and an additional \$363.4 from 2028–29 to 2034–35) to increase the ADF’s Operational Reserves, reaching an additional 1,000 reservists by 2030.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

This measure builds on the 2023–24 Budget measure titled *Recognising the Australian Defence Force’s Unique Service to the Nation*.

Department of Veterans’ Affairs – additional resourcing to support service delivery

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Veterans’ Affairs	-	30.4	-	-	-

The Government will provide \$30.4 million in 2024–25 to address the additional increased demand for downstream services following an increase in the determination of claims.

The Government has also reduced the reliance on external labour in the *Open Arms – Veterans and Family Counselling* program, in line with the Government’s broader objectives to reduce outsourcing of core work and reliance on consultants, contractors and labour hire.

Further Defence Support to Ukraine

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Defence	-	24.2	-	-	-

The Government will provide \$545.5 million over two years from 2024–25 to provide additional military and operational support to the Government of Ukraine. Funding includes:

- \$246.9 million over two years from 2024–25 to provide Ukraine with 49 M1A1 Abrams tanks
- \$189.8 million in 2024–25 to provide Ukraine with air-to-ground weapons, including guided weapons, anti-tank weapons and artillery, mortar, cannon and small arms ammunition
- \$63.0 million in 2024–25 to provide Ukraine with air defence missiles
- \$24.2 million in 2024–25 for *Operation KUDU* to deploy Australian Defence Force personnel to provide support, training and advice
- \$20.0 million in 2024–25 to provide Ukraine with 14 inflatable rigid hull boats to support Ukraine’s operational needs

- \$1.6 million in 2024–25 to provide Ukraine with a shipment of military boots for the Armed Forces of Ukraine.

The cost of this measure will be partially met from within the existing resourcing of the Department of Defence.

This measure builds on the 2024–25 Budget measure titled *Defence Assistance – regional and global support*.

Investing in Defence Naval Shipbuilding in Australia

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Defence	-	-	-	-	-

The Government will provide \$127.0 million over three years from 2024–25 to conduct planning, consultations, preliminary design and feasibility studies as well as enabling works for a Defence Precinct at Henderson, Western Australia, to support continuous naval shipbuilding and sustainment, and to sustain Australia’s conventionally armed, nuclear-powered submarines.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Nuclear-Powered Submarine Program – infrastructure and capacity investment

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Finance	-	nfp	nfp	nfp	nfp
Department of Defence	-	nfp	nfp	nfp	nfp
Total – Payments	-	-	-	-	-

The Government will provide funding over six years from 2024–25 in equity and non-equity investments for ASC Pty Ltd to enhance its capacity to support nuclear-powered submarine sustainment, including to grow its workforce, develop capability partnerships, invest in cyber security and digital transformation, and to build and sustain its nuclear capabilities.

The Government will also provide Australian Naval Infrastructure Pty Ltd (ANI) with an equity injection over four years from 2024–25 to progress the construction of the Skills and Training Academy in Osborne, South Australia.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

This measure builds on the 2024–25 Budget measure titled *Equity Injection for Australian Naval Infrastructure*.

The financial implications of this measure are commercially sensitive and not for publication (nfp) as disclosure would impair the Commonwealth’s position in contract negotiations.

Nuclear-Powered Submarine Program – security and industry growth

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Defence	-	-	14.5	-	-
Australian Federal Police	-	-	5.5	-	-
Australian Submarine Agency	-	-	-20.0	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$269.0 million over four years from 2024–25 to continue to build the capacity of Australian industry to support Australia’s nuclear-powered submarine program, invest in security requirements and improve education and training coordination between AUKUS partners. Funding includes:

- \$262.4 million over three years from 2024–25 to enhance domestic industry capacity, including expanding the *Defence Industry Vendor Qualification Program* to increase Australian industry participation in nuclear-powered submarine construction and sustainment supply chains, and supporting Australian industry to build their supply chain resilience and security, as part of a broader strategy to grow Australian industry participation
- \$5.5 million in 2025–26 for the Australian Federal Police to continue to develop the capabilities required to provide protective security for Submarine Rotational Force-West at *HMAS Stirling*
- \$1.1 million over four years from 2024–25 for the Australian Submarine Agency (ASA) to assist in harmonising vocational educational and training qualifications across AUKUS partners.

The cost of this measure will be met from within the existing resourcing of the Department of Defence and the ASA.

This measure builds on the 2024–25 Budget measures titled *Nuclear-Powered Submarine Program – workforce and supply chain investments* and *National Security Agencies – additional funding*.

Parliamentary Joint Committee on Defence – reversal

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Defence	-	-1.9	-1.6	-1.6	-1.7

The Government will achieve savings of \$17.5 million over ten years from 2024–25 (and \$1.8 million per year ongoing) by not proceeding with the establishment of the Parliamentary Joint Committee on Defence after the Defence Amendment (Parliamentary Joint Committee on Defence) Bill 2024 was not agreed to by the Parliament. Funding for the Parliamentary committee was previously provisioned in the Contingency Reserve.

Royal Commission into Defence and Veteran Suicide – initial steps

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Veterans' Affairs	-	4.5	-	-	-
Department of the Prime Minister and Cabinet	-	2.5	2.5	-	-
Department of Defence	-	-7.0	-2.5	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$9.5 million over two years from 2024–25 to begin implementing the *Australian Government Response to the Final Report of the Royal Commission into Defence and Veteran Suicide*. Funding includes:

- \$5.0 million over two years from 2024–25 to appoint an interim head of the new statutory oversight entity and establish a cross-agency taskforce to provide advice to Government on the implementation of the Government’s response to the Royal Commission’s recommendations, including the establishment of the statutory oversight entity
- \$4.5 million in 2024–25 to undertake a nation-wide stakeholder consultation process to co-design the development of a new agency within the Department of Veterans’ Affairs focused on veteran wellbeing and consult on the development of an ex-service organisation peak body.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

The Government will consider future measures to implement the Government response following provision of advice from the implementation taskforce in 2025.

Supporting Education and Training for Defence Industry

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	1.0	-	-	-
Department of Defence	-	-1.0	-	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$1.0 million in 2024–25, with additional contributions from the South Australian Government, to support a pilot program of degree apprenticeships allowing students to attain higher education qualifications while undertaking on-the-job training with defence industry.

The measure will support the implementation of the *South Australian Defence Industry Workforce and Skills Action Plan*.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

The Treasury manages Commonwealth payments to the states and territories.

Education

Australian Universities Accord – further reforms

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	24.0	61.8	28.7	-4.2
Tertiary Education Quality and Standards Agency	-	3.4	1.2	1.2	1.2
National Indigenous Australians Agency	-	-	-86.3	-88.8	-91.1
Total – Payments	-	27.4	-23.3	-58.8	-94.1
<i>Related receipts (\$m)</i>					
Tertiary Education Quality and Standards Agency	-	1.5	1.5	1.5	1.5
Department of Education	-	-	-0.9	-2.6	-4.7
Total – Receipts	-	1.5	0.6	-1.1	-3.1

The Government will invest an additional \$2.5 billion in net funding over 11 years from 2024–25 to further respond to key recommendations of the *Australian Universities Accord Final Report* providing more university places, introducing a demand driven system to help more students from under-represented backgrounds enrol in universities, and helping more of these students finish their degrees. Funding includes:

- \$1.7 billion over four years from 2024–25 (and an additional \$6.1 billion from 2028–29 to 2034–35) to implement a new approach in higher education equity funding to better support students from under-represented backgrounds and those studying at regional campuses from 1 January 2026, subject to the passage of legislation
- \$780.9 million over four years from 2024–25 (and an additional \$10.4 billion from 2028–29 to 2034–35) to transition to a new Managed Growth Funding System for Commonwealth supported places (CSPs) at higher education providers, subject to the passage of legislation. The new Managed Growth Funding System will provide universities with greater certainty about the number of CSPs that are fully funded, and will allow universities to better meet student demand, maintain sustainable growth and more closely link higher education funding to achieving outcomes. It will also allow for demand driven CSPs for equity students
- \$20.2 million over four years from 2024–25 (and an additional \$33.8 million from 2028–29 to 2034–35) to establish the Australian Tertiary Education Commission (ATEC) in an interim capacity from 1 July 2025 and, subject to the passage of legislation, permanently from 1 January 2026. The ATEC will be led by three Commissioners and will provide independent advice to Government on management of the Managed Growth Funding System, pricing, allocation of student places, tertiary sector harmonisation, and sector performance

- \$7.6 million over five years from 2024–25 to the Tertiary Education Quality and Standards Agency (TEQSA) to update TEQSA’s information technology system to meet whole-of-government information security requirements. The cost of this measure will be met over five years from 2024–25 under TEQSA’s cost recovery arrangements.

The Government will also transfer the responsibility for the *Indigenous Student Success Program* from the National Indigenous Australians Agency to the Department of Education to align the program to other funding measures in response to the *Australian Universities Accord Final Report*.

The cost of this measure will be partially met (\$16.4 billion over 11 years from 2024–25) by repurposing existing funding and efficiencies resulting from the introduction of the Managed Growth Funding System.

This measure builds on the 2024–25 Budget measure titled *Australian Universities Accord – tertiary education system reforms*.

Better and Fairer Schools Bilateral Agreements with Western Australia, Northern Territory, Tasmania and Australian Capital Territory

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	-	-	-	-

The Government will provide \$1.1 billion over four years from 2024–25 (and \$4.8 billion over the medium term) to fulfil the Australian Government’s commitment to increase funding for government school students with jurisdictions which have signed the Better and Fairer Schools Agreement. Funding includes:

- \$510.9 million over four years from 2024–25 (and an additional \$1.4 billion from 2028–29 to 2034–35) to increase the Commonwealth’s share of School Resourcing Standard funding to 22.5 per cent by 2026 for students in Western Australia
- \$384.0 million over four years from 2024–25 (and an additional \$1.9 billion from 2028–29 to 2034–35) to increase the Commonwealth’s share of School Resourcing Standard funding to 40 per cent by 2029 for students in the Northern Territory
- \$100.2 million over four years from 2024–25 (and an additional \$265.6 million from 2028–29 to 2034–35) to increase the Commonwealth’s share of School Resourcing Standard funding to 22.5 per cent by 2026 for students in Tasmania
- \$71.5 million over four years from 2024–25 (and an additional \$201.2 million from 2028–29 to 2034–35) to increase the Commonwealth’s share of School Resourcing Standard funding to 22.5 per cent by 2026 for students in the Australian Capital Territory.

The Government will continue to provide funding for the Commonwealth’s share of 20 per cent of the Schooling Resource Standard for states which have signed a one-year Interim School Funding Agreement – New South Wales, Victoria, South Australia and Queensland. Arrangements for the states following the expiry of the one-year interim

funding agreement will be subject to negotiations between the Commonwealth and those states.

The Government has already provided funding for this measure.

Building Australia’s Future – delivering pay rises for early educators

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	652.3	1,828.0	1,089.2	-
Services Australia	-	0.3	0.1	0.2	-
Australian Bureau of Statistics	-	-	0.2	0.2	0.1
Total – Payments	-	652.6	1,828.3	1,089.6	0.1
<i>Related receipts (\$m)</i>					
Australian Taxation Office	-	168.0	*	*	-

The Government will provide \$3.6 billion over four years from 2024–25 to support a wage increase for the Early Childhood Education and Care (ECEC) workforce through a worker retention payment, including:

- \$3.5 billion over three years from 2024–25 to support a wage increase in the ECEC sector of 10 per cent on top of the current national award rate in the first year from December 2024 and 15 per cent in the second year from December 2025
- \$21.4 million over two years from 2025–26 to the Department of Education to support the administration of the grant payment
- \$0.6 million over three years from 2024–25 to Services Australia to facilitate the payment of the grant
- \$0.5 million over three years from 2025–26 to the Australian Bureau of Statistics to develop and maintain an index for the provision of child care services to support a fee constraint for participating providers.

Providers will opt in by applying for the worker retention payment and will be paid in the form of a grant. Funding is conditional on eligible providers:

- limiting fee growth to no more than 4.4 per cent from 8 August 2024 and 4.2 per cent from 8 August 2025
- engaging staff through a workplace instrument that meets grant conditions
- passing on all funding to eligible workers through increased wages.

The Government decision will increase wages for workers in the ECEC sector and subsequently increase income tax receipts. This measure is estimated to increase receipts by \$168.0 million in 2024–25. The increase in receipts over the two years from 2025–26 is unquantifiable due to the unknown impact of future Fair Work Commission decisions at the Annual Wage Review.

The Government will also provide \$10.0 million in 2024–25 to peak bodies, employer organisations, and employee representative organisations in the ECEC sector to assist

providers and their staff to engage with the worker retention payment, including meeting the workplace instrument requirements.

The Government will also expand the eligibility for the ECEC paid practicum subsidy from 2024–25 to include diploma-level qualifications and to increase the maximum subsidy period to eight weeks to better align with the practicum requirements for ECEC qualifications. The subsidy allows ECEC providers to give staff paid leave while undertaking practicums.

The cost of this measure will be partially met from within the existing resourcing of the Department of Education.

This measure builds on the 2023–24 Budget measure titled *Early Childhood Education and Care Workforce*.

Building Australia’s Future – Early Childhood Education and Care Reforms

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	2.7	169.5	329.7	331.6
Services Australia	-	-	6.3	0.2	-
Total – Payments	-	2.7	175.7	329.9	331.6

The Government will provide \$839.9 million over four years from 2024–25 (and \$130.3 million per year ongoing) in addition to \$500 million provisioned in the Contingency Reserve for future financial investments, to improve access to Early Childhood Education and Care (ECEC). Funding includes:

- \$1.0 billion to establish the Building Early Education Fund (the Fund). The Fund will focus on increasing the number of ECEC places across Australia and driving supply of high quality care
 - \$529.6 million over four years from 2024–25 (and an additional \$1.2 million in 2028–29) for targeted capital grant rounds for ECEC providers and state and local governments to establish new services and increase the capacity of existing services. Grants will be targeted to priority and underserved markets, for example those located on school sites, in regional and remote locations and First Nations ECEC services
 - \$2.3 million over two years from 2024–25 to the Department of Education to undertake a business case for the Commonwealth to invest in owning and leasing a portfolio of early childhood education and care centres to increase the supply of ECEC services, with \$500 million over three years from 2026–27 provisioned in the Contingency Reserve for future investments.

- \$291.2 million over three years from 2025–26 (and \$129.0 million per year ongoing) to the Department of Education to increase families’ entitlement to subsidised early childhood education and care by reforming the *Child Care Subsidy* activity test from January 2026. These changes will provide at least 72 hours of subsidised care per fortnight for families, and a greater entitlement of 100 hours for families with First Nations children, regardless of their activity levels
- \$10.4 million over three years from 2024–25 for the Department of Education to develop an Early Education Service Delivery Price to determine the reasonable cost of providing quality ECEC. An external technical expert will be engaged by the Department of Education to support development of the Service Delivery Price, which will provide an evidence-based mechanism for appropriate levels of funding for child care services and inform future reforms
- \$6.4 million over two years from 2025–26 to Services Australia to upgrade the *Child Care Subsidy* system to support the reforms.

Building Boarding Schools on Country – additional funding

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	2.7	1.0	-	-

The Government will provide additional funding of \$3.7 million over two years from 2024–25 to support the operation of Manjali Studio School, a new secondary boarding school in the West Kimberley region for First Nations students due to open in 2025. Funding will support resources for classrooms and administration, uniforms and recruitment costs.

The cost of this measure will be partially met from savings identified in the Department of Education.

This measure builds on the 2023–24 Budget measure titled *First Nations – supporting education outcomes*.

Closing the Gap Partnership on Early Childhood Care and Development

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	-	3.6	3.7	4.1

The Government will provide \$11.4 million to extend the Closing the Gap Partnership on Early Childhood Care and Development (the Partnership) for three years from 2025–26. The Partnership is an Australian Government commitment to bring together governments and First Nations representatives to develop recommendations to improve early childhood outcomes for First Nations children and families.

This measure extends on the *Early Childhood Care and Development Policy Partnership*, a component of the 2022–23 October Budget measure titled *Plan for Cheaper Child Care*.

Education – reprioritisation

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	-35.1	-47.1	-53.4	-61.5

The Government will achieve savings of \$197.1 million over four years from 2024–25 (and an additional \$627.1 million from 2028–29 to 2034–35) by ceasing and reducing funding within the Department of Education. Savings include:

- \$107.4 million over four years from 2024–25 (and an additional \$491.8 million from 2028–29 to 2034–35) by ceasing the *Innovative Places* program on 31 December 2026
- \$89.7 million over four years from 2024–25 (and an additional \$135.3 million from 2028–29 to 2034–35) by better matching the *Tertiary Access Payment* program to demand and expanding access to non-school leavers from 1 January 2025.

The savings from this measure will be redirected to other Government policy priorities in the Department of Education.

First Nations Education Partnership Funding, Education Policy and Education Programs Extensions

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	-	-	-	-

The Government will provide \$8.5 million over four years from 2024–25 to extend programs supporting education outcomes for First Nations students. Funding includes:

- \$4.5 million over three years from 2024–25 to extend the AURORA Education Foundation’s Redefining Indigenous Success in Education (RISE) initiative to support First Nations high school students through activities such as tutoring and mentoring programs, and undertake a comparative analysis of the impacts of these supports
- \$4.0 million over four years from 2024–25 to extend support for the GO Foundation to continue support for young First Nations people by providing access to quality education, mentorship, and pathways to employment.

The Government has already provided funding for this measure.

GENERATION Survey of Post-School Destinations

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	0.4	-	-	-

The Government will provide \$0.4 million in 2024–25 to extend the GENERATION Survey of Post-School Destinations longitudinal study of students transitioning to life after school. Funding will cover the program’s operations for the 2025 calendar year.

Indigenous Boarding Providers – grants program extension

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Indigenous Australians Agency	-	11.5	23.5	12.0	-

The Government will provide additional funding of \$47.1 million over three years from 2024–25 to extend the *Indigenous Boarding Provider* grants program for rural and remote First Nations students for two additional years.

This measure extends the 2023–24 Budget measure titled *Closing the Gap – further investment*.

Quality Outcomes – Parliament and Civics Education Rebate and National Youth Parliament

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	2.8	-	-	-
Department of the House of Representatives	-	0.1	0.9	0.7	-
Total – Payments	-	2.9	0.9	0.7	-

The Government will provide \$2.8 million in 2024–25 to extend the *Parliament and Civics Education Rebate* (PACER) Pilot program for the 2025 calendar year.

The PACER program provides financial assistance for students to visit national democratic, historical and cultural institutions in Canberra. Students from regional, remote, and very remote schools and those in socio-educationally disadvantaged areas will be eligible for additional rebates as part of the extension of the PACER Pilot program.

The Government will also provide \$1.7 million over three years from 2024–25 to the Department of the House of Representatives to prepare for and deliver a National Youth Parliament program in August 2026.

Review into Bullying in Schools

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	1.2	-	-	-

The Government will provide \$1.2 million in 2024–25 to undertake an expert led investigation to examine current procedures and best practice methods looking at what is working to address bullying behaviours and what needs strengthening. The review will advise the Education Ministers Meeting on options for a nationally consistent standard to address bullying, and inform policy development across jurisdictions.

Strengthening the Integrity and Sustainability of the International Education Sector

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Skills Quality Authority	-	2.4	4.0	0.7	0.7
Department of Education	-	2.3	7.7	5.0	5.3
Department of Employment and Workplace Relations	-	-	-	-	-
Total – Payments	-	4.6	11.7	5.7	6.0

The Government will provide \$28.0 million over four years from 2024–25 (and \$5.4 million per year ongoing) to ensure the quality, integrity and sustainability of the international education sector. Funding includes:

- \$16.0 million over four years from 2024–25 (and \$4.4 million per year ongoing) for the Department of Education to monitor international student commencements at the sector and provider level to support the prioritisation of visa processing
- \$7.7 million over four years from 2024–25 (and \$0.4 million per year ongoing) to enable the Australian Skills Quality Authority to deliver additional integrity activities for Australia’s international vocational education and training sector, working closely with sector regulators
- \$4.3 million over three years from 2025–26 (and \$0.6 million per year ongoing) for the Department of Education to provide essential upgrades to the Provider Registration and International Student Management System.

The cost of this measure will be partially met from within the existing resourcing of the Department of Employment and Workplace Relations and from savings identified in the Education portfolio.

Supplementary Funding for the Inclusion Support Program

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	-	105.0	-	-

The Government will provide \$105.0 million in 2025–26 to help early childhood education and care services increase their capacity to support inclusion of children with additional needs, through tailored support and funding to services.

This measure builds on the 2024–25 Budget measure titled *Inclusion Support Program – additional funding*.

Employment and Workplace Relations

Building Australia’s Future – Free TAFE

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	-	-	82.7	171.1
Department of Employment and Workplace Relations	-	-	-	-	-
Total – Payments	-	-	-	82.7	171.1

The Government will provide \$253.7 million over two years from 2026–27 (and an additional \$1.4 billion from 2028–29 to 2034–35) to fund 100,000 Free TAFE places per year from 2027. A new Free TAFE Act will establish Free TAFE as an enduring feature of the national vocational education and training system, subject to the passage of legislation.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2022–23 October Budget measure titled *Vocational Education – Fee-Free TAFE and TAFE Technology Fund*.

Employment and Workplace Relations – reprioritisation

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Employment and Workplace Relations	-	-21.7	-20.0	-3.0	-14.9

The Government will achieve savings of \$67.9 million over four years from 2024–25 (and an additional \$7.0 million from 2028–29 to 2034–35) within the Department of Employment and Workplace Relations. Savings include:

- \$33.1 million over two years from 2024–25 by temporarily pausing new credits to the Workforce Australia – Employment Fund for each new participant to Workforce Australia Online for 12 months until 31 December 2025
- \$22.7 million over four years from 2024–25 (and an additional \$7.0 million from 2028–29 to 2034–35) by reducing and ceasing underutilised programs across the Skills and Training portfolio
- \$8.3 million over three years from 2024–25 by reducing the length of the *New Energy Apprenticeships Mentoring* program
- \$2.3 million in 2024–25 by reducing funding from the 2023–24 MYEFO measure titled *Prohibition on the Use of Engineered Stone – communications strategy*
- \$1.5 million over three years from 2024–25 by reducing funding from the *WorkFoundations* program under the 2024–25 Budget measure titled *Employment Services Reform*.

Partial savings in this measure have already been provided for by the Government.

The savings from this measure will be redirected to other Government policy priorities in the Employment and Workplace Relations portfolio.

Employment Services Reform – additional supports

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Services Australia	-	0.5	-	-	-
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	-	0.3	0.3	0.3
Department of Social Services	-	-
Department of Employment and Workplace Relations	-	-5.3	38.5	33.3	-0.2
Total – Payments	-	-4.7	38.8	33.6	0.1

The Government will provide \$67.6 million over four years from 2024–25 (and \$0.1 million per year ongoing) to support employment services reform through delivery of place-based employment services and strengthened integrity of service delivery processes. Funding includes:

- \$62.6 million over three years from 2024–25 to extend the *Local Jobs* program for two years to 30 June 2027 to connect local employers, job seekers and communities in 51 employment regions
- \$4.9 million over two years from 2024–25 to better ensure the integrity of processes supporting mutual obligation requirements
- \$0.2 million over three years from 2025–26 (and \$0.1 million per year ongoing) to deliver a consolidated, place-based employment program on Norfolk Island from 1 July 2025.

The cost of this measure will be partially met from savings identified in the Employment and Workplace Relations portfolio.

This measure builds on the 2023–24 MYEFO measure titled *Employment White Paper*.

The Government will transfer funding of \$0.7 million over three years from 2025–26 (and \$0.2 million per year ongoing) from the Department of Employment and Workplace Relations and the Department of Social Services to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, for Norfolk Island employment servicing arrangements.

Skills and Training – other priorities

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Employment and Workplace Relations	-	1.6	3.0	-0.3	-0.7

The Government will provide \$3.6 million over four years from 2024–25 to support additional skills and training priorities. Funding includes:

- \$2.9 million over two years from 2024–25 to enable Jobs and Skills Australia to continue to undertake labour market analysis and stakeholder engagement. This will inform the implementation of the three-tier model for the new temporary skilled migration system, including the post-arrival analysis of occupations and wages in the Specialist Skills Stream of the new Skills in Demand visa
- \$0.7 million over four years from 2024–25 to amend the Group Training Organisation Reimbursement Pilot prior to its implementation from 1 January 2025.

This measure extends elements of the 2023–24 MYEFO measure titled *Migration System Reforms* and builds on elements of the 2024–25 Budget measure titled *Future Made in Australia – Workforce and Trade Partnerships for Renewable Energy Superpower Industries*.

Workplace Relations – additional supports

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Employment and Workplace Relations	-	9.6	8.9	-	-
Department of the Treasury	-	2.0	-	-	-
Total – Payments	-	11.5	8.9	-	-

The Government will provide \$20.5 million over two years from 2024–25 to further support progression of the Government’s workplace relations agenda. Funding includes:

- \$16.4 million over two years from 2024–25 to establish a one-year pilot program to support state and territory Trades and Labour Councils and peak employer organisations to deliver initiatives to improve gender equality in gender-segregated industries
- \$2.1 million over two years from 2024–25 for ancillary costs incurred for the administration of the Construction and General Division of the Construction, Forestry and Maritime Employees Union (CFMEU)
- \$2.0 million in 2024–25 to the Victorian Government to continue progressing the establishment of a national labour hire regulation model through harmonisation of state and territory laws.

The cost of this measure will be partially met from savings identified in the Employment and Workplace Relations portfolio.

The Treasury manages Commonwealth payments to the states and territories.
This measure builds on the 2024–25 Budget measure titled *Workplace Relations*.

Finance

Electoral Communications

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Electoral Commission	-	2.2	4.6	6.3	10.2
Department of Finance	-	0.2	1.2	0.2	0.2
Total – Payments	-	2.4	5.8	6.5	10.4

The Government will provide \$25.1 million over four years from 2024–25 (and \$7.2 million per year ongoing with an additional \$3.3 million in 2030–31 and each third year thereafter) to address misleading or incorrect content in electoral communications and political advertising, including funding the Australian Electoral Commission to establish an Electoral Communications Panel and undertake a Digital Media Literacy Program. Funding will also be provided to the Department of Finance to manage appointments to the Electoral Communications Panel.

Finance Portfolio – additional resourcing

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Finance	-	1.5	2.8	-	-
Parliamentary Workplace Support Service	-	-	2.4	2.4	2.5
Total – Payments	-	1.5	5.2	2.4	2.5

The Government will provide \$11.6 million over four years from 2024–25 (and \$2.5 million per year ongoing) to support the delivery of Government priorities in the Finance portfolio. Funding includes:

- \$7.3 million over three years from 2025–26 (and \$2.5 million per year ongoing) to fund the ongoing operation of the Independent Parliamentary Standards Commission to support safe and respectful workplaces for parliamentarians, their staff and other people who work in a Commonwealth parliamentary workplace
- \$4.3 million over two years from 2024–25 for the Department of Finance to continue to support smaller entities to navigate the new Australian Public Service Enterprise Resource Planning (ERP) approach and plan an ERP solution that best meets each entity’s needs and budget.

This measure builds on the 2023–24 MYEFO measure titled *Future of Shared Services* and the 2024–25 Budget measure titled *Initial Funding for the Independent Parliamentary Standards Commission*.

Reforming the Commonwealth Funding and Disclosure Scheme

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Finance	-	0.1	0.1	0.1	0.1
Digital Transformation Agency	-	0.1	0.1	0.1	0.1
Australian Electoral Commission	-	nfp	nfp	nfp	nfp
Total – Payments	-	0.2	0.2	0.2	0.2

The Government will provide funding to support the new Commonwealth electoral funding and disclosure scheme to improve the integrity and transparency of Australia’s electoral processes, including funding for the Australian Electoral Commission to implement and administer the new scheme, funding to support necessary IT enhancements, anticipated election funding as well as administrative and compliance funding.

The financial implications for this measure are not for publication (nfp) because they would impair the Commonwealth’s position in negotiating contracts with industry.

Foreign Affairs and Trade

Critical Minerals Facility – additional support for Iluka Resources Eneabba Rare Earths Refinery

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Export Finance and Insurance Corporation (National Interest component)	-	-	nfp	nfp	nfp
<i>Related receipts (\$m)</i>					
<i>Export Finance and Insurance Corporation (National Interest component)</i>	-	-	nfp	nfp	nfp

The Government will provide up to \$475.0 million in additional financing through the Critical Minerals Facility for Iluka Resources to continue to develop the Eneabba Rare Earths Refinery in Western Australia.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

Enhancing Pacific Engagement

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Foreign Affairs and Trade	-	52.2	70.1	61.2	76.7

The Government will provide \$383.7 million over four years from 2024–25 to enhance and expand Australia’s engagement with Pacific Island countries. Funding includes:

- \$256.5 million over four years from 2024–25 (and \$378.3 million from 2028–29 to 2033–34) to support the entry of a Papua New Guinea (PNG) franchise into the National Rugby League, including supporting the entry of PNG teams into the elite men’s and women’s competitions, grassroots rugby league programs and elite development pathways in PNG and Pacific Island countries
- \$120.6 million over four years from 2024–25 (and \$42.0 million in 2028–29 and \$2.0 million per year ongoing from 2029–30) to support enhanced economic, social and security cooperation with Nauru under the *Nauru-Australia Treaty*
- \$6.6 million over three years from 2025–26 for additional scholarships through the Australia Awards program for students from the Indo-Pacific region, which contributes to the development needs of Australia’s partner countries in line with bilateral and regional agreements.

The Government has already provided partial funding for this measure.

The cost of this measure will be partially met from within the existing resourcing of the Department of Foreign Affairs and Trade.

This measure builds on the 2024–25 Budget measures titled *Enhancing Pacific Infrastructure and Engagement* and *Policing Engagement and Training*, the 2023–24 MYEFO measures titled *Enhancing Pacific Engagement* and *Australian Infrastructure Financing Facility for the Pacific – PNG loan* and the 2023–24 Budget measure titled *Enhancing Pacific Engagement*.

See also the related payment measure titled *Pacific Policing Initiative – Centres of Excellence* in the Attorney-General’s portfolio.

Lebanon Repatriation and Related Support

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Foreign Affairs and Trade	-	44.9	-	-	-
Department of Home Affairs	-	1.0	-	-	-
National Emergency Management Agency	-	0.1	-	-	-
Total – Payments	-	46.0	-	-	-

The Government will provide \$46.0 million in 2024–25 for repatriation and related support for Australian citizens, permanent residents and their families from Lebanon who have been significantly affected as a result of the recent and ongoing conflict.

This measure builds on the 2024–25 Budget measure titled *Middle East Crisis Response*.

See also the related payment measure titled *Assistance for Recent Arrivals from Conflict Zones* in the Home Affairs portfolio.

Malaysia Airlines Flight MH17 – ongoing efforts

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Foreign Affairs and Trade	-	-	3.7	-	-
Attorney-General’s Department	-	-	2.2	-	-
Total – Payments	-	-	5.9	-	-

The Government will provide \$5.9 million in 2025–26 to continue diplomatic activities and legal action in pursuit of truth, justice and accountability for the downing of Malaysia Airlines flight MH17.

Sculpture by the Sea – Perth

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Trade and Investment Commission	-	0.8	0.8	-	-

The Government will provide \$1.5 million over two years from 2024–25 to support the Sculpture by the Sea exhibitions in Perth, Western Australia.

Southeast Asia Investment Financing Facility – Investment in FAST-P Green Investments Partnership fund

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Export Finance and Insurance Corporation (National Interest component)	-	nfp	nfp	nfp	nfp
<i>Related receipts (\$m)</i>					
Export Finance and Insurance Corporation (National Interest component)	-	nfp	nfp	nfp	nfp

The Government will invest USD50.0 million (approximately AUD75.0 million) from 2024–25 under the Southeast Asia Investment Financing Facility to support an investment in the Singapore Government-backed Financing Asia’s Transition Partnership (FAST-P) Green Investments Partnership fund. Australia will invest alongside likeminded international partners to support the clean energy transition in Southeast Asia.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

Health and Aged Care

10-Year National Action Plan for the Health and Wellbeing of LGBTIQ+ People

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	2.4	5.5	4.6	3.1

The Government will provide \$15.5 million over four years from 2024–25 to support the implementation of the 10-Year National Action Plan for the Health and Wellbeing of LGBTIQ+ people. Funding includes:

- \$13.1 million over four years from 2024–25 to provide grants for LGBTIQ+ community programs that support the health and wellbeing of LGBTIQ+ people through clinical and non-clinical services
- \$2.0 million over two years from 2024–25 to La Trobe University to continue and expand LGBTIQ+ health and wellbeing surveys “Private Lives” and “Writing Themselves In”
- \$0.5 million over four years from 2024–25 to Intersex Human Rights Australia to continue the InterLink program to provide mental health and wellbeing services to people with innate variations of sex characteristics.

This measure builds on the 2023–24 Budget measure titled *10 Year National Action Plan for LGBTIQ+ Health and Wellbeing*.

Adding Maternal Vaccine for Respiratory Syncytial Virus to the National Immunisation Program

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	43.3	41.3	41.9	42.6
Department of the Treasury	-	-	1.8	1.8	1.9
Total – Payments	-	43.3	43.1	43.7	44.4

The Government will provide \$174.5 million over four years from 2024–25 (and \$44.4 million per year ongoing) to support the addition of a maternal respiratory syncytial virus (RSV) vaccine to the *National Immunisation Program* (NIP). The vaccine will be subsidised for the prevention of lower respiratory tract illness caused by RSV in infants from birth through to six months of age, with all pregnant women between 28 and 36 weeks eligible for vaccination.

The Treasury manages Commonwealth payments to the states and territories. States and territories will deliver an RSV vaccination program under the NIP.

An Effective and Clinically Appropriate Medicare Benefits Schedule

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	61.4	48.1	59.9	69.3
Services Australia	-	1.8	1.5	0.8	0.9
Department of Veterans' Affairs	-	0.8	0.6	0.8	0.9
Total – Payments	-	64.1	50.3	61.5	71.1

The Government will provide \$246.9 million over four years from 2024–25 (and \$82.4 million per year ongoing) to ensure the Medicare Benefits Schedule (MBS) remains clinically appropriate and reflects modern medical practices, including:

- \$185.5 million over four years from 2024–25 (and \$82.3 million per year ongoing) to maintain high quality health care through amendments to items on the MBS, including:
 - \$72.0 million over four years from 2024–25 (and \$37.2 million per year ongoing) to support the treatment of advanced stage prostate cancer
 - \$48.1 million over three years from 2025–26 (and \$17.2 million per year ongoing) to provide imaging tests to detect a wider range of cancers
 - \$32.2 million over four years from 2024–25 (and \$17.7 million per year ongoing) to allow greater access to surgical services by expanding the pool of surgical assistants to include Nurse Practitioners.
- \$61.0 million in 2024–25 to defer changes to Chronic Disease Management planning items until 1 July 2025, to allow more time to support general practices and providers to prepare for the changes.

This measure builds on the 2023–24 Budget measure titled *A Modern and Clinically Appropriate Medicare Benefits Schedule*, and the 2024–25 Budget measure titled *Strengthening Medicare – an effective and clinically appropriate Medicare Benefits Schedule (MBS)*.

Eighth Community Pharmacy Agreement

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Veterans' Affairs	-	-	-	-	-
Services Australia	-	-	-	-	-
Department of Health and Aged Care	-	-27.9	-38.0	-30.9	10.4
Total – Payments	-	-27.9	-38.0	-30.9	10.4

The Government will provide \$1.8 billion over four years from 2024–25 (and an additional \$488.5 million from 2028–29 to 2029–30) for community pharmacy remuneration and to support access to medicines under the Eighth Community Pharmacy Agreement. Funding includes:

- \$2.1 billion over six years from 2024–25 to provide community pharmacies with additional legislated payments, known as the Additional Community Supply Support Payment
- \$52.0 million over five years from 2024–25 to increase the Regional Pharmacy Maintenance Allowance
- \$43.0 million in 2024–25 as a Seventh Community Pharmacy Agreement (7CPA) remuneration adjustment closure cost, due to the early termination of the 7CPA
- \$39.6 million over five years from 2024–25 in implementation and evaluation costs, including an education campaign.

The Government has already provided partial funding for this measure.

This measure builds on the 2024–25 Budget measure titled *Securing Cheaper Medicines*.

The Government will also achieve savings of \$127.9 million over three years from 2024–25 by ceasing funding for the Regional Pharmacy Transition Allowance which terminated on 1 July 2024.

Ensuring the Viability and Quality of Aged Care

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Services Australia	-	95.6	34.6	20.0	22.2
Aged Care Quality and Safety Commission	-	1.3	1.4	-	-
Australian Digital Health Agency	-	1.1	-	-	-
Department of Veterans' Affairs	-	-7.9	-21.1	-21.9	-53.4
Department of Health and Aged Care	-	-247.3	1,141.1	860.6	-1,581.8
Total – Payments	-	-157.1	1,156.0	858.7	-1,613.0

The Government will provide \$5.4 billion over four years from 2024–25 (and an additional \$6.8 billion from 2028–29 to 2033–34) 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 *Support at Home Program*. Funding includes:

- \$4.7 billion over four years from 2024–25 (and an additional \$6.0 billion from 2028–29 to 2033–34) for the new *Support at Home Program*, including:
 - \$1.9 billion over three years from 2025–26 (and a saving of \$322.0 million from 2028–29 to 2033–34) to provide improved in-home care, including care management services, to older Australians from 1 July 2025
 - \$1.1 billion over three years from 2025–26 (and an additional \$3.4 billion from 2028–29 to 2033–34) for an Assistive Technology and Home Modifications scheme to enable older Australians to access assistive items and home modifications to stay in their homes longer

- \$798.7 million over four years from 2024–25 (and an additional \$2.5 billion from 2028–29 to 2033–34) for a restorative care pathway to deliver multi-disciplinary allied health programs and time limited services, for up to 12 weeks, for older Australians assessed as benefitting from this support
- \$637.4 million over two years from 2025–26 for grants to support home care providers in thin markets
- \$132.7 million over three years from 2025–26 (and an additional \$385.1 million from 2028–29 to 2033–34) for a new end-of-life pathway to increase the services available to older Australians in the last three months of their life
- \$109.5 million over two years from 2024–25 to support the preparation, implementation and evaluation of the new program
- \$35.6 million over four years from 2024–25 (and an additional \$53.9 million from 2028–29 to 2033–34) to develop and implement an assurance framework for the new program
- \$5.2 million over three years from 2025–26 to trial budget pooling, which would allow participants to combine their budgets to achieve economies of scale in service delivery.
- \$743.5 million over four years from 2024–25 (and an additional \$787.7 million from 2028–29 to 2033–34) to improve the funding, viability and quality of residential aged care, including:
 - \$390.9 million over three years from 2025–26 (and an additional \$776.4 million from 2028–29 to 2033–34) to provide a one-off increase to the hotelling supplement paid to approved providers
 - \$300.0 million over two years from 2025–26 for the *Aged Care Capital Assistance Program* to provide grants to support aged care providers in regional, rural and remote areas (Modified Monash 3 to Modified Monash 7) to build, extend or upgrade aged care services, or to build staff accommodation
 - \$35.1 million over four years from 2024–25 for the Independent Health and Aged Care Pricing Authority to undertake pricing and costing research activities for the *Multi-Purpose Services* and the *National Aboriginal and Torres Strait Islander Flexible Aged Care* programs to provide advice on the cost of delivering aged care services in thin markets and a feasibility study of tiering the hotelling supplement based on provider location and resident care needs
 - \$4.6 million over four years from 2024–25 (and an additional \$2.7 million from 2028–29 to 2033–34) to implement reforms to accommodation funding arrangements in residential aged care homes to improve viability for the sector
 - \$4.5 million over four years from 2024–25 (and an additional \$8.6 million from 2028–29 to 2033–34) to exempt National Redress Scheme payments from being considered assessable assets under the residential aged care means testing arrangements

- \$3.5 million over two years from 2024–25 for a stocktake and review of rural and remote policy settings across all aged care programs, including the appropriateness of the Modified Monash Model
- \$2.8 million over three years from 2024–25 to improve sector innovation including extending funding for Aged Care Research and Industry Innovation Australia until 30 June 2026 to continue to deliver research, training, and innovation services and funding for the *Data and Digital Support Program* to support the innovation and development of a new reporting strategy and system
- \$2.1 million over two years from 2024–25 to replace the existing residential aged care Additional Service Fee and Extra Service Fees with a streamlined Everyday Living Fee that providers can charge in exchange for higher quality goods and service levels.

The Government has also agreed to:

- introduce a new framework for participant co-contributions to create a fairer, more equitable and sustainable aged care system for older Australians. This new framework will save \$3.0 billion over four years from 2024–25 (and \$15.8 billion from 2028–29 to 2033–34)
- increase the maximum room price that providers can charge before needing approval from the Independent Health and Aged Care Pricing Authority from \$550,000 to \$750,000, and introduce a requirement for providers to retain a small portion of new refundable accommodation deposits received and index daily accommodation payments
- temporarily reduce the residential aged care provision ratio from 78.0 places to 59.3 places per 1,000 people aged over 70 years in 2024–25, with the provision to gradually increase to 61.5 places per 1,000 people aged over 70 years in 2029–30. The reduction in the ratio reflects the increasing preference of older Australians to remain in their homes and will save \$1.7 billion over four years from 2024–25 (and an additional \$1.7 billion from 2028–29 to 2029–30)
- provide higher-level packages in the *Support at Home Program* that will delay the entry of older Australians into residential aged care and will save \$446.2 million over three years from 2025–26 (and an additional \$1.2 billion from 2028–29 to 2033–34).

This measure will be partially offset by reprioritising funding from Program 3.2 – Aged Care Services.

Establishment of the Australian Centre for Disease Control

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	10.2	84.2	81.4	75.7
Department of Finance	-	-	0.1	0.1	-
Total – Payments	-	10.2	84.3	81.5	75.7

The Government will provide \$251.7 million over four years from 2024–25 (and \$73.3 million per year ongoing) to establish the Australian Centre for Disease Control as an independent agency.

This measure builds on the 2022–23 October Budget measure titled *Australian Centre for Disease Control – design and consultation*, the 2023–24 Budget measure titled *Establish the Australian Centre for Disease Control* and the 2024–25 Budget measure titled *Preventive Health*.

Funding Pay Increases for Aged Care Workers

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Veterans' Affairs	-	0.2	0.2	-	-
Department of Health and Aged Care	-	-12.3	60.4	24.5	21.6
Total – Payments	-	-12.1	60.6	24.5	21.6

The Government will provide \$226.9 million over four years from 2024–25 (and an additional \$378.2 million from 2028–29 to 2033–34) to fund the outcome of the Fair Work Commission’s Stage 3 decision on the Aged Care Work Value Case. The decision was to increase the minimum award wages from 1 January 2025 for many aged care workers, including assistants in nursing, personal care workers, home care workers, recreational activity officers, administration staff, maintenance staff and gardeners, cleaners and food services assistants. This is in addition to the 2023–24 Budget measure titled *Funding Pay Increases for Aged Care Workers*. Funding includes:

- \$167.8 million over four years from 2024–25 (and an additional \$339.9 million from 2028–29 to 2033–34) for two new grant programs for *Commonwealth Home Support Programme* providers to cover the cost of the increase in award wages
- \$40.5 million over two years from 2024–25 for a new grant program to fund the historical leave provisions of staff working in Commonwealth-funded aged care providers
- \$18.6 million over four years from 2024–25 (and an additional \$38.3 million from 2028–29 to 2033–34) to uplift funding for the *Indigenous Employment Initiative*, *National Aboriginal and Torres Strait Islander Flexible Aged Care Program*, and *Multi-Purpose Service Program*.

This measure will be partially offset by reprioritising funding from Program 3.2 – Aged Care Services.

The 2024–25 MYEFO also includes \$3.7 billion over four years from 2024–25 (and an additional \$8.9 billion from 2028–29 to 2033–34) to meet the cost of the Fair Work Commission’s Stage 3 decision on the Aged Care Work Value Case with funding to other aged care programs including residential aged care and the *Home Care Packages Program*, which will be delivered through increases that will flow through program indexation.

Improving Aged Care Support

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	244.2	178.3	-1,123.4	-1,298.2
Services Australia	-	2.3	17.7	1.6	1.3
Department of Veterans' Affairs	-	1.6	..	-32.7	-37.4
Total – Payments	-	248.1	196.0	-1,154.5	-1,334.3

The Government will provide \$1.0 billion over seven years from 2024–25 to deliver key aged care reforms and to continue to implement recommendations from the Royal Commission into Aged Care Quality and Safety. Funding includes:

- \$596.8 million over seven years from 2024–25 for private providers, and states and territories to undertake aged care assessment services under the Single Assessment System, including transition support, addressing wage increases and reducing the assessment waitlist to ensure continuity of assessment services
- \$157.8 million over two years from 2024–25 to provide continued COVID-19 support for aged care, including extending the Aged Care Outbreak Management Supplement and addressing low vaccination rates in aged care
- \$101.7 million in 2024–25 to release an additional 7,615 Home Care Packages to meet growing demand, reduce the average wait times for packages ahead of the commencement of the *Support at Home Program* on 1 July 2025 and to support timely discharge of long stay older patients out of hospital
- \$88.1 million over three years from 2025–26 to provide additional funding to very remote residential aged care services under the *National Aboriginal and Torres Strait Islander Flexible Aged Care Program* to align with the national price under the Australian National Aged Care Classification
- \$41.4 million in 2025–26 to extend the aged care viability support programs, including the *Market Adjustment Program*, to provide business advisory services to improve the viability of the residential aged care sector
- \$9.4 million over two years from 2024–25 to extend the *Dementia Training Program* and the Australian Dementia Network to improve the capability of the health and aged care workforce to support dementia diagnosis and care, particularly in rural areas, and to better position General Practitioners for new dementia treatment options

- \$4.1 million over three years from 2024–25 to extend funding for the interim First Nations Aged Care Commissioner
- \$1.7 million in 2025–26 to extend funding for the Maggie Beer Foundation to improve the quality of food for people in aged care.

The Government will achieve savings of \$233.0 million over four years from 2024–25 (and \$109.7 million per year ongoing) through better targeting residential aged care funding. The Government will adjust the 24/7 registered nurse supplement to align with changes recommended by the Independent Health and Aged Care Pricing Authority in its *Residential Aged Care Pricing Advice 2024–25*. The Government will also link care minute funding to the delivery of care minutes from 1 October 2025 for residential aged care providers in metropolitan areas.

The Government will achieve savings of \$2.5 billion over three years from 2025–26 (and \$234.1 million per year ongoing) by improving payment arrangements for residential aged care. The Government will transition to paying providers in arrears rather than in advance for the provision of services over two years from 1 July 2026. This will align payment arrangements for residential aged care providers with other government programs such as home care and the National Disability Insurance Scheme. Providers will not have their funding reduced through this measure.

The Government has already provided partial funding for this measure.

This measure builds on the 2023–24 Budget and 2024–25 Budget measures titled *Improving Aged Care Support*, the 2023–24 MYEFO measure titled *Continued Support for the COVID-19 Response*, the 2023–24 Budget measure titled *Improving Health Outcomes for Aboriginal and Torres Strait Islander People* and the 2022–23 October Budget measure titled *Fixing the Aged Care Crisis*.

Improving Cancer Outcomes

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	9.9	13.5	2.1	0.5
Department of Veterans' Affairs	-	0.1	0.1	..	-
Services Australia	-	-	-
Total – Payments	-	10.0	13.7	2.1	0.5

The Government will provide \$26.3 million over four years from 2024–25 to continue support for cancer screening and specialist programs to improve cancer outcomes for Australians. Funding includes:

- \$21.7 million over three years from 2024–25 to support access to bowel cancer screening kits for Australians between the age of 45 and 49 years old through the *National Bowel Cancer Screening Program*

- \$2.7 million over two years from 2025–26 to continue support of the *Prostate Cancer Specialist Nurses Program* to ensure patients with prostate cancer continue to receive vital care and support
- \$1.9 million over four years from 2024–25 to Canteen to ensure continuation of high-quality and personalised care to adolescents and young adults with cancer through the Youth Cancer Services Program.

This measure builds on the 2024–25 Budget measure titled *Improving Cancer Outcomes*.

Investment in Sports

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	0.8	0.4	-	-
Australian Sports Commission	-	0.6	0.6	-	-
Department of Health and Aged Care	-	-0.8	2.5	-	-
Total – Payments	-	0.6	3.4	-	-

The Government will provide \$325.8 million over two years from 2024–25 to support major sporting events, high-performance sport programs, sport participation, and investment in sporting infrastructure, including:

- \$67.3 million over two years from 2024–25 to establish a new Direct Investment Fund, providing targeted funding to National Sporting Organisations (NSOs) to support high performance prior to the Brisbane 2032 Olympic and Paralympic Games
- \$54.9 million over two years from 2024–25 to establish a new Paralympic Investment Fund to uplift and address systematic and structural barriers to performance, including improved classification opportunities, access to fit-for-purpose training environments and specialised coaching and performance support
- \$51.2 million over two years from 2024–25 to extend the *High-Performance Grants Program* to assist NSOs and National Sporting Organisations for people with a Disability (NSODs) which will support over 2,000 athletes and staff of Olympic and Paralympic sports
- \$40.5 million over two years from 2024–25 to continue the existing Olympic and Paralympic Preparation Fund, providing financial assistance for eligible NSOs and NSODs to support the delivery of key high-performance initiatives and projects, enhancing the performance of Australian athletes in key international sporting events
- \$37.0 million over two years from 2024–25 to extend the *Performance Pathways Grants Program* to assist in maintaining support for athletes' wellbeing, including the delivery of mental health initiatives, community engagement, professional development services and representation at showcase events
- \$20.0 million in 2024–25 as a co-contribution with the New South Wales Government to work with the Australian Rugby League Commission and the Inner West Council to upgrade and restore the Leichhardt Oval in Sydney

- \$17.6 million over two years from 2024–25 to extend the *Direct Athletes Investment Support Grants Program* which provides financial support to athletes to enable them to focus on training and competitions to achieve the strategy targets in Olympic, Paralympic and Commonwealth Games sports
- \$15.0 million over two years from 2024–25 to Football Australia for the delivery of the Women’s Asian Cup 2026 to be held in Australia
- \$14.9 million over two years from 2024–25 to Australian Sports Commission to manage sport grants programs
- \$1.7 million in 2025–26 to continue The Big Issue’s Community Street Soccer program
- \$1.2 million over two years from 2024–25 as a co-contribution with the New South Wales Government for the delivery of the 2025 International Canoe Federation Canoe Slalom World Championships to be held in Sydney
- \$1.2 million in 2025–26 to the Indigenous Marathon Foundation for the Indigenous Marathon Project which supports young First Nations people to train and participate in marathon events
- \$1.2 million over two years from 2024–25 to support the delivery of VIRTUS World Athletic Championships to be held in the Gold Coast and the 2025 World Boccia Challenger to be held in Canberra
- \$1.1 million over two years from 2024–25 to continue supporting First Nations community participation in AFL training and competitions across the Northern Territory
- \$1.0 million in 2024–25 to the Australian Sports Commission to provide medal incentive payments to Australian Paralympians who won medals at the Paris 2024 Paralympic Games.

The Government has also committed to provide funding to Paralympics Australia for incentive payments to athletes who win medals at the Milano Cortina 2026 Winter Paralympic Games.

The cost of this measure will be partially met from within the existing resourcing of the Department of Health and Aged Care.

The Treasury manages Commonwealth payments to the states and territories.

The Government has already provided partial funding for this measure.

Northern Heart Centre in Launceston

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	22.0	48.0	20.0	20.0

The Government will provide funding of \$120.0 million over six years from 2024–25 to the Tasmanian Government to support the establishment of the Northern Heart Centre in the

Launceston General Hospital. The Centre will deliver comprehensive best practice cardiac care from diagnosis, through treatment and recovery.

The Treasury manages Commonwealth payments to the states and territories.

Pharmaceutical Benefits Scheme New and Amended Listings

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	4.1	544.2	676.6	633.3	624.7
Department of Veterans' Affairs	0.1	7.4	10.1	10.1	9.0
Services Australia	0.2	1.3	0.6	0.4	0.4
Total – Payments	4.4	552.9	687.3	643.8	634.1
<i>Related receipts (\$m)</i>					
<i>Department of Health and Aged Care</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>

The Government will provide \$2.5 billion over five years from 2023–24 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS), Repatriation Pharmaceutical Benefits Scheme, Life Saving Drugs Program, National Epidermolysis Bullosa Dressing Scheme and Stoma Appliance Scheme. Examples of new and amended PBS listings since the 2024–25 Budget include:

- osimertinib (Tagrisso®) from 1 June 2024, which has been expanded for use as additional therapy after surgery for patients with epidermal growth factor receptor mutation positive early-stage non-small cell lung cancer
- elexacaftor with tezacaftor and with ivacaftor, and ivacaftor (Trikafta®) from 1 August 2024, expanded to include children aged two to five years with cystic fibrosis who have at least one F508del mutation on the cystic fibrosis transmembrane conductance regulator gene
- selumetinib (Koselugo®) from 1 August 2024, for the treatment of symptomatic, inoperable benign nerve tumours in children two years old and over with neurofibromatosis type 1
- trastuzumab deruxtecan (Enhertu®) from 1 September 2024, for the treatment of human epidermal growth factor receptor 2-low unresectable or metastatic breast cancer
- avacopan (Tavneos®) from 1 October 2024, for the treatment of certain types of rare autoimmune diseases that cause inflammation of blood vessels
- icosapent ethyl (Vazkepa®) from 1 October 2024, for the treatment of patients with heart disease
- belzutifan (Welireg®) from 1 December 2024, for the treatment of patients with von Hippel-Lindau disease who require therapy for associated renal cell carcinoma, central nervous system haemangioblastomas, or pancreatic neuroendocrine tumours.

The financial implications for some elements of this measure are not for publication (nfp) because the disclosure of funding would reveal individual arrangements between third

parties and the Commonwealth that are confidential and commercially privileged, which must not be disclosed under Deeds of Agreements.

Preventive Health

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	22.8	58.6	14.0	13.1
Department of the Treasury	-	-	-	-	-
Total – Payments	-	22.8	58.6	14.0	13.1

The Government will provide \$187.9 million over five years from 2024–25 to improve health outcomes through preventive and other health initiatives. Funding includes:

- \$50.1 million over five years from 2024–25 for the Juvenile Diabetes Research Foundation to undertake medical research into Type 1 Diabetes (T1D) with a focus on screening and prevention, improving and targeting treatment, and accelerating the search for a cure to T1D
- \$43.3 million over four years from 2024–25 to support states and territories to increase the number of conditions that are screened through the newborn bloodspot screening programs
- \$26.0 million over five years from 2024–25 to the Australian Institute of Health and Welfare to continue and expand chronic condition data collection and research
- \$15.0 million in 2024–25 to the Australian Stroke Alliance to continue urgent stroke care across Australia under the *Stroke Golden Hour Program*
- \$14.1 million in 2025–26 to improve health outcomes through extending existing alcohol and other drug treatment services in the community, aligning with the *National Framework for Alcohol, Tobacco and Other Drug Treatment 2019–2029*
- \$7.7 million over two years from 2024–25 to continue critical patient and clinician support services for Australians with chronic conditions, in support of the *National Preventive Health Strategy 2021–2030*
- \$5.4 million in 2025–26 to continue the *Health in My Language* program, which provides training to bilingual health educators and workers to deliver health services and information to multicultural communities
- \$5.1 million in 2025–26 to continue delivery of the Every Moment Matters awareness campaign, to support women who are planning pregnancy to achieve alcohol-free pregnancies and reduce the incidence of babies born with fetal alcohol spectrum disorder (FASD)
- \$4.3 million in 2025–26 to extend funding for FASD prevention, diagnosis and support activities to continue to support Australians living with FASD, their families and carers

- \$4.0 million in 2025–26 to continue the Australian Longitudinal Study on Male Health, including data, analysis and reporting on health and wellbeing of Australian men and boys
- \$3.1 million in 2025–26 to extend the Australian Red Cross Lifeblood’s role to continue providing pasteurised donor human milk to premature babies in neonatal intensive care units or special care units across the hospital network
- \$2.6 million in 2025–26 to continue support for the Australian Breastfeeding Association’s National Breastfeeding Helpline, to provide a free-call service on breastfeeding to women and their families
- \$2.3 million in 2025–26 to extend a range of actions to reduce the stillbirth rate in Australia and to ensure high quality care is provided to families who experience stillbirth
- \$1.8 million in 2024–25 to support Children’s Ground to continue delivery of culturally safe health and wellbeing services for children and their families in First Nations communities
- \$1.2 million in 2024–25 to support Small & Up and Monash Health to continue delivery of FASD prevention, diagnosis and support services
- \$0.7 million in 2025–26 to expand the delivery of the Strong Born campaign, which provides information about FASD to First Nations people
- \$0.6 million in 2025–26 to the University of New South Wales for the maintenance and improvement of the YourIVFSuccess website, to support Australian couples with independent advice and information on fertility support services and In Vitro Fertilisation (IVF)
- \$0.5 million in 2025–26 to maintain the Consumers Health Forum’s continued viability as a national peak body representing Australian healthcare consumers.

The Government has already provided partial funding for this measure.

The cost of this measure will be partially met from within the existing resourcing of the Department of Health and Aged Care.

The Treasury manages Commonwealth payments to the states and territories.

This measure extends the 2024–25 Budget measure titled *Preventive Health*.

Private Health Insurance – Prescribed List of Medical Devices and Human Tissue Products

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	-1.3	-1.3	-1.3	-1.3
<i>Related receipts (\$m)</i>					
<i>Department of Health and Aged Care</i>	-	-1.3	-	-	-

The Government will achieve savings of \$5.1 million over four years from 2024–25 (and \$1.3 million per year ongoing) by ceasing ongoing direct funding of compliance and post listing review activities for medical devices on the Prescribed List of Medical Devices and Human Tissue Products, which will be funded by cost recovery from industry from 2025–26.

This measure will decrease receipts by \$1.3 million in 2024–25.

Private Hospital Financial Health Check

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	-	-	-	-

The Government has provided \$0.7 million over two years from 2023–24 to undertake a Private Hospital Financial Health Check.

The cost of this measure will be met from within the existing resourcing of the Department of Health and Aged Care.

Renegotiating Supply of the Novavax COVID-19 Vaccine

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	-146.6	-60.1	-	-

The Government will achieve savings of \$206.7 million over two years from 2024–25 by renegotiating the terms of the advance purchase agreement entered into with Novavax, Inc for the purchase of COVID-19 vaccines.

The savings from this measure will fund other Government policy priorities in the Department of Health and Aged Care.

This measure relates to the 2023–24 Budget measure titled *COVID-19 Response*.

Securing Access to Medicines

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	15.0	5.0	-	-
Department of Health and Aged Care	-	4.9	0.4	-	-
Total – Payments	-	19.9	5.4	-	-

The Government will provide \$35.3 million over two years from 2024–25 to increase public awareness of and access to medicines. Funding includes:

- \$20.0 million over two years from 2024–25 to facilitate access to difluoromethylornithine (DFMO) for people with high-risk neuroblastoma
- \$10.0 million in 2024–25 to update the Pharmaceutical Benefits Scheme (PBS) 60-day Prescriptions Education Campaign to raise awareness of new cost saving measures available for patients taking PBS medicines
- \$5.3 million over two years from 2024–25 to support timely consideration of Pharmaceutical Benefits Advisory Committee submissions including health technology assessment evaluation, committee costs and departmental resourcing.

The Government has already provided partial funding for this measure.

The Treasury manages Commonwealth payments to the states and territories.

Strengthening Medicare

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	0.8	479.8	94.7	7.4
Services Australia	-	..	0.3	-	-
Department of the Treasury	-	-	12.5	4.9	4.9
Department of Social Services	-	-	8.5	8.7	-
Department of Veterans' Affairs	-	-	0.2	..	-
Total – Payments	-	0.8	501.3	108.4	12.3

The Government will provide \$749.2 million over four years from 2024–25 to provide better access and more affordable health care. Funding will support greater access to primary care and other health services, including:

\$143.1 million over three years from 2024–25 to provide better access and more affordable primary care for all Australians, including:

- \$68.4 million in 2025–26 to extend the *Primary Health Networks (PHN) After-Hours Homelessness Access Program* and *PHN Multicultural Access Program* to improve equity and access to primary care services across Australia

- \$8.0 million in 2024–25 to raise awareness of Medicare services and increase uptake of quality health care
- \$3.4 million in 2025–26 for Royal Far West’s *National Paediatric Telecare Service* to support children with developmental delays in rural and remote regions of Australia
- \$3.2 million in 2025–26 to continue the trial of the *Palliative Care Service Navigation Pilot* at two pilot locations in South Australia to provide a comprehensive and multidisciplinary approach to end-of-life care services.

\$71.2 million over three years from 2024–25 to strengthen and support the health workforce, including:

- \$17.4 million in 2025–26 for the *General Practice Incentive Fund* to continue improved access to primary care in thin markets
- \$16.7 million in 2025–26 to extend the *Rural Locum Assistance Program for Aged Care* and the *Northern Territory Locum Program* to 30 June 2026 to continue service delivery for rural and remote aged care services and health services in the Northern Territory
- \$13.6 million in 2025–26 to extend the *Pre-Fellowship Program* to support non-vocationally registered doctors to gain general practice experience and increase access to primary care in areas of need
- \$10.5 million in 2024–25 to develop a national Primary Care Health Workforce Campaign to raise awareness of the benefits and value of working in primary care and the investments being made to support and expand the sector, including in regional, rural and remote areas
- \$8.1 million over three years from 2024–25 to extend the *Other Medical Practitioners Programs*, to enable eligible non-vocationally recognised doctors to access higher Medicare Benefits Schedule rebates when delivering services in approved locations, including rural and remote areas
- \$4.8 million in 2025–26 to support bereaved parents by maintaining the number of perinatal pathologists to perform stillbirth autopsies and the perinatal loss workforce.

\$86.5 million over three years from 2025–26 to support improved health outcomes for First Nations people. Funding includes:

- \$46.5 million in 2025–26 to improve infrastructure in Aboriginal Community Controlled Health Services to meet clinical and accreditation needs, and support Closing the Gap targets
- \$15.4 million over three years from 2025–26 to detect, treat and prevent rheumatic heart disease in high-risk communities
- \$14.7 million over three years from 2025–26 to support states and territories to screen, treat and eliminate trachoma
- \$9.9 million in 2025–26 to support ten existing Birthing on Country services to provide continuity of care to First Nations women and babies.

\$448.3 million over four years from 2024–25 (and \$2.2 million per year ongoing) for prevention and early intervention activities, mental health treatment initiatives, suicide

prevention and postvention initiatives, support for First Nations people and to uplift the mental health workforce. Funding includes:

- \$362.7 million over three years from 2025–26 (and \$2.2 million per year ongoing) for mental health treatment. Funding includes:
 - \$272.1 million over two years from 2025–26 for the *Commonwealth Psychosocial Support Program* to provide continuity of psychosocial support services for people with a severe psychosocial disability
 - \$75.7 million in 2025–26 to ensure continued access to mental health supports for young people with severe mental illness
 - \$4.5 million over three years from 2025–26 (and \$1.7 million per year ongoing) for an additional headspace centre in the Moonee Valley Local Government Area in Victoria
 - \$3.3 million in 2025–26 to support the mental health needs of multicultural communities
 - \$1.9 million in 2025–26 for Mental Health Australia to continue as the mental health peak body and to embed lived experience in the implementation of the *National Mental Health and Suicide Prevention Agreement*
 - \$1.6 million in 2025–26 to continue four safe spaces established by the Brisbane North Primary Health Network to support services while they transition to Medicare Mental Health Centres
 - \$1.5 million over three years from 2025–26 (and \$0.5 million per year ongoing) to fund the headspace satellite in Corio
 - \$1.3 million in 2025–26 to continue the *Embrace Multicultural Mental Health Program*
 - \$0.6 million in 2025–26 to support mental health services delivered in Cape York
 - \$0.2 million in 2025–26 to support in-person, phone and online services for unpaid carers of people with eating disorders across Australia.
- \$30.7 million over two years from 2025–26 for the mental health workforce. Funding includes:
 - \$17.2 million over two years from 2025–26 to extend funding for *Individual Placement and Support Program* and *Digital Work and Study Service*. These programs are delivered in headspace centres and help young people with mental illnesses find employment or access study supports
 - \$4.6 million in 2025–26 to support upskilling the mental health workforce in evidence-based eating disorder interventions
 - \$4.0 million in 2025–26 to support implementing the *Mental Health Workforce Strategy 2022–2032* through the *National Mental Health Pathways to Practice Program*
 - \$2.6 million in 2025–26 to support raising the awareness and knowledge of health practitioners about digital mental health, and support a digital-first mental health solution for Australian healthcare workers through *e-Mental Health in Practice*

- \$0.9 million in 2025–26 to support a digital-first mental health solution for Australian healthcare workers through *The Essential Network*
- \$0.5 million in 2025–26 to support the mental health of the Australian healthcare workforce, including supporting a confidential mental health support service for doctors and medical students in Australia through *Drs4Drs*, and confidential peer support for health professionals from peers in similar disciplines
- \$0.4 million in 2025–26 to support lived experience capacity building and research through the *Mental Health Consumer and Carer Advocacy Program*
- \$0.2 million in 2025–26 to support the annual mental health services conference
- \$0.1 million in 2025–26 to support a framework (*Every Doctor, Every Setting*) to guide coordinated action on the mental health of doctors and medical students.
- \$20.2 million over three years from 2024–25 for prevention and early intervention. Funding includes:
 - \$10.7 million in 2025–26 to invest in child mental health and social and emotional wellbeing through universal access to evidence-based parenting education
 - \$5.3 million in 2025–26 to support perinatal mental health screening across public antenatal and postnatal care settings
 - \$3.0 million over three years from 2024–25 to Raise Foundation to provide the *Student Mentoring Program* for young people in high school
 - \$1.0 million in 2025–26 to the National Eating Disorder Collaboration to support a national platform which brings together information and resources that establish standards for the prevention and treatment of eating disorders
 - \$0.2 million in 2025–26 to implement the *Body Bright Program* to support school-led programs to support positive body image in Australian primary schools.
- \$17.7 million in 2025–26 for First Nations people. Funding includes:
 - \$9.5 million in 2025–26 to support suicide prevention with cultural sensitivity and community empowerment through the *Culture Care Connect Program*
 - \$3.7 million in 2025–26 to support culturally appropriate programs in the Northern Territory through the *Red Dust Program*, focused on social and emotional wellbeing, sexual health, relationships, alcohol and other drugs, and fetal alcohol spectrum disorder
 - \$2.6 million in 2025–26 to support the *Social and Emotional Wellbeing Policy Partnership* as part of the *National Agreement on Closing the Gap*.
 - \$1.9 million in 2025–26 to support the development of a national commissioning framework and national strategic approach to cultural safety and appropriateness across mental health services and referral pathways for First Nations people.
- \$17.1 million in 2025–26 for suicide prevention and postvention. Funding includes:
 - \$13.7 million in 2025–26 to work with states and territories to continue postvention services nationally to support people who are bereaved by suicide

- \$3.3 million in 2025–26 to support workplace-based suicide prevention programs.

The Government has already provided partial funding for this measure.

This measure will also be partially met from within the existing resourcing of, and savings identified in the Department of Health and Aged Care, and from reprioritising funding from Program 1.4 – Health Workforce and Program 2.1 – Medical Benefits.

Partial savings in this measure have already been provided by the Government.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2022–23 October Budget measure titled *Strengthening First Nations Health*, the 2023–24 Budget measures titled *Strengthening Medicare*, and *Mental Health*, and the 2024–25 Budget measures titled *Strengthening Medicare* and *Health Workforce*, and *Mental Health*.

Telethons

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	6.8	..	-	-

The Government will provide \$6.8 million over two years from 2024–25 to recent and upcoming Telethons to support medical research into children’s disease and treatments for mothers and their babies during the perinatal period.

This measure builds on the 2023–24 MYEFO measure titled *Channel 7 Perth Telethon* and the 2024–25 Budget measure titled *2024 Channel Nine Brisbane Telethon*.

Vaping Regulation Reform Package

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	18.4	70.3	61.7	-
Department of the Treasury	-	1.0	1.0	-	-
Department of Home Affairs	-	-	15.4	15.9	-
Office of the Director of Public Prosecutions	-	-	1.1	1.4	-
Total – Payments	-	19.4	87.8	79.0	-

The Government will provide \$194.9 million over four years from 2024–25 to implement and deliver vaping regulation reform legislation to reduce the availability of vaping products in Australia, following the passage of the *Therapeutic Goods and Other Legislation Amendment (Vaping Reforms) Act 2024*, including:

- \$92.6 million over two years from 2025–26 to the Therapeutic Goods Administration (TGA) to extend their regulatory, compliance and enforcement activities on all vaping products, including for staffing costs and uplifting TGA’s IT and digital infrastructure
- \$31.3 million over two years from 2025–26 to support the Australian Border Force’s regulatory and enforcement activities, including for staffing costs and the disposal of seized vaping products
- \$12.5 million over three years from 2024–25 to establish a consumer collection and disposal scheme for vaping products
- \$11.3 million over two years from 2025–26 of additional funding to extend and adapt the existing National Youth Vaping Education campaign to target the 14–24 years old cohort
- \$8.7 million over four years from 2024–25 to establish a national vaping prevention education program for Year 7 and 8 school students, through the University of Sydney’s OurFutures Institute
- \$7.5 million in 2024–25 to establish and manage a *Business Surrender Scheme* for vaping products
- \$6.8 million over three years from 2024–25 to provide additional funding to states and territories for storage and disposal of unlawful vaping products seized through joint enforcement activities with the TGA
- \$5.7 million over two years from 2025–26 to establish and extend data collection activities to support ongoing monitoring of vaping and tobacco reform
- \$5.2 million over two years from 2025–26 to support the development and implementation of monitoring and evaluation programs for tobacco and vaping reform, including a mid-point review of the *National Tobacco Strategy 2023–2030*
- \$2.9 million in 2024–25 for a monitoring program for vape sales in pharmacies
- \$2.5 million over two years from 2025–26 to the Office of the Director of Public Prosecutions to undertake prosecutions on behalf of the Commonwealth under the *Therapeutic Goods and Other Legislation Amendment (Vaping Reforms) Act 2024*
- \$1.0 million in 2024–25 to support research on cost effective and environmentally sustainable methods to dismantle and dispose of vaping products
- \$1.0 million over two years from 2025–26 to develop a framework for nationally consistent retail arrangements
- \$1.0 million over three years from 2024–25 to the Alcohol and Drug Foundation to expand the existing Good Sports Program to include vaping prevention.

The Government has already provided partial funding for this measure.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2023–24 MYEFO measure titled *Enhanced Regulatory Model for Vaping Products*.

Home Affairs

Assistance for Recent Arrivals from Conflict Zones

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Social Services	-	13.1	57.9	59.7	48.4
Services Australia	-	6.6	3.5	1.9	1.1
Department of Home Affairs	-	0.5	-18.7	7.1	3.7
Department of Education	-	0.4	1.0	1.0	1.0
National Disability Insurance Agency	-	0.3	3.9	4.4	4.6
Department of Health and Aged Care	-	0.2	0.9	1.0	0.9
Department of Employment and Workplace Relations	-	0.2	0.7	0.4	0.2
Department of the Treasury	-
Total – Payments	-	21.3	49.1	75.6	60.0
<i>Related receipts (\$m)</i>					
<i>Department of Home Affairs</i>	-	5.0	5.0	..	..
<i>Australian Taxation Office</i>	-	..	5.0	5.0	5.0
<i>Department of Education</i>	-	-
Total – Receipts	-	5.0	10.0	5.0	5.0

The Government will provide \$6.1 million to support recent arrivals from conflict zones. Funding includes:

- \$5.1 million in 2024–25 for Palestinian-led community organisations to provide emergency relief and for community organisations to provide youth services for Palestinian and young Muslim communities in Australia
- \$1.0 million in 2024–25 for the Australian Red Cross to provide emergency assistance to recent arrivals from Israel and the Occupied Palestinian Territories affected by the Hamas-Israel conflict.

The Government will also provide longer-term visa options on a case-by-case basis for Palestinian, Israeli and Ukrainian temporary visa holders in Australia with visas expiring in 2024 and 2025 who are unable to return home due to ongoing conflicts, which is estimated to increase payments for government services and benefits by \$265.5 million over four years from 2024–25.

The costs of this measure will be partially met from savings from the reallocation of places within the *Humanitarian Program* and reprioritisation of funding from the 2023–24 MYEFO measure titled *Supporting Australian Communities Affected by the Hamas-Israel Conflict*.

The measure (including savings) is expected to increase receipts by \$25.1 million over the four years from 2024–25.

This measure builds on the 2024–25 Budget measures titled *Reforms to Migrant and Refugee and Settlement Services* and *Support to Individuals from Israel and Occupied Palestinian Territories affected by the Hamas-Israel conflict*.

See also the related payment measure *Lebanon Repatriation and Related Support* in the Foreign Affairs and Trade portfolio.

Australia’s Counter-Terrorism and Violent Extremism Strategy 2024

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Education	-	0.2	0.4	0.4	0.4
Department of the Treasury	-	-	26.7	26.9	28.1
Department of Home Affairs	-	-	1.8	1.1	1.2
Total – Payments	-	0.2	28.9	28.4	29.7

The Government will provide \$106.2 million over four years from 2024–25 (and \$31.3 million per year ongoing) to address emerging risks in the terrorism and violent extremism environment as part of Australia’s Counter-Terrorism and Violent Extremism Strategy 2024. Funding includes:

- \$85.9 million over three years from 2025–26 (and \$30.3 million per year ongoing) for the *National Support and Intervention Program* to support the states and territories in providing intervention services to at-risk individuals in community and custodial settings
- \$13.5 million over three years from 2025–26 for the Department of Home Affairs to partner with the New South Wales (NSW) Government to roll out the NSW *Step Together* online support and referral program on a national level, and support Countering Violent Extremism practitioner and frontline worker training
- \$3.6 million over four years from 2024–25 to increase community engagement and understanding of countering violent extremism initiatives, including funding for youth advisory groups and an awareness campaign to enhance bystander understanding of violent extremism
- \$3.2 million over three years from 2025–26 (and \$1.1 million per year ongoing from 2028–29) to enhance the capability of partners in Southeast Asia to counter violent extremism.

The Government has already provided partial funding for this measure.

The cost of this measure will be partially met from within the existing resourcing of the Department of Home Affairs and partially from savings identified in the Department of Home Affairs.

Civil Maritime Security Capabilities

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Defence	-	nfp	nfp	nfp	-
Department of Home Affairs	-	nfp	nfp	nfp	nfp
Total – Payments	-	-	-	-	-

The Government will provide additional funding over three years from 2024–25 for Australia’s civil maritime security capabilities, including:

- \$108.8 million over two years from 2024–25 for the Australian Border Force’s on-water response and aerial surveillance capabilities
- funding over three years from 2024–25 to the Department of Home Affairs and the Department of Defence for new Australian Border Force patrol vessels.

The financial implications for some elements of this measure are not for publication (nfp) as disclosure would impair the Commonwealth’s position in negotiating contracts with industry.

This measure builds on the 2024–25 Budget measure titled *Civil Maritime Critical Security Capabilities*.

Combatting Antisemitism and Islamophobia

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Home Affairs	-	1.5	5.6	5.7	-

The Government will provide \$16.7 million over four years from 2023–24 for a Special Envoy to Combat Antisemitism and a Special Envoy to Combat Islamophobia, including secretariat and communications support for the Special Envoys, to preserve social cohesion and tackle the ongoing impacts of the Hamas-Israel conflict in Australia.

The Government has already provided partial funding for this measure.

Department of Home Affairs – reprioritisation

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Home Affairs	-	-27.8	-22.4	-22.2	-1.5

The Government will achieve savings of \$73.9 million over four years from 2024–25 (and \$1.5 million per year ongoing) from the Department of Home Affairs, including:

- \$51.0 million over three years from 2024–25 by returning uncommitted capital funding from the 2018–19 Budget measure titled *Aviation, Air Cargo and International Mail Security Package*

- \$17.0 million over three years from 2024–25 by streamlining activities within the *International Capacity Building Program*
- \$5.9 million over four years from 2024–25 (and \$1.5 million per year ongoing) by returning uncommitted funding from the 2022–23 October Budget measure titled *Pacific Security and Engagement Initiatives*.

The savings from this measure will support other Government policy priorities in the Home Affairs portfolio.

Disaster Support

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Emergency Management Agency	-	-	3.6	-	-

The Government will provide \$3.6 million in 2025–26 to extend targeted mental health support to emergency service workers.

This support is in addition to the assistance provided under the Disaster Recovery Funding Arrangements through which the Australian Government provides funding to states and territories to share the financial burden of responding to natural disasters. The cost of this support is reflected in the estimates for the Disaster Recovery Funding Arrangements under Australia’s Federal Financial Relations.

This measure builds on the 2024–25 Budget measure titled *Disaster Support*.

Government Response to the Multicultural Framework Review

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Home Affairs	-	-	-	-	-

The Government will provide \$118.2 million over four years from 2024–25 to improve multicultural outcomes across Australia and to support implementation of recommendations from the Multicultural Framework Review report, *Towards Fairness – a multicultural Australia for all*. The response will be implemented through a number of new programs.

The *Modernised Multicultural Grants Program* will contain four streams. Funding includes:

- \$70.0 million over three years from 2025–26 for an infrastructure grants program for multicultural organisations
- \$9.8 million over four years from 2024–25 to support grassroots multicultural organisations deliver local initiatives
- \$4.0 million over four years from 2024–25 to support peak multicultural bodies to improve social cohesion

- \$2.0 million over three years from 2025–26 for organisations to develop and deliver non-religious training courses for faith leaders and for those with pastoral roles in faith organisations.

The Government will also provide funding for the Department of Home Affairs to strengthen community engagement and improve access to government services for multicultural communities, including:

- \$14.2 million over four years from 2024–25 to support implementation of the response to the report, including grant program delivery
- \$9.4 million over four years from 2024–25 to extend and expand the Community Liaison Officer Network and increase in-person outreach among multicultural communities in regional Australia
- \$7.0 million in 2024–25 for a translation capability within the Translating and Interpreting Service and an on-demand web translation capability
- \$1.8 million over four years from 2024–25 (and \$0.5 million per year ongoing) to produce an annual Mapping Multicultural Report in partnership with the Scanlon Foundation Research Institute.

The Government has already provided funding for this measure.

The cost of this measure will be partially met from savings from removing visa subclass 500 (student) eligibility to access the free Translating and Interpreting Service.

Infrastructure Funding for The Greek Orthodox Archdiocese of Australia

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	6.3	16.3	2.5	-

The Government will provide \$25.0 million over three years from 2024–25 for infrastructure works at the Greek Orthodox Archdiocesan site in Redfern, New South Wales, including restoration of the historical Cathedral church, upgrades to St Andrew’s Theological College, and building a new great hall, library and museum.

The Treasury manages Commonwealth payments to the states and territories.

Longer-term Funding for the Sustainability of Operations

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Home Affairs	-	-	-	-	-

The Government will provide \$308.5 million over three years from 2025–26 (and \$104.1 million per year ongoing) to the Department of Home Affairs to support the performance of core functions including Australian Border Force operations, immigration compliance activities, and sustainment of critical systems supporting those operations and services.

The Government has already provided funding for this measure.

This measure builds on the 2024–25 Budget measure titled *Department of Home Affairs – supplementation*.

United States Global Entry Program

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Home Affairs	-	-	-	-	-

The Government will provide \$0.9 million in 2024–25 (including \$0.7 million in capital funding) for Australia’s participation in the United States’ Global Entry Program to provide expedited clearance for pre-approved, low-risk Australian travellers entering the United States for a period of five years.

The cost of this measure will be met from within the existing resourcing of the Department of Home Affairs.

Industry, Science and Resources

Science and Resources Technology Uplift

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Industry, Science and Resources	-	0.5	-	0.5	-

The Government will provide \$1.5 million over four years from 2024–25 to promote opportunities from technological improvements in the Science and Resources sectors, including:

- \$1.0 million over three years from 2024–25 to sponsor the 2025 and 2027 Resources Technology Showcases in Perth, to support the public demonstration of the latest technological advances and future job possibilities in the mining, resources, defence and space industries in Western Australia
- \$0.5 million over four years from 2024–25 to establish and remunerate members of an Artificial Intelligence (AI) Advisory Body to provide independent advice to government on the opportunities and risks of AI.

The cost of this measure will be met from savings and reprioritisations identified in the Industry, Science, and Resources portfolio.

This measure builds on the 2024–25 Budget measure titled *Supporting Safe and Responsible AI*.

Supporting Safety and Remediation in the Resources Sector

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Finance	-	-	nfp	nfp	nfp
Department of the Treasury	-	nfp	nfp	nfp	nfp
Department of Industry, Science and Resources	-	nfp	nfp	nfp	nfp
Total – Payments	-	-	-	-	-

The Government will provide funding to support environmental and rehabilitation objectives in the resources sector, including:

- funding for the decommissioning of the Northern Endeavour floating oil production storage and offtake facility. Costs will be fully recovered through the Laminaria and Corallina Decommissioning Cost Recovery Levy
- funding to progress rehabilitation works at the former Rum Jungle mine site in the Northern Territory by prioritising rehabilitation in areas which require urgent treatment.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

The Government has already provided funding for this measure.

This measure builds on the 2024–25 Budget measure titled *Supporting Safety and Responsible Decommissioning in the Offshore Resources Sector*.

Infrastructure, Transport, Regional Development, Communications and the Arts

Building Australia’s Future – Building a Better Future Through Considered Infrastructure Investment

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	375.0	160.1	155.9	35.4
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	-	-	-	-
Total – Payments	-	375.0	160.1	155.9	35.4

The Government will provide \$2.6 billion over ten years from 2024–25 for road and rail infrastructure priorities to support productivity and jobs, including:

- \$1.7 billion over ten years from 2024–25 for additional funding to support road maintenance activities on the National Land Transport Network
- \$926.9 million over seven years from 2024–25 for existing projects under the *Infrastructure Investment Program*
- \$13.0 million over four years from 2025–26 for two new projects under the *Infrastructure Investment Program* in the Australian Capital Territory.

The Government has already provided partial funding for this measure.

The cost of this measure will be partially met from within existing funding for the *Infrastructure Investment Program*, including from the termination of the *Inland Rail Interface Improvement Program*.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2024–25 Budget measure titled *Building a Better Future Through Considered Infrastructure Investment*.

Community Infrastructure

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	12.7	1.9	0.7	-
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	-8.2	-	-7.0	-
Total – Payments	-	4.5	1.9	-6.3	-

The Government will provide \$201.1 million over three years from 2024–25 to support sustainable urban and regional development in Australia. Funding includes:

- \$172.1 million over three years from 2024–25 to support the delivery of community infrastructure programs and additional funding for the *Thriving Suburbs Program*
- \$28.9 million over two years from 2024–25 for round nine of the *Stronger Communities Programme* to support small capital projects that deliver social benefits for local communities across Australia.

The cost of this measure will be partially met from savings identified in the Infrastructure, Transport and Regional Development portfolio. The Government has already provided partial funding for this measure.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2023–24 Budget measure titled *National Approach for Sustainable Urban Development* and the 2022–23 October Budget measure titled *Responsible Investment to Grow Our Regions*.

Funding for the Indian Ocean Territories

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	0.8	5.4	10.1	1.0

The Government will provide \$23.3 million over four years from 2024–25 to improve emergency preparedness and safety on Cocos (Keeling) Islands. Funding includes:

- \$12.2 million to maintain and extend existing sea walls
- \$8.1 million to repair and extend cyclone shelters on Home Island and West Island
- \$3.0 million to support the release of the Cocos (Keeling) Islands Coastal Hazard Risk Management and Adaptation Plan.

The cost of this measure will be partially met by redirecting funding from within the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Revive – National Cultural Policy Location Offset

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	-	-	4.2	1.1
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	-	-	-	-
Total – Payments	-	-	-	4.2	1.1

The Government will provide \$5.2 million over two years from 2026–27 (and \$1.1 million in 2029–30 and \$1.3 million per year ongoing from 2030–31) to support the production of large budget screen productions to film in Australia by reducing the minimum Qualifying Australian Production Expenditure threshold from \$20.0 million to \$15.0 million for feature films under the *Location Offset*.

This measure builds on the 2023–24 Budget measure titled *Revive – National Cultural Policy and Location Incentive*.

Social Media Age Limits

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	5.1	12.4	4.4	3.6
Australian Communications and Media Authority	-	3.8	16.2	13.3	12.4
Office of the Australian Information Commissioner	-	0.6	2.2	1.1	1.1
Total – Payments	-	9.5	30.7	18.8	17.1

The Government will provide \$76.1 million over four years from 2024–25 (and \$16.9 million per year ongoing from 2028–29) to establish a minimum age of access to social media.

Funding includes:

- \$45.7 million over four years from 2024–25 (and \$12.3 million per year ongoing) for the Office of the eSafety Commissioner to provide regulatory oversight and enforcement functions
- \$15.5 million over four years from 2024–25 (and \$3.5 million per year ongoing) for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to support the delivery of the Government’s online safety priorities
- \$10.0 million over two years from 2024–25 to deliver a national public education campaign to help parents and carers, as well as young people, their educators and the community understand changes to aid the transition to a social media minimum age

- \$5.0 million over four years from 2024–25 (and \$1.1 million per year ongoing) for the Office of the Australian Information Commissioner to provide regulatory oversight of the privacy safeguards.

Supporting Aviation Priorities

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	14.2	1.7	-	-
Department of the Treasury	-	10.0	6.2	-	-
Attorney-General's Department	-	-	-	-	-
Total – Payments	-	24.2	7.9	-	-
<i>Related receipts (\$m)</i>					
<i>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</i>	-	-	<i>nfp</i>	-	-

The Government will provide \$44.3 million over four years from 2024–25 to support aviation connectivity for regional and remote communities and implementation of Aviation White Paper initiatives, including:

- \$16.2 million over two years from 2024–25 towards the Whyalla Airport runway upgrade
- \$14.2 million in 2024–25 for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to support the delivery of aviation priorities
- \$7.2 million over two years from 2024–25 to enhance consumer protections for aviation customers through the establishment of an independent Aviation Industry Ombuds Scheme and a new Aviation Customer Rights Charter
- \$2.7 million over four years from 2024–25 to improve accessibility to air travel for people with disability
- \$2.4 million over two years from 2024–25 to improve planning on and around federally leased airports to minimise the impacts of aircraft noise
- \$1.7 million in 2025–26 for the *Remote Air Services Subsidy Scheme* to continue to subsidise the carriage of passengers and essential goods to communities in remote and isolated areas of Australia.

The Government is also providing financing of up to \$80.0 million to keep Regional Express (Rex) operational throughout its administration process and is guaranteeing regional flight bookings for Rex customers to 30 June 2025, in line with the approved extension of the convening period by the Federal Court. The financial impacts are not for publication (nfp) as publication would disclose individual financing arrangements with third parties.

The Government has already provided partial funding for this measure.

This measure builds on the 2024–25 Budget measure titled *Supporting Transport Priorities*.

Supporting Connectivity

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	2.0	-	-	-
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	-1.2	1.1	1.2	1.2
Total – Payments	-	0.8	1.1	1.2	1.2

The Government will provide \$23.7 million over four years from 2024–25 (and \$1.2 million per year to 2029–30) to support telecommunications connectivity. Funding includes:

- \$16.0 million over two years from 2024–25 to extend the Strengthening Telecommunications Against Natural Disasters Package to continue Sky Muster Community Wi-Fi services at emergency coordination points to 30 June 2029 and to improve telecommunications infrastructure resilience in regional Western Australia
- \$4.2 million over four years from 2024–25 (and \$1.2 million per year to 2029–30) for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts for the delivery of communications priorities, including boosting connectivity and digital inclusion
- \$3.5 million in 2024–25 for trials to test alternative technology options for legacy voice services to support the design of modern Universal Service Obligation services.

The cost of this measure will be partially met by redirecting funding from the 2022–23 October Budget measure titled *Better Connectivity Plan for Regional and Rural Australia*.

Supporting News and Media Diversity

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	2.1	56.6	55.8	54.9
Special Broadcasting Service Corporation	-	2.0	3.9	-	-
Australian Taxation Office	-	0.8	0.8	0.3	-
National Indigenous Australians Agency	-	-	4.0	4.0	4.0
Australian Broadcasting Corporation	-	-	-	40.9	42.2
Total – Payments	-	4.8	65.3	101.0	101.1
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-
<i>Australian Communications and Media Authority</i>	-	-	-50.2	-0.1	-
Total – Receipts	-	-	-50.2	-0.1	..

The Government will provide \$285.3 million over four years from 2024–25 (and \$44.7 million in 2028–29 and \$43.0 million per year ongoing) to support news and media diversity in Australia. Funding includes:

- \$168.5 million over four years from 2024–25 for the *News Media Assistance Program*, including:
 - \$116.7 million over four years from 2024–25 (and \$1.7 million in 2028–29) for the *News Media Assistance Program* to sustain public interest news and journalism, support business innovation and build commercial sustainability and resilience of news organisations, including \$17.6 million for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to support program delivery
 - \$33.0 million over three years from 2025–26 to support the financial sustainability of the Australian Associated Press
 - \$15.0 million in 2024–25 for the *News Media Relief Program* to provide urgent support for eligible regional, independent suburban, multicultural and First Nations news publishers
 - \$3.8 million over three years from 2025–26 to develop a National Media Literacy Strategy to improve media literacy in Australia.
- \$89.8 million over four years from 2024–25 for National Broadcasters, including:
 - \$83.1 million over two years from 2026–27 (and \$43.0 million per year ongoing) for the Australian Broadcasting Corporation (ABC) to provide stable funding to support the operation of its television, radio and digital media services

- \$6.7 million over two years from 2024–25 for the Special Broadcasting Service (SBS), supported by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to develop a business case to establish a standalone Western Sydney production hub and talent incubator.
- \$27.0 million over three years from 2025–26 for Community Broadcasting and First Nations Media, including:
 - \$15.0 million over three years from 2025–26 for the *Community Broadcasting Program* to support the community broadcasting sector, including community television
 - \$12.0 million over three years from 2025–26 for the *Indigenous Broadcasting and Media Program* to support the First Nations media and broadcasting sector.

The Government will also:

- suspend the Commercial Broadcasting Tax for one year, from 9 June 2025 to 8 June 2026, to provide temporary relief for commercial television and radio broadcasters. This change is estimated to decrease receipts by \$50.3 million over two years from 2025–26
- introduce the News Bargaining Incentive to support the sustainability of news and public interest journalism. Funding includes \$1.9 million over three years from 2024–25 for the Australian Taxation Office to introduce and administer the Incentive, which will apply for income years starting on or after 1 January 2025
- mandate a minimum commitment of \$3.0 million per year for two years from 2025–26 for regional newspaper advertising across the total annual Commonwealth Government media advertising spend.

The cost of the *News Media Relief Program* measure will be met from a reprioritisation of funding from the 2022–23 October Budget measure titled *Better Connectivity Plan for Regional and Rural Australia*.

Prime Minister and Cabinet

Aboriginal Hostels Limited Reform Agenda

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Aboriginal Hostels Limited	-	-	10.0	-	-
National Indigenous Australians Agency	-	-	-10.0	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$10.0 million in 2025–26 to Aboriginal Hostels Limited to continue to fund improvements to Aboriginal hostels. Funding includes:

- \$3.6 million to provide additional hostel attendants in high and very high-risk locations to ensure 24 hour security, and increase the classification of hostel managers and assistant hostel managers
- \$2.2 million to increase the daily food allowance per occupied bed to improve the quality of meals provided
- \$2.1 million for ongoing maintenance costs in all hostels, including hostel amenity improvements and physical security upgrades
- \$1.2 million for nutrition, human resources and ICT services
- \$0.6 million to upgrade ICT systems.

The cost of this measure will be met from reprioritisation of funding from within the National Indigenous Australians Agency’s *Indigenous Advancement Strategy*.

This measure extends the 2023–24 Budget measure titled *Closing the Gap – further investment*.

First Nations Economic Empowerment

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Indigenous Business Australia	-	-	-	-	-

The Government will provide \$16.9 million over five years from 2024–25 to support development of a First Nations Economic Framework and establish a First Nations Economic Partnership (the Partnership).

The Government has also progressed amendments to the *Aboriginal and Torres Strait Islander Act 2005* to enhance Indigenous Business Australia’s ability to leverage its capital and investments to support First Nations economic self-determination.

The Government has already provided funding for this measure.

Partial funding for this measure is provisioned in the Contingency Reserve and these amounts are not for publication (nfp) pending the finalisation of the Partnership, including engagement and negotiation with First Nations communities and stakeholders.

McDonald v Commonwealth Class Action - settlement

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Indigenous Australians Agency	-	nfp	nfp	-	-

The Government will provide \$202.0 million over two years from 2024–25 to make settlement payments following the Federal Court’s approval of the *McDonald v Commonwealth* class action, for First Nations people who worked in the Northern Territory between 1933 and 1971 under unfair Commonwealth laws that denied them fair financial reward.

The Government has already provided partial funding for this measure.

The financial implications of some elements of this measure are not for publication (nfp) because they would impair the Commonwealth position in settlement discussions.

New Remote Employment Service

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Employment and Workplace Relations	-	7.7	5.9	0.9	1.7
National Indigenous Australians Agency	-	4.4	134.0	121.9	120.1
Department of Social Services	-	-	15.3	17.0	2.6
Services Australia	-	-1.5	28.6	2.3	0.6
Total – Payments	-	10.6	183.8	142.1	124.9

The Government will provide \$1.5 billion over four years from 2024–25 (and \$448.8 million in 2028–29), including \$7.1 million in capital funding over two years from 2024–25, to implement a new remote employment services program and to provide continuity of support to participants under the *New Jobs Program* trial. The new remote employment services program is the next phase of reforms to replace the *Community Development Program* with a program to support real jobs, proper wages and decent conditions. Funding includes:

- \$1.4 billion over four years from 2024–25 (and \$446.3 million in 2028–29) to establish the new Remote Employment Transition Program (Transition Program) that will support people in remote Australia into pathways to work and is tailored to remote labour market conditions and community needs

- \$19.3 million over four years from 2024–25 (and \$2.5 million in 2028–29) to improve the delivery of existing job seeker assessment tools, and pilot and evaluate ways to test how existing job seeker processes and assessment tools could be more fit for purpose in the remote employment context
- \$14.3 million in 2024–25 to extend the *New Jobs Program* trial to 30 June 2025 to support a smooth transition of jobs to the *Remote Jobs and Economic Development Program*
- \$5.7 million over three years from 2024–25 to improve the capability and performance of providers to deliver quality services and outcomes under the Transition Program
- \$4.2 million over two years from 2024–25 to uplift English and first language, literacy and numeracy skills and training for job seekers under the Transition Program.

The Government will also provide \$15.0 million over two years from 2024–25 to extend the *Tailored Assistance Employment Grant* program to 31 December 2025 to ensure service continuity for First Nations jobseekers through funding tailored activities that address barriers to employment and improve retention in the workplace.

The cost of this measure will be partially met from a reprioritisation of funding from the 2024–25 Budget measure titled *Remote Jobs and Economic Development Program*, within the existing resourcing of the National Indigenous Australians Agency’s *Indigenous Advancement Strategy*, and from savings identified in the Employment and Workplace Relations portfolio.

This measure builds on the 2024–25 Budget measure titled *Remote Jobs and Economic Development Program* and the 2023–24 MYEFO measure titled *Strengthening support for Aboriginal and Torres Strait Islander communities, women, children and veterans*.

Remuneration for Honours Council Members

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Office of the Official Secretary to the Governor-General	-	-	-	-	-

The Government will provide \$1.2 million over four years from 2024–25 (and \$0.3 million per year ongoing) to remunerate community representatives on the Council for the Order of Australia, the Australian Bravery Decorations Council and the National Emergency Medal Committee.

The cost of this measure will be met from within the existing resourcing of the Office of the Official Secretary to the Governor-General.

Secretariat of National Aboriginal and Islander Child Care

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Indigenous Australians Agency	-	1.1	1.2	-	-

The Government will provide funding of \$2.3 million over two years from 2024–25 to extend the *SNAICC – National Voice of our Children’s Early Years Support Program* for 12 months.

The extension will continue support for evidence-based early childhood learning and development outcomes delivered by Aboriginal Controlled Community Organisations, including through operational and leadership support.

Youpla Support Program – additional funding

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Indigenous Australians Agency	-	-	-	-	-

The Government will provide additional funding of \$0.9 million over three years from 2024–25 for the *Youpla Support Program*. Funding includes:

- \$0.8 million over three years from 2024–25 to provide additional support to the funeral bond provider to ensure services are delivered in a culturally appropriate and accessible manner
- \$0.1 million in 2024–25 to enable a minimum resolution payment floor of \$100 to all eligible persons who are entitled to receive less than this amount under the *Youpla Support Program*.

The cost of this measure will be met from within the existing resourcing of the National Indigenous Australians Agency’s *Indigenous Advancement Strategy*.

This measure builds on the 2024–25 Budget measure titled *Youpla Support Program – continuation*.

Social Services

Carer Support

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Social Services	-	-	-	-	-

The Government will provide \$1.6 million over 12 years from 2024–25 to establish a Carer Advisory Committee to guide the implementation and evaluation of the *National Carer Strategy 2024–2034* and accompanying Action Plan 2024–2027.

The Government will also extend the Carer Inclusive Workplace Initiative to 30 June 2026 to assist employers to develop and adopt practices which support employees with caring responsibilities to enter and remain in the workforce.

The cost of this measure will be met from within the existing resourcing of the Department of Social Services.

Ending Gender-Based Violence – additional investment

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Health and Aged Care	-	-	-	-	-
Department of Social Services	-	-	-	-	-
Services Australia	-	-	-	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$13.5 million over four years from 2023–24 to keep women and children safe. Funding includes:

- \$11.1 million in 2023–24 to fund three family, domestic and sexual violence projects, including further funding for the Escaping Violence Payment to meet increased demand, the Australian Bureau of Statistics' *Criminal Justice Data Asset* to expand available data on perpetrators, and funding to undertake a systems mapping project to identify key intervention points
- \$2.0 million over two years from 2025–26 to strengthen local disaster recovery responses for women and children experiencing family and domestic violence
- \$0.4 million in 2024–25 to expand Medicare access to otherwise ineligible clients of the *Forced Marriage Specialist Support Program* and their dependents.

The cost of this measure will be met from within the existing resourcing of the Department of Social Services, Services Australia and the Department of Health and Aged Care.

This measure builds on the 2024–25 Budget measures titled *The Leaving Violence Program – financial support for victim-survivors of intimate partner violence* and *Ending Gender-Based Violence – additional resourcing*.

See also the related payment measures titled *Ending Gender-Based Violence – National Cabinet* in Cross Portfolio and *National Access to Justice Partnership* in the Attorney-General’s portfolio.

This measure supports the implementation of the *National Plan to End Violence against Women and Children 2022–32*.

Government Response to the Disability Royal Commission

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Disability Insurance Agency	-	-	-	-	-
Department of Social Services	-	-	-	-	-
Department of Health and Aged Care	-	-	-	-	-
NDIS Quality and Safeguards Commission	-	-	-	-	-
Department of Home Affairs	-	-	-	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$103.2 million over five years from 2023–24 to deliver and implement recommendations from the Disability Royal Commission. Funding includes:

- \$39.7 million over four years from 2024–25 (and \$12.9 million ongoing) to establish a new disability advocacy program
- \$19.6 million over four years from 2024–25 to support and improve community attitudes around disability
- \$13.9 million over four years from 2024–25 (and an additional \$1.7 million in 2028–29) to unify national disability quality and safeguarding arrangements
- \$12.3 million over four years from 2024–25 to improve national approaches to accessible information and communications
- \$12.1 million over four years from 2024–25 (and \$5.8 million ongoing) to amend the Migration Health Requirement to be fairer and more inclusive for children with disability
- \$6.9 million over five years from 2023–24 to review and modernise the *Disability Discrimination Act 1992*
- \$4.4 million over two years from 2024–25 for a consistent approach to community visitor schemes
- \$3.7 million over two years from 2024–25 to continue the *Primary Care Enhancement Program for People with Intellectual Disability*

- \$1.2 million over two years from 2024–25 to develop targets to reduce and eliminate restrictive practices.

The Government has already provided partial funding for this measure and partial costs will be met from within the existing resourcing of the Department of Health and Aged Care.

Income Management – maintenance

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Social Services	-	-	-	-	-
Services Australia	-	nfp	nfp	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$6.9 million over two years from 2024–25 to maintain the *Income Management* program and continue to undertake consultation with stakeholders and communities on the future of *Income Management*.

The Government has already provided funding for this measure. The financial implications for some elements of this measure are not for publication (nfp) because they would impair the Commonwealth’s position in negotiating contracts for these services.

National Disability Insurance Scheme Reform

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Disability Insurance Agency	-	-	785.8	2.3	-
NDIS Quality and Safeguards Commission	-	-	71.3	72.5	-
Department of Social Services	-	-	7.6	-	-
Department of Finance	-	-	-	-	-
Total – Payments	-	-	864.7	74.8	-
<i>Related receipts (\$m)</i>					
<i>National Disability Insurance Agency</i>	-	-	-	-	-

The Government will provide \$1.1 billion over three years from 2024–25 to support the design and implementation of Foundational Supports, further reforms to the National Disability Insurance Scheme (NDIS) and implementation of the *National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No.1) Act 2024* which came into effect on 3 October 2024. Funding includes:

- \$503.5 million in 2025–26 to ensure the National Disability Insurance Agency (NDIA) can continue to support NDIS participants

- \$280.0 million in 2025–26 to the NDIA to begin implementation of the new planning framework
- \$143.9 million over two years from 2025–26 to the NDIS Quality and Safeguards Commission to improve the quality and safety of the NDIS supports and services for participants
- \$110.4 million over two years from 2024–25 to boost fraud detecting information technology systems at the NDIA, to further safeguard the integrity of the NDIS
- \$18.5 million over three years from 2024–25 to continue design and consultation work for the implementation of Foundational Supports for children with disability or developmental concerns and their parents and carers
- \$4.5 million over two years from 2025–26 to the NDIA to undertake further design and consultation on an early intervention pathway for children in the NDIS.

The Government has already provided partial funding for this measure.

The cost of this measure will be partially met from within the existing resourcing of the Department of Social Services.

This measure builds on the 2024–25 Budget measure titled *National Disability Insurance Scheme – getting the NDIS back on track*.

Partnering with Communities for Change

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Social Services	-	2.5	2.8	0.6	-

The Government will provide \$22.0 million over four years from 2024–25 (and \$4.4 million in 2028–29) to partner with communities for change and reduce cycles of disadvantage through targeted, community-based interventions. Funding includes:

- \$14.9 million over four years from 2024–25 (and an additional \$4.4 million in 2028–29) to strengthen the capacity of communities to design and deliver place-based programs through funding for Partnerships for Local Action and Community Empowerment (PLACE), with funding to be matched by five philanthropic partners
- \$3.8 million over two years from 2024–25 to expand the *Strong and Resilient Communities – Inclusive Communities* grant program, to support the social and economic participation of vulnerable and disadvantaged people through local community-driven solutions
- \$2.0 million over three years from 2024–25 to provide child safety education and programs to children and young people to prevent abuse, through new funding to the Daniel Morcombe Foundation
- \$1.3 million in 2025–26 to extend funding for six national peak organisations under the Families and Communities Service Improvement activity.

The Government will also redesign the *Volunteer Grants* program to focus on supporting the wellbeing and development of children, and on communication, insurance, or certain

travel items that will benefit program volunteers, to support the efforts of Australia’s volunteers and to encourage and increase participation in volunteering.

The Government has already provided partial funding for this measure.

The cost of this measure will be partially met from within the existing resources of the Department of Social Services.

This measure builds on the 2023–24 Budget measure titled *Targeting Entrenched Community Disadvantage*.

Treasury

Addressing Surcharges

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	5.0	9.4	9.7	10.0
Australian Competition and Consumer Commission	-	1.1	1.1	-	-
Services Australia	-	0.1	0.3	0.4	0.5
Total – Payments	-	6.2	10.8	10.1	10.5

The Government will provide \$37.6 million over four years from 2024–25 (and \$10.9 million per year ongoing) to reduce card surcharges. Funding includes:

- \$35.5 million over four years from 2024–25 (and \$10.9 million per year ongoing) for the Australian Taxation Office and Services Australia to stop passing on debit card surcharges from 1 January 2025
- \$2.1 million over two years from 2024–25 for the Australian Competition and Consumer Commission to improve compliance with the current legislative ban on excessive card surcharges, by increasing monitoring activity and developing a campaign to increase awareness and understanding of surcharging.

The Government is prepared to ban debit card surcharging from 1 January 2026, subject to the outcome of the Reserve Bank of Australia’s Review of merchant card payment costs and surcharging, and safeguards to ensure both small businesses and consumers can benefit from lower costs.

Ensuring a Better Deal for Consumers

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Competition and Consumer Commission	-	4.7	8.5	8.6	8.7
Department of the Treasury	-	-	-	-	-
Total – Payments	-	4.7	8.5	8.6	8.7
<i>Related receipts (\$m)</i>					
<i>Australian Competition and Consumer Commission</i>	-	-	7.0	8.0	13.0

The Government will provide funding of \$30.6 million over four years from 2024–25 to ease cost-of-living pressures and support a better deal for consumers, including:

- \$30.4 million over four years from 2024–25 for the Australian Competition and Consumer Commission (ACCC) to increase investigation and enforcement activity on harmful or misleading conduct in the supermarket and retail sectors

- \$0.3 million in 2024–25 for the ACCC to increase awareness of unit pricing information to assist shoppers to get better value for money at the supermarket, with the Government to introduce penalties for unit pricing non-compliance by grocery retailers.

In addition, the Government will work with state and territory governments to introduce proposed bans on unfair trading practices, to address drip pricing and subscription traps, and empower regulators to issue infringement notices or pursue penalties for breaches of the Consumer Guarantee and Supplier Indemnification provisions of the Australian Consumer Law.

The cost of this measure will be partially met from within the Treasury’s existing resources and partially offset from an estimated increase in receipts from additional enforcement penalties.

Housing Support

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	10.0	-	-	-
Housing Australia	-	10.0	-	-	-
Department of Social Services	-	-	-	-	-
Total – Payments	-	20.0	-	-	-

The Government will provide \$20.0 million to support delivery of housing programs, including:

- \$10.0 million in 2024–25 to Housing Australia to fast-track a round for social and affordable housing projects under the Housing Australia Future Fund targeted to state and territory governments, to commence in 2025
- \$10.0 million in 2024–25 to the Treasury to raise community awareness of available housing supports
- extending the Housing Policy Partnership for 12 months to 30 June 2026 to ensure continued progress and a coordinated approach across Government to progress housing targets under the *National Agreement on Closing the Gap*.

This measure builds on the 2022–23 October Budget measures titled *Safer and More Affordable Housing* and *Closing the Gap Housing Policy Partnership*.

International Assistance – pursuing Australia’s national interest through multilateral development banks

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
<i>Related receipts (\$m)</i>					
<i>Department of the Treasury</i>	-	..	2.2	4.0	5.8

The Government will continue to support multilateral development banks, and their engagement in the Asia-Pacific region, through the following measures:

- USD200 million (approximately AUD306.2 million) in guarantees of Asian Development Bank loans through their Innovative Finance Facility for Climate in Asia and the Pacific, to accelerate climate change mitigation and adaptation projects
- USD150 million (approximately AUD229.6 million) for the purchase of World Bank Group coupon-bearing hybrid capital that will help scale up action on climate change and other global challenges
- EUR40.3 million (approximately AUD66.6 million) for the purchase of new shares issued by the European Bank for Reconstruction and Development to finance Ukraine’s reconstruction.

Commitments will be phased in over a five-year period from 2025.

The financial implications of this measure reflect expected returns on investment in hybrid capital and the provision of guarantees that will have a positive budget impact.

Payday Super

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	63.3	105.4	118.2	-32.7
Department of Finance	-	0.1	0.1	0.1	0.1
Digital Transformation Agency	-	0.1	0.1	0.1	0.1
Total – Payments	-	63.5	105.6	118.4	-32.5
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-	-20.0	-107.0

The Government will provide \$404.1 million over four years from 2024–25 (and \$11.2 million per year ongoing) to implement the 2023–24 Budget measure titled *Securing Australians’ Superannuation Package*. From 1 July 2026, employers will be required to pay their employees’ Superannuation Guarantee entitlements on the same day that they pay salary and wages. The funding will enable the Australian Taxation Office (ATO) to build and improve data matching capabilities to match employers’ payroll data with superannuation contribution data, providing the ATO with near real-time visibility as to whether employers have met their obligations.

The Government will also redesign the Superannuation Guarantee charge legislation in line with the move to payday super. Penalties and charges will reflect the serious nature of

unpaid or underpaid Superannuation Guarantee, and will be recalibrated to encourage prompt rectification of non-payment, with scalable consequences to deter severe or repeated non-compliance. These changes are expected to reduce tax receipts by \$127.0 million over two years from 2026–27 and reduce associated payments by \$98.0 million over two years from 2026–27 (with an ongoing reduction in both tax receipts and associated payments)

The cost of this measure will be partially met from within the existing resourcing of the ATO.

This measure builds on the 2023–24 Budget measure titled *Securing Australians' Superannuation Package*.

Revitalising National Competition Policy

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Competition and Consumer Commission	-	-	1.5	1.5	1.5
Department of the Treasury	-	-	nfp	nfp	nfp
Total – Payments	-	-	1.5	1.5	1.5

The Government will provide \$909.3 million over 12 years from 2024–25 to improve competition and ease cost-of-living pressures that are impacting Australians. Funding includes:

- \$900.0 million over 11 years from 2025–26 to establish a new National Productivity Fund which will incentivise states and territories to undertake reforms to boost competition and productivity across the economy, with initial reforms to include streamlining commercial planning and zoning and removing barriers to modern construction methods
- \$4.7 million in 2025–26 to extend the National Competition Taskforce to support implementation of the National Competition Policy, including to complete a review of the Motor Vehicle Service and Repair Information Sharing Scheme and develop a broader right to repair for other consumer products
- \$4.5 million over three years from 2025–26 for the Australian Competition and Consumer Commission to expedite the review and updating of mandatory product safety and information standards.

Partial funding will be held in the Contingency Reserve pending passage of legislation.

The expenditure profile for the National Productivity Fund is not for publication (nfp) pending further information from states and territories on the timing of reforms.

Streamlining Consumer Redress under the Scams Prevention Framework

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	5.2	9.5	-	-
Australian Securities and Investments Commission	-	-	-	-	-
Total – Payments	-	5.2	9.5	-	-

The Government will provide \$14.7 million over two years from 2024–25 to establish an external dispute resolution scheme for scams to be administered by the Australian Financial Complaints Authority. The Scheme will provide a pathway for consumers to seek redress under the Scams Prevention Framework, which will initially apply to the banking, telecommunications and digital platforms sectors. Once operational, the Scheme will be fully cost recovered from industry.

This measure builds on the 2024–25 Budget measure titled *Fighting Scams*.

Superannuation in Retirement

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Securities and Investments Commission	-	3.5	2.9	2.9	2.9
Australian Prudential Regulation Authority	-	1.3	2.0	2.5	0.9
Total – Payments	-	4.8	4.9	5.4	3.8
<i>Related receipts (\$m)</i>					
Australian Prudential Regulation Authority	-	1.3	2.0	2.5	0.9
Australian Securities and Investments Commission	-	-	3.5	2.9	2.9
Australian Taxation Office	-	-	-
Total – Receipts	-	1.3	5.5	5.5	3.8

The Government will provide \$18.9 million over four years from 2024–25 (and \$3.2 million per year ongoing) to ensure the retirement phase of superannuation delivers a dignified retirement for more Australians. Funding includes:

- \$11.5 million over four years from 2024–25 (and \$2.7 million per year ongoing) for the Australian Securities and Investments Commission (ASIC) to enhance, expand and promote retirement resources and calculators available on the Moneysmart website
- \$7.4 million over four years from 2024–25 (and \$0.4 million per year ongoing) for the Australian Prudential Regulation Authority (APRA) and ASIC to introduce a retirement reporting framework to monitor the retirement outcomes delivered for members of superannuation funds in a transparent and consistent way.

The Government will also:

- update innovative income stream regulations to remove unintended barriers, enhance competition, and increase the attractiveness of innovative income stream products for older Australians
- develop a new set of voluntary best practice principles to guide the superannuation industry in designing modern, high-quality income products that support Australians' financial security in retirement.

The cost of this measure will be partially met from cost recovery through ASIC and APRA industry levies and from within the existing resourcing of the Treasury.

Temporary Financial Assistance to the NSW Government for NSW Police Officers

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	53.0	15.0	-	-
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	19.0	7.0	-

The Government will provide \$72.0 million over two years from 2024–25 to the NSW Government to reimburse NSW police officers for certain financial outcomes experienced as a result of the method through which insurance premiums were paid under the former Police Blue Ribbon Insurance scheme.

The funding assistance relates to insurance premiums which were counted as superannuation contributions in the 2023–24 and 2024–25 financial years. The funding represents the end of the transitional assistance on this matter.

The cost of this measure will be partially met by an anticipated increase in tax receipts.

The Government has already provided partial funding for this measure.

Treasury Portfolio – additional resourcing

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Bureau of Statistics	-	20.2	44.4	33.5	-0.2
Australian Competition and Consumer Commission	-	2.1	4.3	1.9	1.8
Digital Transformation Agency	-
Department of the Treasury	-	-	2.0	-	-
Australian Taxation Office	-	-	-2.0	-	-
Total – Payments	-	22.3	48.7	35.4	1.6

The Government will provide \$110.7 million over four years from 2024–25 to support the delivery of Government priorities in the Treasury portfolio. Funding includes:

- \$97.9 million over four years from 2024–25 (with an ongoing saving of \$0.3 million per year) to support further modernisation and digitalisation of the Australian Bureau of Statistics' data acquisition
- \$7.2 million over four years from 2024–25 (with \$1.9 million in 2028–29 and \$0.2 million per year ongoing) to the Australian Competition and Consumer Commission (ACCC) and the Treasury to implement the Government's response to the *Review of the Food and Grocery Code of Conduct 2023–24*, including establishment and enforcement of a new mandatory code
- \$3.6 million over two years from 2024–25 to support continuation of the ACCC's oversight of digital platforms
- \$2.0 million in 2025–26 to support the continuing work of the Tax and Transfer Policy Institute.

The cost of this measure will be partially met from within the existing resourcing of the Treasury and the Australian Taxation Office.

Appendix B: Supplementary Expenses Table and the Contingency Reserve

Expenses

Table B.1 shows estimates of Australian Government general government expenses by function and sub-function for 2024–25 and the forward years.

Table B.1: Estimates of Australian Government general government expenses by function and sub-function

	Estimates											
	2024-25			2025-26			2026-27			2027-28		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
General public services												
Legislative and executive affairs	2,216	2,340	6	1,676	1,771	6	1,633	1,729	6	1,840	2,015	10
Financial and fiscal affairs	10,227	10,391	2	10,070	10,227	2	10,081	10,203	1	9,814	9,755	-1
Foreign affairs and economic aid	8,730	8,774	1	7,667	7,830	2	8,105	8,300	2	8,632	8,902	3
General research	4,485	4,740	6	4,378	4,381	0	4,232	4,257	1	4,276	4,320	1
General services	1,253	1,258	0	1,221	1,245	2	1,235	1,247	1	1,268	1,291	2
Government superannuation benefits	5,485	5,794	6	5,584	5,471	-2	5,782	5,695	-2	6,008	6,028	0
Defence	47,986	48,270	1	50,046	49,858	0	51,339	51,546	0	55,102	55,460	1
Public order and safety	8,421	8,776	4	6,993	8,258	18	6,832	7,891	16	6,756	7,711	14
Education	53,046	63,805	20	53,220	54,197	2	55,093	56,267	2	56,925	58,269	2
Health	112,693	116,887	4	115,913	120,306	4	118,512	122,420	3	122,801	126,688	3
Social security and welfare	266,693	274,667	3	282,057	291,233	3	290,665	299,647	3	304,093	309,645	2
Housing and community amenities	9,999	16,208	62	8,831	8,880	1	7,072	7,240	2	5,629	5,707	1
Recreation and culture	5,372	5,676	6	5,472	5,713	4	5,423	5,505	2	5,604	5,756	3
Fuel and energy	20,121	16,321	-19	13,908	18,670	34	13,794	15,420	12	13,825	15,965	15
Agriculture, forestry and fishing	4,317	4,568	6	4,079	4,286	5	3,949	4,072	3	3,294	3,436	4
Mining, manufacturing and construction	5,511	5,544	1	5,563	5,528	-1	5,776	5,639	-2	6,172	6,044	-2

Table B.1: Estimates of Australian Government general government expenses by function and sub-function (continued)

	Estimates											
	2024-25			2025-26			2026-27			2027-28		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
Transport and communication	16,769	15,974	-5	16,717	16,339	-2	16,375	16,693	2	14,656	16,086	10
Other economic affairs												
Tourism and area promotion	192	205	7	191	193	1	191	190	-1	191	190	-1
Labour and employment affairs	5,881	6,125	4	5,575	5,697	2	5,198	5,291	2	5,081	5,136	1
Immigration	3,699	4,008	8	3,147	3,467	10	3,156	3,499	11	3,088	3,400	10
Other economic affairs nec	3,614	3,701	2	3,300	3,360	2	3,187	3,256	2	3,151	3,222	2
Other purposes												
Public debt interest	24,107	24,380	1	28,269	28,963	2	32,432	33,897	5	35,744	38,338	7
Nominal superannuation interest	14,620	14,241	-3	15,126	15,037	-1	15,610	15,518	-1	16,054	15,962	-1
General purpose inter-government transactions	97,995	97,760	0	102,937	105,037	2	108,329	110,091	2	112,941	114,594	1
Natural disaster relief	921	810	-12	676	814	20	408	569	39	314	332	6
Contingency reserve	167	-2,575	-1,642	14,674	7,856	-46	19,357	12,898	-33	26,496	20,394	-23
Total expenses	734,518	758,648	3	767,290	784,618	2	793,765	808,980	2	829,755	844,646	2

Contingency Reserve

The Contingency Reserve (other purposes function) is an allowance, included in aggregate expenses, principally to reflect anticipated events that cannot be assigned to individual programs in the preparation of the Australian Government budget estimates. The Contingency Reserve is used to ensure that the estimates are based on the best information available at the time of the Mid-Year Economic and Fiscal Outlook (MYEFO). It is not a general policy reserve.

While the Contingency Reserve is designed to ensure that aggregate estimates are as close as possible to expected outcomes, it is not appropriated. Allowances that are included in the Contingency Reserve can only be drawn upon once they have been appropriated by Parliament. These allowances are allocated to specific entities for appropriation closer to the time when the associated events occur.

The Contingency Reserve contains an allowance for the tendency for estimates of expenses for existing Government policy to be revised upwards in the forward years, known as the conservative bias allowance (CBA). Since the 2024–25 Budget, the allowance has been drawn down to:

- $\frac{1}{4}$ of a percentage point of total general government sector expenses (excluding GST payments to the states) in the first forward year 2025–26 (\$1.7 billion)
- $\frac{3}{4}$ of a percentage point of expenses in the second forward year 2026–27 (\$5.3 billion)
- $1\frac{1}{2}$ of a percentage point of expenses in the third forward year 2027–28 (\$10.9 billion).

The drawdown of the CBA reduced expenses by \$1.6 billion in 2025–26, \$1.5 billion in 2026–27, and \$3.2 billion in 2027–28. This is consistent with long standing practice and does not represent a saving.

In general, the Contingency Reserve can also include:

- a provision for underspends in the current financial year reflecting the tendency for budgeted expenses for some entities or functions not to be met
- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately and programs that are yet to be renegotiated with state and territory governments
- the effect on the budget and forward estimates, of economic parameter revisions received late in the process and hence not able to be allocated to individual entities or functions
- decisions taken but not yet announced by the Government, and decisions made too late for inclusion against individual entity estimates
- provisions for other specific events and policy changes that may impact the budget estimates.

Appendix C: Australia's Federal Financial Relations

This appendix provides information on payments to state and territory governments (the states) for specific purposes and general revenue assistance, including the GST entitlement.

Australian Government payments to the states are framed by the Intergovernmental Agreement on Federal Financial Relations (the Intergovernmental Agreement), which has been in place since 1 January 2009. The Intergovernmental Agreement recognises that the states have primary responsibility for many areas of service delivery, but that coordinated action is necessary to address Australia's economic and social challenges.

The Council on Federal Financial Relations (CFFR), comprising the Commonwealth Treasurer as Chair and all state and territory treasurers, is responsible for overseeing the financial relationship between the Commonwealth and the states. On 28 August 2020, CFFR implemented the Federation Funding Agreements (FFA) Framework to govern Commonwealth-state funding agreements. The FFA Framework complements the Intergovernmental Agreement.

More detailed information on Australia's federal financial relations can be found in Budget Paper No. 3, *Federal Financial Relations 2024–25* and on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au.

Overview of payments to the states

Australian Government payments to the states in 2024–25 are estimated to be \$187.5 billion, or 24.7 per cent of total Australian Government expenditure for the year. This amount comprises payments for specific purposes of \$90.9 billion and general revenue assistance of \$96.6 billion.

Table C.1 shows payments for specific purposes and general revenue assistance to the states.

Table C.1: Australian Government payments to the states, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25									
Payments for specific purposes(a)	26,204	19,890	19,445	11,437	6,838	2,231	1,469	2,310	90,871
GST-related payments(b)	26,419	24,042	18,979	7,435	9,157	3,604	2,002	4,322	95,959
Other general revenue assistance(c)	-	-	-	638	-	-	45	-	683
Total payments to the states	52,623	43,932	38,424	19,509	15,995	5,836	3,516	6,631	187,513

Table C.1: Australian Government payments to the states, 2024–25 to 2027–28 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2025-26									
Payments for specific purposes(a)	26,900	20,968	20,717	10,810	7,224	2,523	1,467	2,295	92,658
GST-related payments(b)	27,713	25,325	19,980	7,830	9,566	3,743	2,099	4,507	100,762
Other general revenue assistance(c)	-	-	-	505	-	-	46	-	552
Total payments to the states	54,613	46,293	40,697	19,145	16,790	6,266	3,612	6,802	193,972
2026-27									
Payments for specific purposes(a)	26,230	22,424	21,272	9,988	7,192	2,430	1,484	2,178	94,401
GST-related payments(b)	28,709	26,382	20,786	9,441	9,942	3,886	2,188	4,730	106,065
Other general revenue assistance(c)	-	-	-	390	-	-	47	-	438
Total payments to the states	54,939	48,806	42,059	19,820	17,134	6,316	3,719	6,908	200,904
2027-28									
Payments for specific purposes(a)	26,850	23,320	21,594	9,409	7,307	2,350	1,503	1,928	96,618
GST-related payments(b)	29,746	27,483	21,624	9,989	10,335	4,040	2,283	4,975	110,474
Other general revenue assistance(c)	-	-	-	348	-	-	48	-	396
Total payments to the states	56,596	50,804	43,218	19,746	17,642	6,389	3,834	6,903	207,488

- a) State allocations for several programs are not yet determined. These payments are not reflected in state totals. Hence, total payments for specific purposes may not equal the sum of the state figures.
- b) Includes GST entitlement and horizontal fiscal equalisation (HFE) transition payments (also known as the No Worse Off guarantee). State allocations depend on the GST revenue sharing relativities for each financial year. They are calculated using the Commonwealth Grants Commission's 2024–25 GST relativities. The estimates do not reflect any attempt to project future GST relativities or GST entitlements.
- c) Includes ACT municipal services and royalty payments. See Table C.6 for further information.

Payments for specific purposes

The Australian Government provides payments to the states for specific purposes in policy areas for which the states have primary responsibility. Payments to the states for specific purposes are estimated to total \$90.9 billion in 2024–25, which is 12.0 per cent of total Australian Government expenditure for the year and an increase of \$7.0 billion (or 8.3 per cent) on the \$83.9 billion the states received in 2023–24.

The Australian Government provides the following types of specific purpose payments to the states:

- National Health Reform funding, largely for public hospital services.
- Better and Fairer Schools funding, for government and non-government schools.
- Payments for skills and workforce development activities, including through the National Skills Agreement.
- National Agreement on Social Housing and Homelessness funding to support the delivery of social housing and homelessness services.
- Energy Bill Relief reimbursement payments, for cost of living relief.
- National Access to Justice Partnership funding, for improved justice outcomes for people experiencing vulnerability and financial disadvantage.
- National Partnership payments in a wide range of service delivery areas, including land transport infrastructure.

Table C.2 shows total payments for specific purposes by category.

Table C.2: Total payments for specific purposes by category, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2024-25									
National Health Reform funding	8,895	7,302	7,088	3,195	2,045	658	540	426	30,149
Better and Fairer Schools funding(b)(c)	9,254	7,810	6,774	3,282	2,269	699	464	508	31,060
National Skills Agreement(d)	775	630	515	276	175	58	48	34	2,511
National Agreement on Social Housing and Homelessness	540	451	355	190	120	37	30	56	1,779
Energy Bill Relief	838	658	524	261	200	65	48	22	2,615
National Legal Assistance Partnership (2020-2025)(e)	155	109	123	69	45	19	12	37	569
National Partnership payments(f)(g)	5,749	2,931	4,066	4,164	1,984	695	327	1,228	22,188
Total payments for specific purposes	26,204	19,890	19,445	11,437	6,838	2,231	1,469	2,310	90,871
2025-26									
National Health Reform funding(h)	9,479	7,788	7,602	3,403	2,181	703	574	456	32,187
Better and Fairer Schools funding(b)(c)	9,557	8,068	6,975	3,449	2,347	740	492	563	32,191
National Skills Agreement(d)	761	623	506	271	170	55	46	31	2,464
National Agreement on Social Housing and Homelessness	551	461	363	195	122	38	31	57	1,818
Energy Bill Relief	279	219	175	87	67	22	16	7	872
National Access to Justice Partnership	193	129	158	98	58	24	15	62	738
National Partnership payments(f)(g)	6,079	3,680	4,937	3,307	2,279	942	293	1,119	22,388
Total payments for specific purposes	26,900	20,968	20,717	10,810	7,224	2,523	1,467	2,295	92,658
2026-27									
National Health Reform funding(h)	10,090	8,285	8,064	3,624	2,322	748	611	485	34,229
Better and Fairer Schools funding(b)(c)	9,922	8,411	7,237	3,608	2,436	776	518	626	33,534
National Skills Agreement(d)	776	638	517	277	172	56	47	31	2,516
National Agreement on Social Housing and Homelessness	565	472	372	199	125	39	32	58	1,862
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	199	133	162	101	60	25	15	63	758
National Partnership payments(f)(g)	4,679	4,484	4,920	2,178	2,077	786	261	915	21,502
Total payments for specific purposes	26,230	22,424	21,272	9,988	7,192	2,430	1,484	2,178	94,401

Table C.2: Total payments for specific purposes by category, 2024–25 to 2027–28 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2027-28									
National Health Reform funding(h)	10,746	8,824	8,588	3,859	2,472	796	651	516	36,454
Better and Fairer Schools funding(b)(c)	10,298	8,763	7,499	3,722	2,523	803	539	696	34,841
National Skills Agreement(d)	786	649	525	282	174	56	48	31	2,552
National Agreement on Social Housing and Homelessness	575	481	379	203	128	40	32	59	1,897
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	203	136	166	103	61	26	15	65	774
National Partnership payments(f)(g)	4,241	4,468	4,437	1,240	1,949	629	219	561	20,101
Total payments for specific purposes	26,850	23,320	21,594	9,409	7,307	2,350	1,503	1,928	96,618

- a) As state allocations for several programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals. Additionally, a slippage adjustment has been applied to Infrastructure Investment Program spending at the national level in 2024–25, 2025–26 and 2026–27 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. State totals are unaffected by the slippage assumption. The adjustment has been unwound over 2027–28 to 2032–33. See Box C.1 for further details.
- b) Funding includes the Interim School Funding Agreement (ISFA) for jurisdictions (NSW, VIC, QLD and SA) that have not signed the Better and Fairer Schools Agreement. ISFA expires on 31 December 2025.
- c) Includes funding for non-government representative bodies.
- d) The National Skills Agreement (NSA) commenced on 1 January 2024, replacing the National Agreement for Skills and Workforce Development.
- e) To be replaced by the National Access to Justice Partnership from 1 July 2025, which provides ongoing funding to the legal assistance sector. Funding for the National Legal Assistance Partnership (NLAP) was included in the National Partnership payments line in previous budget updates.
- f) Excludes payments under the NSA, Energy Bill Relief, and the NLAP, which are shown separately.
- g) Includes financial assistance grants for, and payments direct to, local government and payments funded through appropriations including but not limited to section 16 of the *Federal Financial Relations Act 2009*.
- h) National Health Reform Agreement funding estimates are based on the current 2020–2025 Addendum. The Commonwealth has provisioned for its expected increased contribution as part of the new Addendum.

Payments for specific purposes cover most areas of state and local government activity, including health, education, skills and workforce development, community services, affordable housing, infrastructure, and the environment, energy and water. Table C.3 shows total payments for specific purposes by sector.

Table C.3: Payments for specific purposes by sector, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2024-25									
Health	9,102	7,486	7,301	3,515	2,187	716	559	532	31,448
Education	9,431	7,967	6,902	3,352	2,312	714	476	559	31,741
Skills and workforce development	796	647	532	288	186	60	55	37	2,654
Community services	39	30	32	14	11	5	3	89	232
Affordable housing	541	451	380	215	145	37	30	402	2,867
Infrastructure(b)	4,468	2,181	3,200	3,549	1,546	513	230	569	15,682
Environment, energy and water	1,405	870	853	363	344	145	80	64	4,917
Contingent payments	~	1	~	~	~	~	~	~	1
Other(c)	422	257	244	140	107	41	36	57	1,327
Total payments for specific purposes	26,204	19,890	19,445	11,437	6,838	2,231	1,469	2,310	90,871
2025-26									
Health	9,661	7,946	7,776	3,625	2,306	774	586	567	33,280
Education	9,686	8,182	7,073	3,499	2,379	751	502	570	32,816
Skills and workforce development	814	666	543	292	183	59	51	32	2,665
Community services	19	15	13	6	7	3	1	8	144
Affordable housing	554	461	363	195	122	38	31	267	2,042
Infrastructure(b)	4,186	2,392	3,731	2,525	1,815	666	163	719	15,046
Environment, energy and water	683	337	360	139	106	92	30	15	2,284
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,296	970	859	529	305	140	102	118	4,381
Total payments for specific purposes	26,900	20,968	20,717	10,810	7,224	2,523	1,467	2,295	92,658
2026-27									
Health	10,167	8,346	8,210	3,668	2,419	775	616	579	34,833
Education	9,941	8,428	7,261	3,619	2,445	779	519	627	34,176
Skills and workforce development	816	670	543	291	181	58	49	32	2,732
Community services	3	3	1	1	4	1	1	1	144
Affordable housing	567	472	372	199	125	39	32	276	2,083
Infrastructure(b)	3,026	3,432	3,877	1,623	1,709	581	155	541	14,654
Environment, energy and water	403	64	122	38	13	55	7	3	1,317
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,307	1,008	887	549	295	143	106	119	4,463
Total payments for specific purposes	26,230	22,424	21,272	9,988	7,192	2,430	1,484	2,178	94,401

Table C.3: Payments for specific purposes by sector, 2024–25 to 2027–28 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2027-28									
Health	10,848	8,869	8,712	3,906	2,579	820	655	588	37,062
Education	10,300	8,765	7,500	3,723	2,524	803	539	696	35,496
Skills and workforce development	786	649	525	282	174	56	48	31	2,723
Community services	~	1	~	~	2	~	~	~	133
Affordable housing	575	481	379	203	128	40	32	245	2,083
Infrastructure(b)	2,940	3,513	3,503	719	1,596	435	130	251	13,904
Environment, energy and water	60	5	62	14	3	55	1	1	654
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,339	1,038	912	564	302	141	99	117	4,563
Total payments for specific purposes	26,850	23,320	21,594	9,409	7,307	2,350	1,503	1,928	96,618

- a) As state allocations for several programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals.
- b) A slippage adjustment has been applied to Infrastructure Investment Program payments at the national level in 2024–25, 2025–26 and 2026–27 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. State totals are unaffected by the slippage assumption. The adjustment has been unwound over 2027–28 to 2032–33. See Box C.1 for further details.
- c) Includes financial assistance grants for local governments.

Table C.4 shows total payments for specific purposes by sector and category (National Health Reform funding, Better and Fairer Schools funding, the National Skills Agreement, the National Agreement on Social Housing and Homelessness, Energy Bill Relief, National Access to Justice funding and National Partnership payments).

Table C.4: Payments for specific purposes by sector and category, 2024–25 to 2027–28

\$million	2024-25	2025-26	2026-27	2027-28
<i>Health</i>				
National Health Reform funding(a)	30,149	32,187	34,229	36,454
National Partnership payments	1,299	1,093	605	608
Total health payments	31,448	33,280	34,833	37,062
<i>Education</i>				
Better and Fairer Schools funding(b)	31,060	32,191	33,534	34,841
National Partnership payments	682	625	642	655
Total education payments	31,741	32,816	34,176	35,496
<i>Skills and workforce development</i>				
National Skills Agreement(c)	2,511	2,464	2,516	2,552
National Partnership payments(d)	144	201	216	171
Total skills and workforce development payments	2,654	2,665	2,732	2,723
<i>Community services</i>				
National Partnership payments	232	144	144	133
<i>Affordable housing</i>				
National Agreement on Social Housing and Homelessness	1,779	1,818	1,862	1,897
National Partnership payments	1,088	223	221	185
Total affordable housing payments	2,867	2,042	2,083	2,083
<i>Infrastructure</i>				
National Partnership payments(e)(i)	15,682	15,046	14,654	13,904
<i>Environment, energy and water</i>				
Energy Bill Relief	2,615	872	-	-
National Partnership payments(e)(f)	2,303	1,412	1,317	654
Total environment, energy and water payments	4,917	2,284	1,317	654
<i>Contingent payments</i>				
National Partnership payments	1	..	..	..
<i>Other</i>				
National Access to Justice Partnership(g)	569	738	758	774
National Partnership payments(e)(h)	758	3,643	3,704	3,789
Total other payments	1,327	4,381	4,463	4,563
Total payments for specific purposes	90,871	92,658	94,401	96,618

- a) National Health Reform Agreement funding estimates are based on the current 2020–2025 Addendum. The Commonwealth has provisioned for its expected increased contribution as part of the new Addendum.
- b) Funding includes the Interim School Funding Agreement (ISFA) for jurisdictions (NSW, VIC, QLD and SA) that have not signed the Better and Fairer Schools Agreement. ISFA expires on 31 December 2025.
- c) The National Skills Agreement (NSA) commenced on 1 January 2024, replacing the National Agreement for Skills and Workforce Development.
- d) Excludes payments under the NSA, which are shown separately.
- e) Includes financial assistance grants for, and payments direct to, local government, and/or payments funded through appropriations including but not limited to section 16 of the *Federal Financial Relations Act 2009*.
- f) Excludes payments under Energy Bill Relief, which are shown separately.
- g) Funding for 2024–25 is provided by the National Legal Assistance Partnership (NLAP), which was included in the National Partnership payments line in previous budget updates. From 1 July 2025, the National Access to Justice Partnership provides ongoing funding to the legal assistance sector.

- h) Excludes payments under NLAP, which are shown separately.
 - i) A slippage adjustment has been applied to Infrastructure Investment Program spending at the national level in 2024–25, 2025–26 and 2026–27 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. The adjustment has been unwound over 2027–28 to 2032–33. See Box C.1 for further details.
-

Detailed tables of payments for specific purposes are provided in Annex A (available online).

Box C.1: Infrastructure Investment Program slippage adjustment methodology

Infrastructure expenditure slippage occurs when project milestones have not been achieved as planned, leading to a delay in expenditure compared to future years.

In the 2024–25 MYEFO, the Australian Government has implemented a slippage adjustment for the Infrastructure Investment Program (IIP) to take account of historical experience, including the timing of states claiming payments against milestones, the complexity of delivery, and market capacity constraints. Slippage is a usual occurrence for large and complex capital infrastructure programs. The adjustment is set at \$1.7 billion in 2024–25, \$1.4 billion in 2025–26 and \$0.4 billion in 2026–27 and is unwound over 2027–28 to 2032–33.

A number of states, such as New South Wales, Queensland and South Australia make provisions for capital investment slippage at a whole-of-government level in their respective budget papers, without affecting the funding available for specific agencies or projects. This approach has been taken in the 2024–25 MYEFO, which means state totals and project entitlements are unaffected. The Australian Government previously applied a slippage adjustment to the IIP in the 2020–21 Budget.

Disaster Recovery Funding Arrangements

The Australian Government provides funding under the Disaster Recovery Funding Arrangements (DRFA) to assist the states in relief and recovery efforts following natural disasters. The Government recognises a liability equal to the present value of future payments expected to be made to the states under the DRFA. The liability is based on estimates provided by the states. It reflects known and estimated future expenditure for relief and recovery measures, for which states are yet to submit a claim to the Government. Table C.5 shows estimated DRFA cash payments and when the Government expects to reimburse the states for costs incurred in relation to past disasters. Expense estimates are presented in Table C.A.8 in Annex A (available online).

Table C.5: Estimated DRFA cash payments, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	383.7	368.9	1,284.9	11.7	52.6	19.3	-	-	2,121.0
2025-26	336.1	213.4	1,705.5	59.8	25.2	4.3	0.2	49.2	2,393.8
2026-27	5,797.6	204.2	152.2	501.5	196.1	1.8	-	-	6,853.5
2027-28	205.3	44.3	26.0	5.7	9.8	-	-	-	291.1
Total	6,722.6	830.9	3,168.6	578.6	283.7	25.5	0.2	49.2	11,659.3

General revenue assistance

General revenue assistance is provided to states, without conditions, to spend according to their own budget priorities. In 2024–25, the states are expected to receive \$96.6 billion from the Australian Government in total general revenue assistance, which is estimated to represent 12.7 per cent of total Australian Government expenditure in that year. This consists of the GST entitlement of \$90.6 billion (comprising GST revenue and the Commonwealth funded GST pool boost), horizontal fiscal equalisation (HFE) transition payments of \$5.3 billion (also known as the No Worse Off guarantee) and \$683 million of other general revenue assistance.

Total GST-related payments to the states (GST entitlements plus HFE transition payments) are estimated to increase from \$96.0 billion in 2024–25 to \$110.5 billion by 2027–28.

Estimated general revenue assistance provided to the states by the Australian Government is shown in Table C.6. Detailed tables of GST and other general revenue assistance are provided in Table C.A.10 in Annex A (available online).

Table C.6: General revenue assistance, 2024–25 to 2027–28

\$million	2024-25	2025-26	2026-27	2027-28
GST entitlement	90,631	95,150	100,387	105,967
HFE transition payments(a)	5,328	5,613	5,678	4,507
Other general revenue assistance				
ACT municipal services	45	46	47	48
Royalty payments	638	505	390	348
Total other general revenue assistance	683	552	438	396
Total	96,642	101,314	106,503	110,870

a) Estimates of the horizontal fiscal equalisation (HFE) transition payments for 2025–26 and later years are based on the 2024–25 GST relativities and adjusted to take into account the transition to the new HFE system. The 2026–27 and 2027–28 HFE transition payments are assumed to be 80 per cent and 60 per cent respectively of that implied using the 2024–25 GST relativities.

GST payments

Under the *Federal Financial Relations Act 2009*, the states are entitled to receive payments from the Australian Government equivalent to the revenue raised from the GST in any given financial year, subject to some minor adjustments.

Table C.7 reconciles GST revenue and the states' GST entitlement.

Table C.7: Reconciling GST revenue and the states' GST entitlement

\$million	2024-25	2025-26	2026-27	2027-28
GST revenue	94,770	99,290	104,690	110,650
<i>less</i> Change in GST receivables	5,017	5,062	5,274	5,722
GST receipts	89,753	94,228	99,416	104,928
<i>less</i> Non-GIC penalties collected	100	110	120	110
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	3	-2	-4	-2
<i>plus</i> GST pool boost	981	1,030	1,087	1,147
States' GST entitlement	90,631	95,150	100,387	105,967

Table C.8 reconciles the change in the estimates of the states' GST entitlement since the 2024–25 Budget. Since the 2024–25 Budget the GST entitlement has been revised up by \$2.1 billion in 2024–25 and by \$7.1 billion over the four years to 2027–28. GST receipts have been upgraded driven by stronger-than-expected GST collections, and an upgrade to the outlook for nominal consumption subject to GST and nominal private dwelling investment, partially offset by lower net travel services.

Table C.8: Reconciliation of the GST entitlement estimates since the 2024–25 Budget

\$million	2024-25	2025-26	2026-27	2027-28
GST entitlement at 2024-25 Budget	88,534	93,245	98,826	104,468
<i>Changes between 2024-25 Budget and 2024-25 MYEFO</i>				
Effect of policy decisions	2	28	63	75
Effect of parameter and other variations	2,095	1,876	1,498	1,425
Total variations	2,097	1,905	1,560	1,499
GST entitlement at 2024-25 MYEFO	90,631	95,150	100,387	105,967

Specific policy decisions taken since the 2024–25 Budget that affect the GST entitlement are shown in Table C.9. These decisions are estimated to increase the amount of the GST entitlement by \$167.2 million over the four years to 2027–28.

Table C.9: Policy decisions since the 2024–25 Budget that affect the GST entitlement

\$million	2024-25	2025-26	2026-27	2027-28
Assistance for Recent Arrivals from Conflict Zones	..	..	..	..
Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program	-	12.4	33.1	35.4
Strengthening Tax Compliance – boosting the Shadow Economy Compliance Program	3.3	16.5	29.6	39.2
Indirect Tax Concession Scheme – diplomatic and consular concessions	-1.4	-0.7	-0.2	..
Total	1.9	28.2	62.5	74.6

Detailed information on specific policy decisions taken since the 2024–25 Budget is included in MYEFO 2024–25, *Appendix A: Policy decisions taken since the 2024–25 Budget*.

Distribution of the GST among the states

The Australian Government distributes the GST among the states based on the GST revenue sharing relativities recommended by the Commonwealth Grants Commission. Table C.10 shows the calculation for the distribution of the states' estimated GST entitlement in 2024–25. This method of calculation is prescribed in the *Federal Financial Relations Act 2009*.

Table C.10: Calculation of GST entitlements^(a)

	Estimated 31 December 2024 population	GST relativities	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million
2024-25	(1)	(2)			
NSW	8,556,433	0.86736	7,421,508	27.1%	24,540
VIC	7,048,356	0.96502	6,801,805	24.8%	22,491
QLD	5,637,082	0.95232	5,368,306	19.6%	17,751
WA	2,997,921	0.75000	2,248,441	8.2%	7,435
SA	1,886,570	1.40312	2,647,084	9.7%	8,753
TAS	576,351	1.82832	1,053,754	3.8%	3,484
ACT	476,867	1.20419	574,238	2.1%	1,899
NT	255,392	5.06681	1,294,023	4.7%	4,279
Total	27,434,972	na	27,409,158	100.0%	90,631

a) Amounts shown are estimates of each state's GST entitlement, based on the estimated total GST entitlement and state populations. These amounts do not account for the 2023–24 balancing adjustment made to the states' GST advance payments in 2024–25.

The calculation of the final GST entitlement for 2023–24 is shown in Table C.11. The Assistant Minister for Competition, Charities and Treasury made a determination giving effect to this entitlement on 24 October 2024. The table also includes the distribution of the balancing adjustment, taking account of the differences between advances of GST paid to each state and each state’s final entitlement for 2023–24.

Table C.11: Calculation of the GST entitlement and balancing adjustment, 2023–24

	31 December 2023 population	GST relativities	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million	GST advances \$million	Balancing adjustment \$million (5) - (6)
2023-24	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NSW	8,434,754	0.92350	7,789,495	29.0%	24,808	25,028	-220
VIC	6,905,978	0.85169	5,881,752	21.9%	18,733	18,900	-168
QLD	5,528,292	1.03118	5,700,664	21.2%	18,156	18,323	-167
WA	2,927,888	0.70000	2,049,522	7.6%	6,527	6,573	-46
SA	1,866,318	1.39463	2,602,823	9.7%	8,290	8,367	-77
TAS	574,705	1.79080	1,029,182	3.8%	3,278	3,307	-29
ACT	470,232	1.19540	562,115	2.1%	1,790	1,811	-20
NT	253,634	4.98725	1,264,936	4.7%	4,029	4,061	-32
Total	26,961,801	na	26,880,490	100.0%	85,611	86,370	-760

GST administration

States compensate the Australian Government for the costs incurred by the Australian Taxation Office (ATO) for administering the GST, including by the Department of Home Affairs. In practice, this is achieved by the Australian Government reducing the monthly GST payments to the states by the GST administration costs. The GST administration budget for the ATO is estimated to be \$709 million for 2024–25, as shown in Table C.12.

Table C.12: GST administration budget

\$million	Actual	Estimates			
	2023-24	2024-25	2025-26	2026-27	2027-28
Administration budget at 2023-24 Budget	719	724	736	734	na
Total variations (2023-24 Budget to 2023-24 MYEFO)	-69	-15	-13	-9	na
Total variations (2023-24 MYEFO to 2024-25 Budget)	-	-	-1	-1	-6
Administration budget at 2024-25 Budget (a)	650	709	722	724	482
Changes from 2024-25 Budget to MYEFO					
Parameter variations	-	-	-1	2	..
Other variations (b)	-	-	-28	-35	-25
Total variations	-	-	-29	-33	-25
Administration budget at 2024-25 MYEFO	650	709	693	691	457
Prior year at Budget	677	650			
Prior year outcome	653	618			
equals prior year adjustment	-24	-33			
<i>equals</i> State government payments	626	676	693	691	457
Administration budget at 2024-25 Budget	650				
less Australian Taxation Office outcome	618				
<i>equals</i> following year adjustment	-33				

a) Decrease in estimate in 2027–28 reflects the end of the GST Compliance Program announced at the 2023–24 Budget.

b) Other variations include forecasting changes due to reducing expected overhead costs attributed to GST.

Appendix D: Tax Expenditures

This appendix contains an overview of Australian Government tax expenditures. Section 12 of the *Charter of Budget Honesty Act 1998* requires the publication of an overview of estimated tax expenditures.

The Tax Expenditures and Insights Statement (TEIS) provides an estimate of the revenue forgone from tax expenditures, along with distributional analysis on large tax expenditures and commonly utilised features of the tax system.

Tax benchmarks represent a standard tax treatment that applies to similar taxpayers or types of activities. Policy approaches can apply a tax treatment different from a standard approach, which can give rise to positive or negative tax expenditures. The choice of benchmark unavoidably involves some judgment.

Consistent with most OECD countries, estimates of tax expenditures reflect the extent to which they are used, similar to Budget estimates of outlays on demand-driven expenditure programs. This is known as the ‘revenue forgone’ approach which, in practice, involves estimating the difference in revenue between the actual and benchmark tax treatments but, importantly, assuming taxpayer behaviour is the same in each circumstance. Revenue forgone estimates therefore do not indicate the revenue gain to the Budget if a specific tax expenditure was abolished through policy change, as there may be significant changes in taxpayer behaviour.

Care needs to be taken when comparing tax expenditures with direct expenditures as they may measure different things. In addition, estimates from different editions of previously released Statements are generally not directly comparable, because of changes or modifications to – for example – benchmarks, individual tax expenditures, data used or modelling methodology.

Table D.1 lists the largest measured tax expenditures for 2024–25 and several personal deduction categories. It is based on economic parameters as at the publication of MYEFO. The items in the deductions category are not tax expenditures so they do not result in forgone revenue against the benchmark. However, the difference between tax paid with the deduction and tax that would have been paid if the deduction was not claimed has been included in Table D.1 for comparison purposes. The TEIS is not a statement of policy intent.

Table D.1: Estimates of large measured tax expenditures and deductions

Tax type affected	Code	Title	Revenue forgone 2024-25 (\$m)*	Average growth 2020-21 to 2023-24 (%)	Average projected growth over FEs (%)
Positive tax expenditures and deductions					
Super	C2	Concessional taxation of employer superannuation contributions	29,150	14.2	4.1
CGT	E8	Main residence exemption – discount component	27,000	18.6	8.0
Deductions		Rental deductions	26,500	14.4	6.1
CGT	E7	Main residence exemption	24,500	18.0	7.7
CGT	E15	Discount for individuals and trusts	22,730	27.0	-3.4
Super	C4	Concessional taxation of superannuation earnings	22,200	6.2	13.0
Income	A26	Exemption for National Disability Insurance Scheme amounts	11,420	29.7	8.8
Deductions		Work-related expenses	11,300	10.6	3.7
GST	H25	Food	9,500	6.1	3.6
GST	H17	Health – medical and health services	5,400	5.0	6.5
GST	H14	Education	4,550	6.6	5.4
Income	A27	Exemption of Child Care Assistance payments	4,100	20.8	4.9
Income	B63	Lower tax rate for small companies	3,500	11.1	2.6
GST	H2	Financial supplies – input taxed treatment	3,500	3.7	4.5
FBT	D15	Exemption for public benevolent institutions (excluding hospitals)	2,950	11.5	3.1
Income	B11	Exemption from interest withholding tax on certain securities	2,930	11.5	0.3
Income	A20	Medicare levy exemption for residents with taxable income below the low-income thresholds	2,750	1.9	0.5
Income	A24	Concessional taxation of non-superannuation termination benefits	2,700	-5.5	N/A
Super	C6	Deductibility of life and total and permanent disability insurance premiums provided inside of superannuation	2,340	4.6	4.0
GST	H5	Child care services	2,330	11.2	5.0
Income	B1	Local government bodies income tax exemption	2,060	5.9	1.3
Super	C1	Concessional taxation of capital gains for superannuation funds	2,000	-15.5	11.0
Super	C3	Concessional taxation of personal superannuation contributions	1,800	20.0	3.1
Income	A39	Exemption of Family Tax Benefit payments	1,780	1.6	0.7

* For deductions, 'Revenue forgone' refers to the reduction in tax in relation to the specified income year due to the utilisation of deductions.

Table D.1: Estimates of large measured tax expenditures and deductions (continued)

Tax type affected	Code	Title	Revenue forgone 2024-25 (\$m)*	Average growth 2020-21 to 2023-24 (%)	Average projected growth over FEs (%)
FBT	D11	Exemption for public and not-for-profit hospitals and public ambulance services	1,750	7.2	2.0
Income	A38	Exemption of certain income support benefits, pensions or allowances	1,700	2.6	-0.6
Other	F6	Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	1,700	27.9	6.0
Deductions		Cost of managing tax affairs and other deductions	1,600	7.2	4.4
Income	A18	Exemption of the Private Health Insurance Rebate	1,600	0.0	2.3
GST	H18	Health – residential care, community care and other care services	1,600	4.1	6.6
Income	A57	Philanthropy – deduction for gifts to deductible gift recipients	1,515	35.6	-21.6
Income	B83	Capital works expenditure deduction	1,430	3.4	3.6
Income	A40	Exemptions of certain veterans' pensions, allowances or benefits, compensation, and particular World War II-related payments for persecution	1,380	20.2	-0.9
GST	H6	Water, sewerage and drainage	1,320	5.2	3.5
CGT	E32	Small business 50 per cent reduction	1,310	16.4	-4.2
Income	B12	Exemption of inbound non-portfolio distributions from income tax	1,120	5.1	-0.7
Income	B5	Reduced withholding tax under international tax treaties	1,080	15.4	8.6
Income	A32	Seniors and pensioners tax offset	1,050	25.7	-5.4
FBT	D21	Application of statutory formula to value car benefits	1,050	28.0	-2.0
Super	C12	Exemption for small business assets held for more than 15 years	1,020	33.1	-6.2
Negative tax expenditures and deductions					
Income	B82	Accelerated depreciation for business entities	-3,900	168	N/A
Income	B88	Simplified depreciation rules	-3,700	9.8	N/A
Other	F21	Customs duty	-2,130	5.4	-13.1
Other	F5	Luxury car tax	-1,170	11.0	2.0
Income	A21	Medicare levy surcharge	-1,100	24.8	4.5

* For deductions, 'Revenue forgone' refers to the reduction in tax in relation to the specified income year due to the utilisation of deductions.

Appendix E: Historical Australian Government Data

This appendix reports historical data for the Australian Government fiscal aggregates across the general government, public non-financial corporations and non-financial public sectors.

Data sources

Data are sourced from Australian Government *Final Budget Outcomes*, the Australian Bureau of Statistics (ABS), the Australian Office of Financial Management and Australian Government *Consolidated Financial Statements*.

- Accrual data from 1996–97 onwards and cash data, net debt data, net financial worth data and net worth data from 1999–2000 onwards are sourced from Australian Government *Final Budget Outcomes*. Back-casting adjustments for accounting classification changes and other revisions have been made from 1998–99 onwards where applicable.
- Cash data prior to 1999–2000 are sourced from ABS data, which have been calculated using methodology consistent with that used for later years in ABS cat. no. 5512.0 *Government Finance Statistics*.
- Net debt data prior to 1999–2000 are from ABS cat. no. 5512.0 *Government Finance Statistics 2003–04* in 1998–99, ABS cat. no. 5501.0 *Government Financial Estimates 1999–2000* and ABS cat. no. 5513.0 *Public Sector Financial Assets and Liabilities 1998* from 1987–88 to 1997–98, and Treasury estimates (see Treasury’s *Economic Roundup, Spring 1996*, pages 97–103) prior to 1987–88.

Comparability of data across years

The data set contains a number of structural breaks owing to accounting classification differences and changes to the structure of the budget which cannot be eliminated through back-casting because of data limitations. These breaks can affect the comparability of data across years, especially when the analysis is taken over a large number of years. Specific factors causing structural breaks include:

- Most recent accounting classification changes that require revisions to the historical series have been back-cast (where applicable) to 1998–99, ensuring that data are consistent across the accrual period from 1998–99 onwards. However, because of data limitations, these changes have not been back-cast to earlier years.
- From 2019–20 onwards, as a result of the implementation of the accounting standard AASB 16 *Leases*, the distinction between operating and finance leases for lessees has been removed. This change impacted a number of budget aggregates, in particular

net debt and net financial worth. Due to data limitations, these changes have not been back-cast to earlier years.

- From 2005–06 onwards, underlying Government Finance Statistics (GFS) data are provided by agencies in accordance with Australian Accounting Standards (AAS), which include International Financial Reporting Standards (IFRS) as adopted in Australia. Prior to 2005–06, underlying GFS data are based on data provided by agencies applying AAS prior to the adoption of IFRS.
- Prior to 1999–2000, Australian Government general government sector debt instruments are valued at historic cost, whereas from 1999–2000 onwards they are valued at market prices (consistent with accrual GFS standards). This affects net debt and net interest payments.
- Cash data up to and including 1997–98 are calculated under a cash accounting framework, while cash data from 1998–99 onwards are derived from an accrual accounting framework.⁸ Although the major methodological differences associated with the move to the accrual framework have been eliminated through back-casting, comparisons across the break may still be affected by changes to some data sources and collection methodologies.
- Adjustments in the coverage of agencies are included in the accounts of the different sectors. These include the reclassification of Central Banking Authorities from the general government to the public financial corporations sector in 1998–99, and subsequent back-casting to account for this change.
- Changes have been made in arrangements for transfer payments, where tax concessions or rebates are replaced by payments through the social security system. This has the effect of increasing both cash receipts and payments, as compared with earlier periods, but not changing cash balances. Changes in the opposite direction reduce both cash payments and receipts.
- Classification differences in the data relating to the period prior to 1976–77 mean that earlier data may not be entirely consistent with data for 1976–77 onwards.

⁸ Prior to the 2008–09 Budget, cash data calculated under the cash accounting framework were used up to and including 1998–99. In the 2008–09 Budget, cash data prior to 1998–99 have been replaced by ABS data derived from the accrual framework.

Revisions to previously published data

Under the accrual GFS framework and generally under AAS, flows are recorded in the period in which they occurred. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods, and can be reliably assigned to the relevant period(s).

There have been no material classification changes that have resulted in back casting in this update.

Table E.1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a)

	Receipts(b)		Payments(c)			Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth(f)	Per cent of GDP	\$m	\$m	Per cent of GDP
1970-71	8,290	20.5	7,389	na	18.3	-	901	2.2
1971-72	9,135	20.5	8,249	4.1	18.5	-	886	2.0
1972-73	9,735	19.5	9,388	7.7	18.8	-	348	0.7
1973-74	12,228	20.3	11,078	4.2	18.4	-	1,150	1.9
1974-75	15,643	22.0	15,463	19.9	21.7	-	181	0.3
1975-76	18,727	22.5	20,225	15.7	24.3	-	-1,499	-1.8
1976-77	21,890	22.8	23,157	0.6	24.1	-	-1,266	-1.3
1977-78	24,019	22.9	26,057	2.7	24.8	-	-2,037	-1.9
1978-79	26,129	22.0	28,272	0.3	23.8	-	-2,142	-1.8
1979-80	30,321	22.5	31,642	1.5	23.5	-	-1,322	-1.0
1980-81	35,993	23.6	36,176	4.6	23.7	-	-184	-0.1
1981-82	41,499	23.6	41,151	2.9	23.4	-	348	0.2
1982-83	45,463	24.0	48,810	6.3	25.8	-	-3,348	-1.8
1983-84	49,981	23.4	56,990	9.4	26.7	-	-7,008	-3.3
1984-85	58,817	25.0	64,853	9.1	27.5	-	-6,037	-2.6
1985-86	66,206	25.4	71,328	1.5	27.3	-	-5,122	-2.0
1986-87	74,724	26.1	77,158	-1.1	26.9	-	-2,434	-0.8
1987-88	83,491	25.7	82,039	-0.9	25.3	-	1,452	0.4
1988-89	90,748	24.6	85,326	-3.1	23.2	-	5,421	1.5
1989-90	98,625	24.4	92,684	0.6	22.9	-	5,942	1.5
1990-91	100,227	24.1	100,665	3.1	24.2	-	-438	-0.1
1991-92	95,840	22.6	108,472	5.7	25.6	-	-12,631	-3.0
1992-93	97,633	22.0	115,751	5.6	26.1	-	-18,118	-4.1
1993-94	103,824	22.3	122,009	3.5	26.1	-	-18,185	-3.9
1994-95	113,458	22.9	127,619	1.4	25.7	-	-14,160	-2.9
1995-96	124,429	23.5	135,538	1.9	25.6	-	-11,109	-2.1
1996-97	133,592	24.0	139,689	1.7	25.1	-	-6,099	-1.1
1997-98	140,736	23.9	140,587	0.6	23.9	-	149	0.0
1998-99	152,063	24.5	148,175	4.1	23.8	-	3,889	0.6
1999-00	166,199	25.1	153,192	1.0	23.1	-	13,007	2.0
2000-01	182,996	25.9	177,123	9.1	25.0	-	5,872	0.8
2001-02	187,588	24.8	188,655	3.5	24.9	-	-1,067	-0.1
2002-03	204,613	25.5	197,243	1.4	24.6	-	7,370	0.9
2003-04	217,775	25.2	209,785	3.9	24.3	-	7,990	0.9
2004-05	235,984	25.5	222,407	3.5	24.0	-	13,577	1.5
2005-06	255,943	25.6	240,136	4.6	24.0	51	15,757	1.6
2006-07	272,637	25.0	253,321	2.5	23.3	2,127	17,190	1.6
2007-08	294,917	25.0	271,843	3.8	23.0	3,319	19,754	1.7
2008-09	292,600	23.2	316,046	12.7	25.1	3,566	-27,013	-2.1
2009-10	284,662	21.8	336,900	4.2	25.8	2,256	-54,494	-4.2

Table E.1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a) (continued)

	Receipts(b)		Payments(c)			Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth(f)	Per cent of GDP	\$m	\$m	Per cent of GDP
2010-11	302,024	21.3	346,102	-0.4	24.4	3,385	-47,463	-3.3
2011-12	329,874	22.0	371,032	4.8	24.7	2,203	-43,360	-2.9
2012-13	351,052	22.8	367,204	-3.2	23.9	2,682	-18,834	-1.2
2013-14	360,322	22.5	406,430	7.8	25.4	2,348	-48,456	-3.0
2014-15	378,301	23.3	412,079	-0.3	25.4	4,089	-37,867	-2.3
2015-16	386,924	23.3	423,328	1.3	25.5	3,202	-39,606	-2.4
2016-17	409,868	23.3	439,375	2.0	25.0	3,644	-33,151	-1.9
2017-18	446,905	24.3	452,742	1.1	24.6	4,305	-10,141	-0.6
2018-19	485,286	24.9	478,098	3.9	24.6	7,878	-690	0.0
2019-20	469,398	23.7	549,634	13.4	27.7	5,036	-85,272	-4.3
2020-21	519,913	24.9	654,084	17.1	31.4	6,619	-134,171	-6.4
2021-22	584,358	25.1	616,320	-9.8	26.4	7,677	-31,962	-1.4
2022-23	649,477	25.3	627,413	-4.9	24.4	4,960	22,064	0.9
2023-24	688,585	25.8	672,806	2.9	25.2	6,667	15,779	0.6
2024-25 (e)	704,184	25.5	731,133	5.7	26.5	7,168	-26,949	-1.0
2025-26 (e)	728,419	25.5	775,335	2.8	27.2	7,400	-46,915	-1.6
2026-27 (e)	763,386	25.4	801,739	0.9	26.7	7,866	-38,353	-1.3
2027-28 (e)	804,078	25.4	835,749	1.7	26.4	8,500	-31,671	-1.0

a) Data have been revised to improve accuracy and comparability through time.

b) Receipts are equal to cash receipts from operating activities and sales of non-financial assets.

c) Payments are equal to cash payments for operating activities, purchases of non-financial assets and principal payments of lease liabilities.

d) Between 2005–06 and 2019–20, the underlying cash balance is equal to receipts less payments, less net Future Fund earnings. In all other years, the underlying cash balance is equal to receipts less payments.

e) Estimates.

f) Real spending growth is calculated using the Consumer Price Index as the deflator.

Table E.2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a)

			Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	Receipts	Payments		Per cent of GDP		Per cent of GDP
	\$m	\$m	\$m		\$m	
1970-71	8,290	7,389	-851	-2.1	50	0.1
1971-72	9,135	8,249	-987	-2.2	-101	-0.2
1972-73	9,735	9,388	-977	-2.0	-629	-1.3
1973-74	12,228	11,078	-1,275	-2.1	-125	-0.2
1974-75	15,643	15,463	-2,648	-3.7	-2,467	-3.5
1975-76	18,727	20,225	-2,040	-2.4	-3,539	-4.2
1976-77	21,890	23,157	-1,530	-1.6	-2,796	-2.9
1977-78	24,019	26,057	-1,324	-1.3	-3,361	-3.2
1978-79	26,129	28,272	-1,074	-0.9	-3,216	-2.7
1979-80	30,321	31,642	-702	-0.5	-2,024	-1.5
1980-81	35,993	36,176	-962	-0.6	-1,146	-0.8
1981-82	41,499	41,151	-1,008	-0.6	-660	-0.4
1982-83	45,463	48,810	-1,363	-0.7	-4,711	-2.5
1983-84	49,981	56,990	-1,136	-0.5	-8,144	-3.8
1984-85	58,817	64,853	-922	-0.4	-6,959	-3.0
1985-86	66,206	71,328	-810	-0.3	-5,932	-2.3
1986-87	74,724	77,158	-545	-0.2	-2,979	-1.0
1987-88	83,491	82,039	657	0.2	2,109	0.6
1988-89	90,748	85,326	168	0.0	5,589	1.5
1989-90	98,625	92,684	1,217	0.3	7,159	1.8
1990-91	100,227	100,665	1,563	0.4	1,125	0.3
1991-92	95,840	108,472	2,156	0.5	-10,475	-2.5
1992-93	97,633	115,751	2,471	0.6	-15,647	-3.5
1993-94	103,824	122,009	3,447	0.7	-14,738	-3.2
1994-95	113,458	127,619	1,546	0.3	-12,614	-2.5
1995-96	124,429	135,538	5,188	1.0	-5,921	-1.1
1996-97	133,592	139,689	7,241	1.3	1,142	0.2
1997-98	140,736	140,587	15,154	2.6	15,303	2.6
1998-99	152,063	148,175	6,948	1.1	10,837	1.7
1999-00	166,199	153,192	9,500	1.4	22,507	3.4
2000-01	182,996	177,123	5,673	0.8	11,545	1.6
2001-02	187,588	188,655	3,422	0.5	2,355	0.3
2002-03	204,613	197,243	-229	0.0	7,141	0.9
2003-04	217,775	209,785	-452	-0.1	7,538	0.9
2004-05	235,984	222,407	-1,139	-0.1	12,438	1.3
2005-06	255,943	240,136	-1,647	-0.2	14,160	1.4
2006-07	272,637	253,321	7,403	0.7	26,720	2.5
2007-08	294,917	271,843	5,108	0.4	28,181	2.4
2008-09	292,600	316,046	-7,889	-0.6	-31,336	-2.5
2009-10	284,662	336,900	-4,278	-0.3	-56,516	-4.3

Table E.2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a) (continued)

	Receipts		Payments		Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	\$m	\$m	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	302,024	346,102	-7,028	-0.5	-51,106	-3.6		
2011-12	329,874	371,032	-5,866	-0.4	-47,023	-3.1		
2012-13	351,052	367,204	-4,802	-0.3	-20,954	-1.4		
2013-14	360,322	406,430	-6,371	-0.4	-52,479	-3.3		
2014-15	378,301	412,079	-5,158	-0.3	-38,936	-2.4		
2015-16	386,924	423,328	-12,684	-0.8	-49,088	-3.0		
2016-17	409,868	439,375	-13,501	-0.8	-43,008	-2.4		
2017-18	446,905	452,742	-20,041	-1.1	-25,878	-1.4		
2018-19	485,286	478,098	-14,387	-0.7	-7,199	-0.4		
2019-20	469,398	549,634	-13,632	-0.7	-93,868	-4.7		
2020-21	519,913	654,084	-3,364	-0.2	-137,535	-6.6		
2021-22	584,358	616,320	-1,340	-0.1	-33,302	-1.4		
2022-23	649,477	627,413	-7,962	-0.3	14,103	0.5		
2023-24	688,585	672,806	-1,816	-0.1	13,963	0.5		
2024-25 (e)	704,184	731,133	-20,816	-0.8	-47,764	-1.7		
2025-26 (e)	728,419	775,335	-23,363	-0.8	-70,278	-2.5		
2026-27 (e)	763,386	801,739	-24,549	-0.8	-62,902	-2.1		
2027-28 (e)	804,078	835,749	-20,839	-0.7	-52,510	-1.7		

a) Data have been revised to improve accuracy and comparability through time.

b) Prior to 1999–2000, net cash flows from investments in financial assets for policy purposes were referred to as 'net advances'. A negative number reflects a cash outflow, while a positive number reflects a cash inflow.

c) Headline cash balance is equal to receipts less payments, plus net cash flows from investments in financial assets for policy purposes. Receipts and payments are identical to Table E.1.

e) Estimates.

Table E.3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a)

	Taxation receipts		Non-taxation receipts		Total receipts ^(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	7,193	17.8	1,097	2.7	8,290	20.5
1971-72	7,895	17.7	1,240	2.8	9,135	20.5
1972-73	8,411	16.9	1,324	2.7	9,735	19.5
1973-74	10,832	17.9	1,396	2.3	12,228	20.3
1974-75	14,141	19.8	1,502	2.1	15,643	22.0
1975-76	16,920	20.3	1,807	2.2	18,727	22.5
1976-77	19,714	20.5	2,176	2.3	21,890	22.8
1977-78	21,428	20.4	2,591	2.5	24,019	22.9
1978-79	23,409	19.7	2,720	2.3	26,129	22.0
1979-80	27,473	20.4	2,848	2.1	30,321	22.5
1980-81	32,641	21.4	3,352	2.2	35,993	23.6
1981-82	37,880	21.5	3,619	2.1	41,499	23.6
1982-83	41,025	21.7	4,438	2.3	45,463	24.0
1983-84	44,849	21.0	5,132	2.4	49,981	23.4
1984-85	52,970	22.5	5,847	2.5	58,817	25.0
1985-86	58,841	22.6	7,365	2.8	66,206	25.4
1986-87	66,467	23.2	8,257	2.9	74,724	26.1
1987-88	75,076	23.1	8,415	2.6	83,491	25.7
1988-89	83,452	22.7	7,296	2.0	90,748	24.6
1989-90	90,773	22.4	7,852	1.9	98,625	24.4
1990-91	92,739	22.3	7,488	1.8	100,227	24.1
1991-92	87,364	20.6	8,476	2.0	95,840	22.6
1992-93	88,760	20.0	8,873	2.0	97,633	22.0
1993-94	93,362	20.0	10,462	2.2	103,824	22.3
1994-95	104,921	21.2	8,537	1.7	113,458	22.9
1995-96	115,700	21.9	8,729	1.7	124,429	23.5
1996-97	124,559	22.4	9,033	1.6	133,592	24.0
1997-98	130,984	22.2	9,752	1.7	140,736	23.9
1998-99	138,420	22.3	13,643	2.2	152,063	24.5
1999-00	151,313	22.8	14,887	2.2	166,199	25.1
2000-01	170,354	24.1	12,641	1.8	182,996	25.9
2001-02	175,371	23.2	12,218	1.6	187,588	24.8
2002-03	192,391	24.0	12,222	1.5	204,613	25.5
2003-04	206,734	23.9	11,041	1.3	217,775	25.2
2004-05	223,986	24.2	11,999	1.3	235,984	25.5
2005-06	241,987	24.2	13,956	1.4	255,943	25.6
2006-07	258,252	23.7	14,385	1.3	272,637	25.0
2007-08	279,317	23.7	15,600	1.3	294,917	25.0
2008-09	273,674	21.7	18,926	1.5	292,600	23.2
2009-10	262,167	20.1	22,495	1.7	284,662	21.8

Table E.3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a) (continued)

	Taxation receipts		Non-taxation receipts		Total receipts ^(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	282,106	19.9	19,918	1.4	302,024	21.3
2011-12	311,269	20.7	18,606	1.2	329,874	22.0
2012-13	327,835	21.3	23,218	1.5	351,052	22.8
2013-14	340,283	21.3	20,038	1.3	360,322	22.5
2014-15	353,927	21.8	24,374	1.5	378,301	23.3
2015-16	362,445	21.9	24,480	1.5	386,924	23.3
2016-17	379,336	21.6	30,532	1.7	409,868	23.3
2017-18	418,118	22.7	28,787	1.6	446,905	24.3
2018-19	448,654	23.0	36,631	1.9	485,286	24.9
2019-20	431,854	21.8	37,544	1.9	469,398	23.7
2020-21	473,941	22.7	45,972	2.2	519,913	24.9
2021-22	536,586	23.0	47,772	2.1	584,358	25.1
2022-23	601,300	23.4	48,177	1.9	649,477	25.3
2023-24	633,400	23.7	55,185	2.1	688,585	25.8
2024-25 (e)	645,565	23.4	58,620	2.1	704,184	25.5
2025-26 (e)	669,651	23.5	58,768	2.1	728,419	25.5
2026-27 (e)	705,421	23.5	57,965	1.9	763,386	25.4
2027-28 (e)	743,077	23.5	61,001	1.9	804,078	25.4

a) Data have been revised to improve accuracy and comparability through time.

b) Receipts are equal to receipts from operating activities and sales of non-financial assets. Receipts are identical to Table E.1.

e) Estimates.

Table E.4: Australian Government general government sector net debt and net interest payments^(a)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	344	0.9	-189	-0.5
1971-72	-496	-1.1	-245	-0.5
1972-73	-790	-1.6	-252	-0.5
1973-74	-1,851	-3.1	-286	-0.5
1974-75	-1,901	-2.7	-242	-0.3
1975-76	-341	-0.4	-330	-0.4
1976-77	898	0.9	-62	-0.1
1977-78	2,896	2.8	4	0.0
1978-79	4,983	4.2	254	0.2
1979-80	6,244	4.6	440	0.3
1980-81	6,356	4.2	620	0.4
1981-82	5,919	3.4	680	0.4
1982-83	9,151	4.8	896	0.5
1983-84	16,015	7.5	1,621	0.8
1984-85	21,896	9.3	2,813	1.2
1985-86	26,889	10.3	3,952	1.5
1986-87	29,136	10.2	4,762	1.7
1987-88	27,344	8.4	4,503	1.4
1988-89	21,981	6.0	4,475	1.2
1989-90	16,123	4.0	4,549	1.1
1990-91	16,915	4.1	3,636	0.9
1991-92	31,041	7.3	3,810	0.9
1992-93	55,218	12.4	3,986	0.9
1993-94	70,223	15.0	5,628	1.2
1994-95	83,492	16.8	7,292	1.5
1995-96	95,831	18.1	8,861	1.7
1996-97	96,281	17.3	9,489	1.7
1997-98	82,935	14.1	8,279	1.4
1998-99	72,065	11.6	8,649	1.4
1999-00	57,661	8.7	7,514	1.1
2000-01	46,802	6.6	6,195	0.9
2001-02	42,263	5.6	5,352	0.7
2002-03	33,403	4.2	3,758	0.5
2003-04	26,995	3.1	3,040	0.4
2004-05	15,604	1.7	2,502	0.3
2005-06	331	0.0	2,303	0.2
2006-07	-24,288	-2.2	228	0.0
2007-08	-39,958	-3.4	-1,015	-0.1
2008-09	-11,285	-0.9	-1,196	-0.1
2009-10	47,874	3.7	2,386	0.2

Table E.4: Australian Government general government sector net debt and net interest payments^(a) (continued)

	Net debt ^(b)		Net interest payments ^(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	90,660	6.4	4,608	0.3
2011-12	153,443	10.2	6,609	0.4
2012-13	159,594	10.4	8,285	0.5
2013-14	209,559	13.1	10,843	0.7
2014-15	245,817	15.1	10,868	0.7
2015-16	303,467	18.3	12,041	0.7
2016-17	322,320	18.3	12,365	0.7
2017-18	341,961	18.6	13,135	0.7
2018-19	373,566	19.2	15,149	0.8
2019-20	491,217	24.8	13,280	0.7
2020-21	592,221	28.4	14,290	0.7
2021-22	515,650	22.1	14,977	0.6
2022-23	491,013	19.1	11,852	0.5
2023-24	491,469	18.4	12,264	0.5
2024-25 (e)	540,039	19.6	14,611	0.5
2025-26 (e)	609,307	21.3	18,488	0.6
2026-27 (e)	669,192	22.3	21,618	0.7
2027-28 (e)	708,601	22.4	27,454	0.9

a) Data have been revised to improve accuracy and comparability through time.

b) Net debt is the sum of interest-bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

c) Net interest payments are equal to the difference between interest paid and interest receipts.

e) Estimates.

Table E.5: Australian Government general government sector face value of Australian Government Securities (AGS) on issue and interest paid^(a)

	Face value of AGS on issue(b)					
	Total AGS on issue(c)		Subject to Treasurer's Direction(d)		Interest paid(f)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	10,887	27.0	-	-	580	1.4
1971-72	11,490	25.8	-	-	614	1.4
1972-73	12,217	24.5	-	-	675	1.4
1973-74	12,809	21.2	-	-	712	1.2
1974-75	14,785	20.7	-	-	893	1.3
1975-76	17,940	21.5	-	-	1,001	1.2
1976-77	20,845	21.7	-	-	1,485	1.5
1977-78	23,957	22.8	-	-	1,740	1.7
1978-79	28,120	23.7	-	-	2,080	1.8
1979-80	29,321	21.8	-	-	2,356	1.8
1980-81	30,189	19.8	-	-	2,723	1.8
1981-82	31,060	17.7	-	-	3,058	1.7
1982-83	37,071	19.6	-	-	3,580	1.9
1983-84	45,437	21.3	-	-	4,558	2.1
1984-85	54,420	23.1	-	-	5,952	2.5
1985-86	63,089	24.2	-	-	7,394	2.8
1986-87	67,172	23.5	-	-	8,339	2.9
1987-88	62,794	19.3	-	-	8,139	2.5
1988-89	56,854	15.4	-	-	8,222	2.2
1989-90	48,399	12.0	-	-	8,064	2.0
1990-91	48,723	11.7	-	-	6,994	1.7
1991-92	58,826	13.9	-	-	6,819	1.6
1992-93	76,509	17.2	-	-	6,487	1.5
1993-94	90,889	19.5	-	-	7,709	1.7
1994-95	105,466	21.3	-	-	9,144	1.8
1995-96	110,166	20.8	-	-	10,325	2.0
1996-97	111,067	20.0	-	-	10,653	1.9
1997-98	93,664	15.9	-	-	9,453	1.6
1998-99	85,331	13.7	-	-	9,299	1.5
1999-00	75,536	11.4	-	-	8,509	1.3
2000-01	66,403	9.4	-	-	7,335	1.0
2001-02	63,004	8.3	-	-	6,270	0.8
2002-03	57,435	7.2	-	-	4,740	0.6
2003-04	54,750	6.3	-	-	4,096	0.5
2004-05	55,151	6.0	-	-	3,902	0.4
2005-06	54,070	5.4	-	-	4,628	0.5
2006-07	53,264	4.9	-	-	3,959	0.4
2007-08	55,442	4.7	-	-	3,754	0.3
2008-09	101,147	8.0	95,103	7.5	3,970	0.3
2009-10	147,133	11.3	141,806	10.9	6,411	0.5

Table E.5: Australian Government general government sector face value of Australian Government Securities (AGS) on issue and interest paid^(a) (continued)

	Face value of AGS on issue(b)					
	Total AGS on issue(c)		Subject to Treasurer's Direction(d)		Interest paid(f)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	191,292	13.5	186,704	13.2	9,551	0.7
2011-12	233,976	15.6	229,389	15.3	10,875	0.7
2012-13	257,378	16.7	252,791	16.4	11,846	0.8
2013-14	319,487	20.0	316,952	19.8	13,972	0.9
2014-15	368,738	22.7	366,202	22.5	13,924	0.9
2015-16	420,420	25.4	417,936	25.2	14,977	0.9
2016-17	500,979	28.5	498,510	28.4	15,290	0.9
2017-18	531,937	28.9	529,467	28.7	16,568	0.9
2018-19	541,992	27.8	541,986	27.8	18,951	1.0
2019-20	684,298	34.5	684,292	34.5	16,524	0.8
2020-21	816,991	39.2	816,985	39.2	17,102	0.8
2021-22	895,253	38.4	895,247	38.4	17,423	0.7
2022-23	889,790	34.7	889,785	34.7	18,862	0.7
2023-24	906,939	33.9	906,934	33.9	22,774	0.9
2024-25 (e)	940,000	34.0	940,000	34.0	24,579	0.9
2025-26 (e)	1,028,000	36.0	1,028,000	36.0	28,147	1.0
2026-27 (e)	1,100,000	36.7	1,100,000	36.7	30,840	1.0
2027-28 (e)	1,161,000	36.7	1,161,000	36.7	37,574	1.2

a) Data have been revised to improve accuracy and comparability through time.

b) From 2024–25 onwards, data for AGS on issue are estimates and are rounded to the nearest \$1.0 billion.

c) Total AGS on issue includes AGS held on behalf of the states and the Northern Territory.

d) The face value of AGS subject to the Treasurer's Direction excludes the stock and securities outlined in subsection 51JA(2A) of the *Commonwealth Inscribed Stock Act 1911*. These are the same stock and securities that were excluded from the previous legislative debt limit. AGS on issue subject to the Treasurer's Direction are not available prior to 2008–09 because the limit was first introduced in July 2008.

e) Estimates.

f) Interest paid consists of all cash interest payments of the general government sector, including those relating to AGS on issue.

Table E.6: Australian Government general government sector revenue, expenses, net operating balance, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net operating balance(b)		Net capital investment		Fiscal balance(c)	
	\$m	Per cent	\$m	Per cent	\$m	Per cent	\$m	Per cent	\$m	Per cent
		of GDP		of GDP		of GDP		of GDP		
1996-97	141,688	25.5	145,940	26.2	-4,252	-0.8	90	0.0	-4,342	-0.8
1997-98	146,820	24.9	148,788	25.3	-1,968	-0.3	147	0.0	-2,115	-0.4
1998-99	152,106	24.5	146,925	23.6	5,181	0.8	1,433	0.2	3,748	0.6
1999-00	167,304	25.2	155,728	23.5	11,576	1.7	-69	0.0	11,645	1.8
2000-01	186,106	26.3	180,277	25.5	5,829	0.8	8	0.0	5,820	0.8
2001-02	190,432	25.2	193,214	25.5	-2,782	-0.4	382	0.1	-3,164	-0.4
2002-03	206,778	25.7	201,402	25.1	5,376	0.7	287	0.0	5,088	0.6
2003-04	222,042	25.7	215,634	25.0	6,409	0.7	660	0.1	5,749	0.7
2004-05	242,354	26.2	229,427	24.8	12,926	1.4	1,034	0.1	11,892	1.3
2005-06	260,569	26.1	241,977	24.2	18,592	1.9	2,498	0.2	16,094	1.6
2006-07	277,895	25.5	259,197	23.8	18,698	1.7	2,333	0.2	16,365	1.5
2007-08	303,402	25.7	280,335	23.8	23,068	2.0	2,593	0.2	20,475	1.7
2008-09	298,508	23.7	324,889	25.8	-26,382	-2.1	4,064	0.3	-30,445	-2.4
2009-10	292,387	22.4	340,354	26.1	-47,967	-3.7	6,433	0.5	-54,400	-4.2
2010-11	309,204	21.8	356,710	25.1	-47,506	-3.3	5,297	0.4	-52,802	-3.7
2011-12	337,324	22.5	377,948	25.2	-40,624	-2.7	4,850	0.3	-45,474	-3.0
2012-13	359,496	23.4	383,351	24.9	-23,855	-1.6	987	0.1	-24,842	-1.6
2013-14	374,151	23.4	415,691	26.0	-41,540	-2.6	3,850	0.2	-45,390	-2.8
2014-15	379,455	23.4	418,956	25.8	-39,501	-2.4	2,706	0.2	-42,206	-2.6
2015-16	395,055	23.8	430,739	26.0	-35,684	-2.2	3,829	0.2	-39,513	-2.4

Table E.6: Australian Government general government sector revenue, expenses, net operating balance, net capital investment and fiscal balance^(a) (continued)

	Revenue		Expenses		Net operating balance(b)		Net capital investment		Fiscal balance(c)	
		Per cent		Per cent		Per cent		Per cent		Per cent
	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP
2016-17	415,723	23.7	449,712	25.6	-33,989	-1.9	2,876	0.2	-36,865	-2.1
2017-18	456,280	24.8	461,490	25.1	-5,209	-0.3	1,284	0.1	-6,493	-0.4
2018-19	493,346	25.3	485,869	25.0	7,476	0.4	6,126	0.3	1,350	0.1
2019-20	486,278	24.5	578,117	29.2	-91,839	-4.6	4,005	0.2	-95,844	-4.8
2020-21	523,012	25.1	651,916	31.3	-128,904	-6.2	7,204	0.3	-136,108	-6.5
2021-22	596,401	25.6	623,050	26.7	-26,649	-1.1	8,412	0.4	-35,061	-1.5
2022-23	668,389	26.0	637,025	24.8	31,363	1.2	9,437	0.4	21,926	0.9
2023-24	704,503	26.3	685,857	25.7	18,647	0.7	6,650	0.2	11,996	0.4
2024-25 (e)	718,253	26.0	758,648	27.5	-40,394	-1.5	5,493	0.2	-45,887	-1.7
2025-26 (e)	743,211	26.0	784,618	27.5	-41,407	-1.5	8,288	0.3	-49,695	-1.7
2026-27 (e)	781,029	26.0	808,980	27.0	-27,951	-0.9	8,396	0.3	-36,347	-1.2
2027-28 (e)	822,438	26.0	844,646	26.7	-22,208	-0.7	11,240	0.4	-33,448	-1.1

a) Data have been revised to improve accuracy and comparability through time.

b) Net operating balance is equal to revenue less expenses.

c) Fiscal balance is equal to revenue less expenses less net capital investment.

e) Estimates.

Table E.7: Australian Government general government sector net worth and net financial worth^(a)

	Net worth ^(b)		Net financial worth ^(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	-10,424	-1.6	-70,414	-10.6
2000-01	-10,287	-1.5	-75,544	-10.7
2001-02	-15,330	-2.0	-81,707	-10.8
2002-03	-18,856	-2.3	-86,456	-10.8
2003-04	-4,740	-0.5	-75,976	-8.8
2004-05	11,066	1.2	-62,372	-6.7
2005-06	14,293	1.4	-63,442	-6.3
2006-07	42,677	3.9	-39,370	-3.6
2007-08	67,122	5.7	-18,428	-1.6
2008-09	15,452	1.2	-75,465	-6.0
2009-10	-50,383	-3.9	-148,930	-11.4
2010-11	-100,504	-7.1	-203,904	-14.4
2011-12	-252,046	-16.8	-360,672	-24.0
2012-13	-207,769	-13.5	-317,843	-20.7
2013-14	-261,596	-16.4	-375,882	-23.5
2014-15	-308,390	-19.0	-427,169	-26.3
2015-16	-423,674	-25.6	-548,028	-33.1
2016-17	-390,897	-22.2	-529,225	-30.1
2017-18	-418,135	-22.7	-562,183	-30.5
2018-19	-543,459	-27.9	-694,448	-35.7
2019-20	-664,892	-33.6	-840,557	-42.4
2020-21	-725,230	-34.8	-905,924	-43.4
2021-22	-581,758	-25.0	-775,727	-33.3
2022-23	-538,371	-21.0	-743,294	-28.9
2023-24	-531,635	-19.9	-746,315	-27.9
2024-25 (e)	-570,599	-20.7	-791,164	-28.6
2025-26 (e)	-628,939	-22.0	-856,789	-30.0
2026-27 (e)	-671,944	-22.4	-907,162	-30.2
2027-28 (e)	-708,534	-22.4	-954,171	-30.2

a) Data have been revised to improve accuracy and comparability through time.

b) Net worth is equal to total assets less total liabilities.

c) Net financial worth is equal to financial assets less total liabilities.

e) Estimates.

Table E.8: Australian Government general government sector accrual taxation revenue, non-taxation revenue and total revenue^(a)

	Taxation revenue		Non-taxation revenue		Total revenue	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	153,409	23.1	13,895	2.1	167,304	25.2
2000-01	175,876	24.9	10,229	1.4	186,106	26.3
2001-02	178,410	23.6	12,022	1.6	190,432	25.2
2002-03	195,319	24.3	11,458	1.4	206,778	25.7
2003-04	210,541	24.4	11,501	1.3	222,042	25.7
2004-05	230,490	24.9	11,863	1.3	242,354	26.2
2005-06	245,846	24.6	14,723	1.5	260,569	26.1
2006-07	262,876	24.1	15,019	1.4	277,895	25.5
2007-08	286,869	24.3	16,534	1.4	303,402	25.7
2008-09	279,303	22.1	19,206	1.5	298,508	23.7
2009-10	268,841	20.6	23,546	1.8	292,387	22.4
2010-11	289,566	20.4	19,639	1.4	309,204	21.8
2011-12	317,413	21.2	19,911	1.3	337,324	22.5
2012-13	338,106	22.0	21,390	1.4	359,496	23.4
2013-14	353,239	22.1	20,912	1.3	374,151	23.4
2014-15	356,365	21.9	23,090	1.4	379,455	23.4
2015-16	369,468	22.3	25,587	1.5	395,055	23.8
2016-17	388,706	22.1	27,017	1.5	415,723	23.7
2017-18	427,249	23.2	29,031	1.6	456,280	24.8
2018-19	456,147	23.4	37,198	1.9	493,346	25.3
2019-20	447,605	22.6	38,673	2.0	486,278	24.5
2020-21	480,312	23.0	42,700	2.0	523,012	25.1
2021-22	550,412	23.6	45,989	2.0	596,401	25.6
2022-23	618,288	24.1	50,101	2.0	668,389	26.0
2023-24	650,365	24.3	54,139	2.0	704,503	26.3
2024-25 (e)	663,609	24.0	54,644	2.0	718,253	26.0
2025-26 (e)	687,854	24.1	55,356	1.9	743,211	26.0
2026-27 (e)	724,623	24.1	56,406	1.9	781,029	26.0
2027-28 (e)	763,828	24.2	58,610	1.9	822,438	26.0

a) Data have been revised to improve accuracy and comparability through time.

e) Estimates.

Table E.9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)^(a)

	General government			Public non-financial corporations			Non-financial public sector		
	Underlying cash			Receipts(b)	Payments(f)	Cash surplus	Receipts(b)	Payments(f)	Cash surplus
	Receipts(b)	Payments(c)	balance(d)						
1988-89	90,748	85,326	5,421	4,177	6,035	257	93,923	90,312	5,678
1989-90	98,625	92,684	5,942	3,926	11,322	-5,261	101,495	102,883	681
1990-91	100,227	100,665	-438	4,804	9,351	-2,139	103,837	108,808	-2,577
1991-92	95,840	108,472	-12,631	3,899	7,713	101	97,937	114,369	-12,530
1992-93	97,633	115,751	-18,118	4,385	7,819	-196	100,512	122,042	-18,314
1993-94	103,824	122,009	-18,185	5,178	6,476	1,482	106,747	126,214	-16,703
1994-95	113,458	127,619	-14,160	5,262	7,318	1,956	116,751	132,965	-12,204
1995-96	124,429	135,538	-11,109	4,927	8,190	-527	126,593	140,963	-11,636
1996-97	133,592	139,689	-6,099	4,782	7,373	473	135,259	143,948	-5,626
1997-98	140,736	140,587	149	6,238	7,923	1,119	144,517	145,985	1,268
1998-99	152,063	148,175	3,889	na	na	-353	na	na	3,536
1999-00	166,199	153,192	13,007	na	na	-2,594	na	na	10,413
2000-01	182,996	177,123	5,872	na	na	391	na	na	6,323
2001-02	187,588	188,655	-1,067	na	na	1,210	na	na	65
2002-03	204,613	197,243	7,370	27,386	26,105	1,280	na	na	8,651
2003-04	217,775	209,785	7,990	27,718	26,142	1,575	238,236	228,664	9,569
2004-05	235,984	222,407	13,577	29,621	28,071	1,550	257,946	242,805	15,141
2005-06	255,943	240,136	15,757	30,875	31,874	-999	278,254	263,421	14,833
2006-07	272,637	253,321	17,190	16,882	18,641	-1,759	285,336	267,719	17,625
2007-08	294,917	271,843	19,754	7,758	8,231	-472	300,503	277,754	22,800
2008-09	292,600	316,046	-27,013	7,987	8,960	-973	297,421	321,275	-23,786
2009-10	284,662	336,900	-54,494	8,419	9,341	-922	290,681	343,816	-52,879

Table E.9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)^(a) (continued)

	General government			Public non-financial corporations			Non-financial public sector		
	Underlying cash			Receipts(b)	Payments(f)	Cash surplus	Receipts(b)	Payments(f)	Cash surplus
	Receipts(b)	Payments(c)	balance(d)						
2010-11	302,024	346,102	-47,463	8,558	9,733	-1,175	308,258	353,452	-44,911
2011-12	329,874	371,032	-43,360	8,845	10,847	-2,002	336,122	379,266	-42,763
2012-13	351,052	367,204	-18,834	9,766	13,061	-3,294	358,088	377,221	-19,133
2013-14	360,322	406,430	-48,456	11,042	14,246	-3,204	368,521	417,248	-48,726
2014-15	378,301	412,079	-37,867	11,256	15,136	-3,880	386,643	424,229	-37,586
2015-16	386,924	423,328	-39,606	11,606	17,753	-6,147	395,842	438,228	-42,386
2016-17	409,868	439,375	-33,151	12,406	19,543	-7,138	419,433	456,020	-36,587
2017-18	446,905	452,742	-10,141	14,195	22,348	-8,153	457,604	471,451	-13,846
2018-19	485,286	478,098	-690	17,909	26,608	-8,699	498,767	500,276	-1,510
2019-20	469,398	549,634	-85,272	18,824	28,244	-9,419	483,362	573,018	-89,656
2020-21	519,913	654,084	-134,171	21,264	26,635	-5,371	535,940	675,484	-139,544
2021-22	584,358	616,320	-31,962	21,791	26,896	-5,105	601,398	638,466	-37,068
2022-23	649,477	627,413	22,064	23,602	29,546	-5,944	668,929	652,810	16,119
2023-24	688,585	672,806	15,779	23,646	30,980	-7,334	707,990	699,529	8,461
2024-25 (e)	704,184	731,133	-26,949	25,832	34,010	-8,178	725,154	760,282	-35,128
2025-26 (e)	728,419	775,335	-46,915	na	na	na	na	na	na
2026-27 (e)	763,386	801,739	-38,353	na	na	na	na	na	na
2027-28 (e)	804,078	835,749	-31,671	na	na	na	na	na	na

a) Data have been revised to improve accuracy and comparability through time.

b) Receipts are equal to receipts from operating activities and sales of non-financial assets.

c) Payments in the general government sector are equal to payments for operating activities, purchases of non-financial assets and principal payments of lease liabilities.

d) Between 2005–06 and 2019–20, the underlying cash balance is equal to receipts less payments, less net Future Fund earnings. In all other years, the underlying cash balance is equal to receipts less payments.

e) Estimates.

f) Payments in the public non-financial corporations and non-financial public sectors are equal to payments for operating activities, purchases of non-financial assets, distributions paid and principal payments of lease liabilities.

Table E.10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)^(a)

	General government			Public non-financial corporations			Non-financial public sector		
	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)
1996-97	141,688	145,940	-4,342	27,431	26,015	-331	na	na	-4,673
1997-98	146,820	148,788	-2,115	29,618	26,999	2,360	na	na	251
1998-99	152,106	146,925	3,748	27,687	26,088	-816	175,891	169,111	2,932
1999-00	167,304	155,728	11,645	25,485	23,542	1,062	188,841	175,322	11,550
2000-01	186,106	180,277	5,820	25,869	24,762	-826	207,367	200,433	4,994
2001-02	190,432	193,214	-3,164	26,638	25,341	793	212,462	213,947	-2,371
2002-03	206,778	201,402	5,088	24,339	22,916	1,975	225,989	219,232	7,023
2003-04	222,042	215,634	5,749	25,449	23,444	2,143	241,746	233,333	7,892
2004-05	242,354	229,427	11,892	26,965	25,191	1,473	263,434	248,733	13,365
2005-06	260,569	241,977	16,094	28,143	29,531	-2,442	281,927	264,722	13,652
2006-07	277,895	259,197	16,365	15,443	16,360	-1,763	289,551	271,771	14,601
2007-08	303,402	280,335	20,475	6,854	6,686	-584	308,888	285,652	19,891
2008-09	298,508	324,889	-30,445	6,998	7,576	-1,495	303,309	330,268	-31,941
2009-10	292,387	340,354	-54,400	7,288	7,297	-1,079	298,033	346,008	-55,480
2010-11	309,204	356,710	-52,802	7,563	7,787	-1,446	315,001	362,732	-54,248
2011-12	337,324	377,948	-45,474	8,046	8,238	-2,158	343,722	384,538	-47,632
2012-13	359,496	383,351	-24,842	8,863	9,415	-4,189	366,642	391,048	-29,031
2013-14	374,151	415,691	-45,390	9,537	11,127	-6,070	381,971	425,102	-51,460
2014-15	379,455	418,956	-42,206	9,987	11,850	-4,856	387,719	429,083	-47,062
2015-16	395,055	430,739	-39,513	10,044	12,809	-7,486	403,868	442,318	-46,999

**Table E.10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)^(a)
(continued)**

	General government			Public non-financial corporations			Non-financial public sector		
	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)
2016-17	415,723	449,712	-36,865	10,894	15,035	-9,918	425,114	463,243	-46,784
2017-18	456,280	461,490	-6,493	12,318	16,934	-10,055	466,661	476,403	-16,463
2018-19	493,346	485,869	1,350	15,836	20,899	-11,121	507,017	504,486	-9,655
2019-20	486,278	578,117	-95,844	17,029	23,174	-10,096	500,961	598,651	-105,637
2020-21	523,012	651,916	-136,108	19,166	22,941	-5,264	538,350	670,849	-141,187
2021-22	596,401	623,050	-35,061	20,767	23,375	-5,285	613,707	642,628	-40,015
2022-23	668,389	637,025	21,926	21,395	23,838	-7,673	687,125	657,873	14,586
2023-24	704,503	685,857	11,996	22,284	24,127	-7,779	723,930	707,109	4,226
2024-25 (e)	718,253	758,648	-45,887	23,485	24,871	-8,160	738,378	780,180	-54,068
2025-26 (e)	743,211	784,618	-49,695	na	na	na	na	na	na
2026-27 (e)	781,029	808,980	-36,347	na	na	na	na	na	na
2027-28 (e)	822,438	844,646	-33,448	na	na	na	na	na	na

a) Data have been revised to improve accuracy and comparability through time.

b) Fiscal balance is equal to revenue less expenses less net capital investment. Net capital investment is not shown in this table.

e) Estimates.

Table E.11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis^{(a)(b)}

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
1970-71	5,494	838	6,331	5,643	688	263	-144
1971-72	5,524	868	6,391	5,771	620	-347	-171
1972-73	5,484	863	6,348	6,122	227	-515	-164
1973-74	6,138	791	6,930	6,278	652	-1,049	-162
1974-75	6,797	722	7,519	7,433	87	-914	-116
1975-76	7,125	761	7,886	8,516	-631	-144	-139
1976-77	7,212	796	8,008	8,471	-463	329	-23
1977-78	7,073	855	7,928	8,601	-672	956	1
1978-79	7,066	821	7,887	8,534	-647	1,504	77
1979-80	7,430	770	8,200	8,557	-358	1,689	119
1980-81	7,954	817	8,771	8,815	-45	1,549	151
1981-82	8,208	784	8,992	8,916	75	1,283	147
1982-83	7,861	850	8,712	9,353	-642	1,754	172
1983-84	7,956	910	8,866	10,110	-1,243	2,841	288
1984-85	8,889	981	9,870	10,883	-1,013	3,674	472
1985-86	8,978	1,124	10,102	10,883	-782	4,103	603
1986-87	9,131	1,134	10,265	10,600	-334	4,003	654
1987-88	9,453	1,060	10,512	10,329	183	3,443	567
1988-89	9,628	842	10,470	9,844	625	2,536	516
1989-90	9,555	827	10,382	9,756	625	1,697	479
1990-91	9,153	739	9,893	9,936	-43	1,670	359
1991-92	8,368	812	9,180	10,390	-1,210	2,973	365
1992-93	8,341	834	9,175	10,877	-1,703	5,189	375
1993-94	8,532	956	9,488	11,150	-1,662	6,417	514
1994-95	9,191	748	9,938	11,179	-1,240	7,314	639
1995-96	9,608	725	10,333	11,255	-922	7,958	736
1996-97	10,096	732	10,828	11,322	-494	7,804	769
1997-98	10,511	783	11,294	11,282	12	6,655	664
1998-99	10,852	1,070	11,922	11,617	305	5,650	678
1999-00	11,455	1,127	12,582	11,597	985	4,365	569
2000-01	12,010	891	12,901	12,487	414	3,299	437
2001-02	11,882	828	12,710	12,782	-72	2,863	363
2002-03	12,500	794	13,294	12,815	479	2,170	244
2003-04	12,983	693	13,677	13,175	502	1,695	191
2004-05	13,566	727	14,293	13,470	822	945	152
2005-06	14,012	808	14,820	13,904	912	19	133
2006-07	14,269	795	15,064	13,997	950	-1,342	13
2007-08	14,630	817	15,447	14,239	1,035	-2,093	-53
2008-09	13,618	942	14,559	15,726	-1,344	-562	-60
2009-10	12,552	1,077	13,629	16,131	-2,609	2,292	114

Table E.11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis^{(a)(b)} (continued)

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
2010-11	12,919	912	13,831	15,849	-2,174	4,152	211
2011-12	13,692	818	14,511	16,321	-1,907	6,750	291
2012-13	13,859	982	14,841	15,524	-796	6,747	350
2013-14	13,798	813	14,611	16,480	-1,965	8,497	440
2014-15	13,908	958	14,866	16,193	-1,488	9,660	427
2015-16	13,831	934	14,765	16,154	-1,511	11,580	459
2016-17	14,000	1,127	15,127	16,216	-1,223	11,896	456
2017-18	14,914	1,027	15,941	16,149	-362	12,198	469
2018-19	15,513	1,267	16,780	16,531	-24	12,917	524
2019-20	14,555	1,265	15,820	18,524	-2,874	16,556	448
2020-21	15,696	1,523	17,219	21,662	-4,444	19,614	473
2021-22	16,799	1,496	18,295	19,296	-1,001	16,144	469
2022-23	17,168	1,376	18,543	17,913	630	14,019	338
2023-24	16,995	1,481	18,475	18,052	423	13,187	329
2024-25 (e)	16,582	1,506	18,088	18,780	-692	13,871	375
2025-26 (e)	16,456	1,444	17,900	19,053	-1,153	14,973	454
2026-27 (e)	16,714	1,373	18,087	18,996	-909	15,855	512
2027-28 (e)	16,971	1,393	18,364	19,087	-723	16,183	627

a) Data have been revised to improve accuracy and comparability through time.

b) The real levels are derived using the Consumer Price Index (CPI). The current reference period for the CPI is 2011–12, which means the real levels per capita are reported in 2011–12 dollars.

e) Estimates.

Notes

- (a) The following definitions are used in this Mid-Year Economic and Fiscal Outlook (MYEFO):
- ‘real’ means adjusted for the effect of inflation
 - real growth in expenses and payments is calculated using the Consumer Price Index (CPI) as the deflator
 - the Budget year refers to 2024–25, while the forward years refer to 2025–26, 2026–27 and 2027–28
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding.
- Estimates under \$100,000 are rounded to the nearest thousand.
 - Estimates \$100,000 and over are generally rounded to the nearest tenth of a million.
 - Estimates midway between rounding points are rounded up.
 - The percentage changes in statistical tables are calculated using unrounded data.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.
- (d) The following notations are used:
- | | |
|---------|---|
| - | nil |
| na | not applicable (unless otherwise specified) |
| .. | not zero, but rounded to zero |
| \$m | millions of dollars |
| \$b | billions of dollars |
| nfp | not for publication |
| (e) | estimates (unless otherwise specified) |
| (p) | projections (unless otherwise specified) |
| NEC/nec | not elsewhere classified |
| * | The nature of this measure is such that a reliable estimate cannot be provided. |
| ~ | allocation not yet determined |

- (e) The Australian Capital Territory and the Northern Territory are referred to as ‘the territories’. References to the ‘states’ or ‘each state’ include the territories. The following abbreviations are used for the names of the states, where appropriate:

NSW	New South Wales
VIC	Victoria
QLD	Queensland
WA	Western Australia
SA	South Australia
TAS	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

- (f) In this paper the term Commonwealth refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term Australian Government is used when referring to the Government and the decisions and activities made by the Government on behalf of the Commonwealth of Australia.



Budget

2024–25

MID-YEAR ECONOMIC AND FISCAL OUTLOOK
2024–25