



# Budget 2025–26

## MID-YEAR ECONOMIC AND FISCAL OUTLOOK 2025–26

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,  
Minister for Government Services 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.



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# Foreword

The *Mid-Year Economic and Fiscal Outlook 2025–26* (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 2025–26 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 2025–26 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 2025–26 Budget** – provides details of decisions taken since the 2025–26 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

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## Part 1: Overview

The 2025–26 Mid-Year Economic and Fiscal Outlook (MYEFO) delivers a stronger budget, with lower deficits and less debt over the forward estimates. This builds on the progress made in the last term, where the Government delivered the largest nominal budget improvement in a single parliamentary term, delivered back-to-back surpluses in the first two years and a substantially lower deficit in the third year.

This stronger budget position has been achieved by identifying an additional \$20.0 billion in savings and reprioritisations, limiting spending growth and returning every dollar of tax receipt upgrades to the budget. For the first time in eight years, net policy decisions in this MYEFO are positive, improving the budget position by \$2.2 billion over the forward estimates.

The Government has delivered improvements to the budget despite challenging global conditions and the need to fund \$6.6 billion of urgent and unavoidable spending and \$35.1 billion in upwards payment variations, mostly reflecting increased demand for government payments and services, and automatic updates to estimates. This includes funding recovery from natural disasters, providing access to new medicines and sustaining core services for veterans.

The global economic outlook is highly uncertain and global growth is expected to remain subdued over the forecast period. There are downside risks from global trade disruptions, conflict and geopolitical tensions and more persistent inflation in major advanced economies. Continued volatility in trade policy settings is adding to uncertainty and economic fragmentation.

Against this challenging global backdrop, the Australian economy is gathering momentum, with GDP growth expected to increase over the forecast period. The private sector recovery is picking up, business and dwelling investment are strengthening, unemployment remains low, participation remains high, real wages are growing and nearly 1.2 million jobs have been created since the middle of 2022. While inflation has increased recently, this has been partly driven by temporary factors. The recent increase in inflation is similar to the experiences of many advanced economies. Excluding the effect of electricity rebates and fuel, inflation is expected to return to the Reserve Bank of Australia (RBA) target band by the end of 2026.

The Government's economic plan is focused on helping Australians with the cost-of-living and building a more productive and resilient economy and a more sustainable budget. This MYEFO advances the Government's economic plan by:

- delivering responsible cost-of-living relief – by continuing to roll out tax cuts to every Australian taxpayer and helping Australians get a better deal on their energy bills and at the checkout
- strengthening Medicare and investing in health, medicines and aged care – to improve quality, accessibility and affordability

- making it easier to buy and rent a home – by delivering more homes for first home buyers and helping more Australians buy their first home sooner
- investing in cleaner energy, and building a Future Made in Australia – through the Cheaper Home Batteries Program, stimulating onshore production of low-carbon liquid fuels, establishing a critical minerals strategic reserve and implementing the Government's Net Zero Plan
- building on progress at the Economic Reform Roundtable (the Roundtable) to make our economy more productive and resilient – by working with the states and territories on competition reforms, accelerating approvals and investing in infrastructure priorities
- broadening opportunity, advancing equality and improving social services – by ensuring fairer superannuation tax concessions for low-income workers, advancing First Nations economic empowerment and making early childhood education and care safer and more accessible
- securing our home and region – by investing in defence infrastructure, enhancing emergency capability and supporting the growth, resilience and sustainability of regional areas and local communities.

## Updated economic and fiscal outlook

The Australian economy is gathering momentum in the face of substantial global uncertainty. Growth and the private sector recovery are picking up, unemployment is low, participation is near record highs, employment continues to grow, business investment is strengthening and real household incomes are rising.

The global economic outlook is complex and uncertain and risks are tilted to the downside. Global growth is forecast to remain low by historical standards at 3 per cent in 2025 and is then expected to only slightly recover to 3¼ per cent in 2026 and 2027. There are a number of downside risks to global growth including geopolitical uncertainty and global conflict, more persistent inflation in many major advanced economies, and growing concerns about fiscal sustainability in some advanced economies.

The effective tariff rate applied to goods imported into the United States increased sharply this year and has not been this high since before World War II. This has precipitated some shifts in global trade patterns, but the global economy has not fully adjusted to new trade settings, which will take some time to be fully realised. Compared with other advanced economies, the tariff rate on imports of Australian goods into the US remains low.

While Australia is not immune to global challenges, we confront them from a position of relative strength. Real GDP in Australia is forecast to grow by 2¼ per cent in 2025–26 and 2026–27. Private final demand has contributed more to economic growth than public final demand for four consecutive quarters and it is forecast to remain the major driver of GDP growth.

Household consumption growth is forecast to strengthen over the next two years, which reflects the ongoing growth in household disposable incomes. Non-mining business investment is expected to grow strongly as businesses are expected to continue to invest in digitising their operations and renewable energy. Non-mining business investment is forecast to reach its highest level on record by 2026–27. Dwelling investment is forecast to grow strongly, reflecting lower borrowing costs and robust housing demand.

Headline and underlying inflation remain well below their peaks in late 2022. While inflation has increased recently, this is similar to the experiences in many advanced economies and is partly due to temporary factors. These factors include the cessation of state and territory electricity rebate schemes, larger-than-expected increases in council property rates, and increases in the prices of volatile items such as travel. However, the increase in services inflation and prices of newly constructed dwellings could be more persistent, and are in line with the sustained recovery in demand. Excluding the effect of electricity rebates and fuel, inflation is expected to return to the target band by the end of 2026.

The moderation in inflation since mid-2022 has been achieved while preserving post-pandemic gains in employment and labour force participation, with nearly 1.2 million jobs created over this period. Although conditions in the labour market have eased modestly over 2025, the unemployment rate has remained low by historic standards and was 4.3 per cent in November 2025. The unemployment rate is expected to remain around 4½ per cent in 2025–26 and 2026–27, while the participation rate is expected to remain near record highs. Nominal wage growth is expected to ease slightly to 3¼ per cent in 2025–26 and 2026–27, but remain above its pre-pandemic five-year average. Productivity has grown for four consecutive quarters and a cyclical increase in productivity growth is expected over the forecast period.

**Table 1.1: Major Economic Parameters<sup>(a)</sup>**

	Outcome	Forecasts			
	2024–25	2025–26	2026–27	2027–28	2028–29
Real GDP	1.4	2 1/4	2 1/4	2 1/2	2 3/4
Employment	2.2	1 1/4	1 1/2	1 3/4	1 3/4
Unemployment rate	4.2	4 1/2	4 1/2	4 1/4	4 1/4
Consumer price index	2.1	3 3/4	2 3/4	2 1/2	2 1/2
Wage price index	3.4	3 1/4	3 1/4	3 1/2	3 3/4
Nominal GDP	3.6	5 1/4	3 1/4	4 3/4	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. The labour market forecasts do not incorporate the November 2025 release of the ABS Labour Force.

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

## **Responsible economic and fiscal management**

This MYEFO delivers a stronger budget with less debt and smaller deficits over the forward estimates, continuing the Government's responsible approach to economic and fiscal management. Net policy decisions improve the budget position, with an additional \$20.0 billion of savings and reprioritisations. Every single dollar of the tax receipts upgrade has been returned to the bottom line.

This responsible MYEFO builds on the Government's track record from last term, when the Government delivered the largest nominal budget improvement in a single parliamentary term and delivered back-to-back surpluses in the first two years and a substantially lower deficit in the third year.

A deficit of \$36.8 billion is forecast in 2025–26, a significant reduction compared with \$42.2 billion expected at the 2025 Pre-Election Economic and Fiscal Outlook (PEFO). Over the four years to 2028–29, the underlying cash balance is expected to be \$8.4 billion better than the 2025 PEFO. Over the seven years to 2028–29, the budget is \$233.5 billion better than the 2022 PEFO.

Gross debt is expected to be lower in every year of the forward estimates than the 2025 PEFO, in both nominal terms and as a share of the economy. Gross debt is projected to peak at 37.0 per cent of GDP, the same as at the 2025 PEFO. The improvements to gross debt since the 2022 PEFO forecast mean more than \$60 billion of interest costs are avoided over the 11 years to 2032–33.

These substantial improvements to the budget have been delivered through the Government's disciplined approach, which includes spending restraint, identifying savings and returning tax receipt upgrades to the budget. Net policy decisions are positive for the first time in eight years, improving the budget bottom line by \$2.2 billion over the forward estimates. This was only possible because of the Government's commitment to finding savings and reprioritisations.

In this MYEFO, an additional \$20.0 billion of savings and reprioritisations have been identified, taking the total figure under this Government to \$114.1 billion. New measures include reducing spending on consultants and contractors in the Australian Public Service (APS); strengthening program integrity in the Veterans' Affairs portfolio and gradually returning deeming rates to pre-pandemic settings. This means that for the first time in over a decade and a half, every single dollar of the tax receipts upgrade has been returned to the budget bottom line. Since the Government came to office, 72 per cent of tax upgrades have been returned to the budget.

The Government's record of spending restraint has continued in this update. Real growth in payments averages 1.7 per cent per year over the seven years to 2028–29, around half the 30-year average of 3.3 per cent. Payments as a share of GDP are forecast to fall over the forward estimates from 26.9 per cent of GDP in 2025–26 to 26.5 per cent of GDP by 2028–29.

The Government's fiscal settings are consistent with underlying inflation sustainably returning to the RBA's target band by the end of 2026.

**Table 1.2: Budget aggregates**

	Estimates							
	2025-26		2026-27		2027-28		2028-29	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Underlying cash balance</b>								
MYEFO	-36.8	-1.3	-34.3	-1.1	-36.2	-1.1	-36.0	-1.1
PEFO	-42.2	-1.5	-35.4	-1.2	-37.1	-1.2	-37.0	-1.1
Budget	-42.1	-1.5	-35.7	-1.2	-37.2	-1.2	-36.9	-1.1
<b>Gross debt(a)</b>								
MYEFO	993.0	34.0	1,069.0	35.4	1,142.0	36.1	1,213.0	36.4
PEFO	1,022.0	35.5	1,092.0	36.5	1,161.0	36.9	1,223.0	36.8
Budget	1,022.0	35.5	1,092.0	36.5	1,161.0	36.9	1,223.0	36.8
<b>Net debt(b)</b>								
MYEFO	587.5	20.1	646.9	21.4	700.4	22.2	754.8	22.6
PEFO	620.7	21.6	676.3	22.6	713.9	22.7	768.2	23.1
Budget	620.3	21.5	676.3	22.6	714.1	22.7	768.2	23.1

a) Gross debt measures the face value of Australian Government Securities (AGS) on issue and is presented as at the end of the financial year.

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) and is presented at the end of the financial year.

The MYEFO delivers on the Government's election commitments by funding more free mental health services, support for major and local infrastructure projects and investing \$10 billion to deliver up to 100,000 homes for first home buyers. These commitments were more than offset by \$7.2 billion of budget improvements, including reducing spending on consultants and contractors in the APS and increasing student visa application charges.

The Government has been able to deliver these commitments and continue to repair the budget even accounting for substantial budget pressures. New budget pressures since the election include \$35.1 billion in payment variations and \$6.6 billion in urgent and unavoidable spending, including to give access to new medicines, support security capability and border protection, and sustain core services for veterans. The Government is also progressing key priorities including improving access to health and aged care services, investing in infrastructure and supporting regional jobs.

These unavoidable payment variations include \$6.3 billion in additional expected payments to states and territories for disaster relief and recovery and \$2.0 billion in additional support for veterans across health services, counselling, community care and support and income support.

Higher-than-expected uptake of the Cheaper Home Batteries Program has increased payments by \$4.9 billion, net of action the Government is taking to moderate program growth, following the early success of the program.

Consistent with the Commonwealth's latest offer to states and territories, the Government has provisioned for future payments to the states and territories for the National Health Reform Agreement and Disability Foundational Supports.

Tax receipts have been revised up by \$32.6 billion over the forward estimates compared to the 2025 PEFO, excluding GST and policy decisions. The upgrade to tax receipts in this MYEFO is less than the average upgrade in the last six major budget updates. The impact of tax receipts has been largely offset by additional payments due to parameter and other variations.

The underlying cash balance improves over the medium term to a deficit of 0.1 per cent of GDP in 2035–36, broadly unchanged from the 2025 PEFO. Gross debt is expected to peak at 37.0 per cent of GDP in 2030–31, before declining to 33.0 per cent of GDP by 2035–36. The Government continues to make progress in addressing large structural spending pressures including the National Disability Insurance Scheme, aged care and support for veterans.

## **National priorities**

### **Delivering responsible cost-of-living relief**

In this MYEFO, the Government is providing responsible cost-of-living relief to ease the pressure on households, including helping Australians get a better deal on their energy bills and at the checkout. It builds on significant relief already rolling out, including tax cuts for every Australian taxpayer, reducing student debts, backing increases to minimum and award wages, cheaper medicines and more bulk billing.

### **Two further rounds of tax cuts for every Australian taxpayer**

The Government is delivering two further rounds of personal income tax cuts for every Australian taxpayer, adding to the first round of tax cuts that commenced on 1 July 2024. Under these changes, from 1 July 2026 the 16 per cent tax rate, which applies to taxable income between \$18,201 and \$45,000, will be reduced to 15 per cent. From 1 July 2027, this tax rate will be reduced further to 14 per cent.

These tax cuts will provide further cost-of-living relief and return bracket creep by lowering average tax rates for all taxpayers, especially for low- and middle-income earners. The tax cuts will also boost labour supply, particularly from women and lower income Australians. Combined with the first round of tax cuts, the average annual tax cut is expected to be \$2,548 in 2027–28, around \$50 per week, compared to 2023–24 tax settings.

### **Wiping 20 per cent off student debt**

The Government is reducing the student debts of more than 3 million Australians by 20 per cent, removing around \$16 billion in debt. These changes were applied to the accounts of 3.2 million Australians in November and December 2025.

The Government has also reformed student debt repayment arrangements so that Australians can keep more of what they earn. The new arrangements apply from 1 July 2025 and increase take-home pay for Australians with student debts by up to around \$55 a fortnight.

This is in addition to the Government's 2024 changes to indexation which removed more than \$3 billion in outstanding student debt. Combined, these changes have delivered cost-of-living relief to Australians with student debt, lowering the amount they pay back and allowing them to keep more of what they earn.

### **Backing increases in minimum and award wages**

The Government advocated for an economically sustainable real wage increase for Australia's award wage workers, as part of the Fair Work Commission's (FWC) Annual Wage Review 2025. Minimum and award wage workers received a 3.5 per cent increase in wages, effective 1 July 2025. Across the last four FWC Annual Wage Reviews the National Minimum Wage has increased by over \$175 per week and \$9,120 per year.

### **Better energy deals for consumers**

The Government is focused on taking pressure off energy prices for households and small businesses and ensuring they receive a fair price in their bills.

The Government has reformed the Default Market Offer, which caps how much electricity retailers can charge consumers on default plans. This will protect households and small businesses in areas where the Default Market Offer applies – New South Wales, South Australia and south-east Queensland – from unjustifiably high prices. The Government is strengthening national consumer protections in the electricity market, to ensure energy companies cannot take advantage of consumers.

As part of these energy market reforms, the Government is introducing the Solar Sharer Offer to provide more households and small businesses with cheap solar energy. Consumers will benefit from a new electricity product that will provide at least three hours of free electricity in the middle of the day when solar generation is at its peak.

This is in addition to the Cheaper Home Batteries program, which is helping households, businesses and community organisations reduce electricity bills; and the success of the Electric Car Discount, which has already supported the take-up of almost 100,000 vehicles.

### **Cracking down on supermarket price gouging**

The Government is banning supermarket price gouging to help Australians get a better deal at the checkout. The ban will come into effect on 1 July 2026, enforced by the Australian Competition and Consumer Commission.

### **Strengthening Medicare**

The Government is investing more than \$23.5 billion to deliver the high-quality, affordable and accessible health care Australians need. This record investment to strengthen Medicare includes extending eligibility for bulk billing incentives to all Australians and introducing a new incentive payment for general practices (GPs) that fully bulk bill. The Government is also making medicines on the Pharmaceutical Benefits Scheme (PBS) cheaper from 1 January 2026, with general patient co-payments reduced from \$31.60 to \$25 per script.



The Government has also expanded the Medicare Urgent Care Clinics program, with 98 clinics established and operating throughout Australia, including 11 opened so far this financial year. These clinics have already delivered over 2 million bulk billed services nationwide and are supporting Australians to access urgent care and help to reduce pressure on hospital emergency departments.

This MYEFO includes significant investments in free mental health services, cheaper medicines, and delivering free health advice and outside hours telehealth through 1800MEDICARE.

### **More free mental health services**

The Government is investing \$1.1 billion to deliver more free mental health care. This includes:

- \$490.3 million for a new network of 20 Youth Specialist Care Centres.
- \$267.3 million for 32 new and upgraded Medicare Mental Health Centres.
- \$225.3 million for 58 new, upgraded or expanded headspace services.
- \$83.9 million for additional training places for mental health professionals and peer workers.

These commitments build on the \$888 million over eight years for mental health measures announced in the 2024–25 Budget to broaden access to high-quality, free mental health care.

### **Expanding access to medicines and health services**

#### *Cheaper medicines*

The Government is investing \$1.8 billion for new and amended listings on the PBS to improve access and affordability of medicines. This will help many patients, including those with transplant-ineligible newly diagnosed multiple myeloma and adult patients with chronic kidney disease. This builds on the \$1.7 billion provided in the 2025–26 Budget for new and amended PBS listings, and Government action to reduce the PBS maximum general co-payment to \$25.

#### *Improvements to the Medicare Benefits Schedule*

The Government is investing a further \$118.1 million this MYEFO for new and amended items on the Medicare Benefits Schedule. This includes expanding access to the higher rebate for electrocardiograms and introducing a rebate for some patients registered with a MyMedicare practice who have a health worker at their side to assist with a GP video consultation, including in patients' homes. This will better support these patients to access multidisciplinary care and optimise video consultations with their GP.



### *Urgent action to address sexually transmitted infections*

The Government is providing \$220.5 million for programs that address blood borne viruses and sexually transmitted infections. This includes expanding access to viral hepatitis testing, treatment, prevention and harm reduction services, and reducing HIV transmission in priority populations. To address the rising number of cases of infectious and congenital syphilis in Australia, the Government is committing \$16.5 million to reduce preventable infant deaths in vulnerable communities.

### **1800MEDICARE**

The Government is investing \$219.8 million to establish 1800MEDICARE to help strengthen access to urgent care and take pressure off hospitals. From 1 January 2026, this initiative will facilitate access to free, nationwide 24/7 health advice and afterhours GP telehealth services. Nationwide 1800MEDICARE is expected to result in the delivery of over 130,000 free telehealth GP services per year by 2029–30.

### **Making it easier to buy and rent a home**

Secure and affordable housing feels out of reach for many Australians. This MYEFO makes further investments to deliver more homes for first home buyers, boost the construction workforce and increase the supply of social and affordable housing. These investments are supporting progress towards the Government’s ambitious target of building 1.2 million new homes by June 2029.

These measures build on the Government’s first term achievements, including increasing the pipeline of long-term rental properties through Build to Rent tax incentives, raising the maximum rates of Commonwealth Rent Assistance by close to 50 per cent (including indexation), and an historic investment in new crisis and transitional accommodation.

### **100,000 homes for first home buyers**

The Government is making more homes available for first home buyers so that more Australians have the opportunity to enter into home ownership. Through the First Home Supply Program, the Government will partner with states and territories and industry to unlock more housing supply and make it easier for first home buyers to own a home of their own. The Government is investing \$2 billion in grants and \$8 billion in concessional loans to deliver up to 100,000 homes reserved for first home buyers. State governments will also provide \$2 billion in matched funding to get homes underway.

The Government will work with states and territories and industry to identify land that is vacant or underutilised. Construction on the first homes will start in 2026–27, with first home buyers to begin moving in from 2027–28.

### **Expanding the 5% Deposit Scheme**

On 1 October 2025, the Government expanded the 5% Deposit Scheme to help more Australians buy their first home sooner. The Government has invested \$5.4 million over four years to ensure all first home buyers now have access to the 5% Deposit Scheme, with no caps on places or income limits. Property price caps have also increased, providing access to a greater variety of homes. Under the 5% Deposit Scheme, the Government will guarantee a portion of a first home buyer's home loan, so they can purchase a home with a lower deposit and save on Lenders Mortgage Insurance.

This cuts years off the time it takes to save a deposit and brings the dream of home ownership back into reach for first home buyers across the country. Further, the changes to the Single Parent stream will allow more single parents and guardians to provide their family with greater security in appropriate homes.

Since the 5% Deposit Scheme was expanded it has supported more than 21,000 people into home ownership and more than 200,000 since May 2022.

### **More social and affordable housing and better First Nations housing outcomes**

On 23 November 2025, the Government announced that it will deliver the largest round yet under the Housing Australia Future Fund (HAFF), supporting more than 21,000 new social and affordable homes. This builds on the strong progress made under previous rounds which have contracted 18,650 homes, including 9,284 social and 9,366 affordable homes.

Round 3 of the HAFF includes \$3.1 billion in concessional loans for community housing providers, with \$2.6 billion in additional investment. This brings the total concessional loan program to \$4.5 billion, providing the upfront investment needed to support construction of new homes. This forms part of the Government's commitment to build 55,000 social and affordable homes.

In line with the Government's commitment to Closing the Gap, Round 3 will include a dedicated funding stream to improve First Nations housing outcomes and strengthen the First Nations housing sector. This includes \$600 million in dedicated funding and access to concessional loans for projects delivered by, or in partnership with, First Nations housing organisations. Round 3 will also introduce a 10 per cent First Nations tenancy target across all social housing delivered in this round.

A new First Nations concierge function will be established within Housing Australia to support First Nations organisations through the application and delivery process, and to help build the long-term capacity of the First Nations housing sector.

#### ***Closing the Gap through the Housing Policy Partnership***

The Government will provide \$6 million to extend the Housing Policy Partnership, a key commitment under the National Agreement on Closing the Gap, for two years from 2026–27. The Housing Policy Partnership brings together governments and First Nations representatives to have a genuine say in the design and delivery of First Nations housing.

### **Fast tracking skills in priority industries**

The Government is investing \$78.0 million to fast track the qualification of 6,000 tradespeople to help build more homes across Australia. The Advanced Entry Trades Training program will help experienced but unqualified workers in the residential housing and civil construction industry gain nationally recognised vocational education and training qualifications to help build more construction projects, sooner.

In addition, the Government is providing a 12-month extension of the current level of financial support for employers of Australian apprentices training in Key Apprenticeship Program occupations from 1 January 2026. Employers of eligible apprentices in the clean energy and housing construction sectors will continue to be eligible for up to \$5,000 over the apprenticeship.

This work builds on other recent reforms including the introduction and permanent establishment of Free TAFE, the establishment of the Key Apprenticeship Program which provides eligible housing construction and clean energy apprentices up to \$10,000 over the course of their apprenticeship, and the increases to the Living Away From Home Allowance and Disability Australian Apprentice Wage Support payment.

Apprenticeships in priority occupations outside of the Key Apprenticeship Program will receive incentive payments of \$5,000 per apprenticeship. This support will be shared equally – with \$2,500 for the apprentice and \$2,500 for the employer.

### **Investing in cleaner energy and building a Future Made in Australia**

The global transition towards net zero presents significant economic opportunities for Australia. The Government is focussed on making Australians the beneficiaries of this global shift by accelerating the delivery of cleaner, cheaper energy, providing businesses with the certainty they need to invest, and seizing new industrial opportunities on offer.

#### **Net Zero Plan**

In September 2025, the Government built on its commitment to net zero by 2050 and its existing 2030 target by releasing its 2035 emissions reduction target of 62 to 70 per cent below 2005 levels. This formed part of the Government's updated Nationally Determined Contribution under the Paris Agreement. It was released alongside the Net Zero Plan and the six supporting sectoral decarbonisation plans, which outline an orderly pathway to net zero for Australia.

*Australia's Net Zero Transformation: Treasury Modelling and Analysis*, released alongside the Net Zero Plan and 2035 target, shows that an orderly transition underpinned by clear and credible climate action will support continued economic growth, higher living standards and employment. A disorderly transition would cost investment, jobs and the economy.

These announcements were accompanied by new measures that amount to over \$75 billion in new spending committed since October 2022 to support the net zero transition. The Net Zero Plan supports Australia's growing international climate leadership, where Australia

will play a lead role in COP31, acting as President of Negotiations and supporting the Pacific to host a pre-COP meeting.

### **Modernising our energy system**

The Government is continuing to unlock private investment in firmed renewable energy to replace Australia's ageing coal-fired power stations as they retire and meet the growing demand for energy from the industrial sector. This is putting downward pressure on electricity prices and improving Australia's competitiveness, with the Clean Energy Investor Group finding retail electricity prices estimated to have been up to 22 per cent higher in 2024 without the contributions of renewable energy.

The Government is also progressing key regulatory reforms that enable Australians to further benefit from our world leading take-up of consumer energy resources, such as household solar panels and batteries. These reforms will improve the productivity of our existing network, improve system security and reliability and further strengthen retail market and consumer protection reforms.

#### ***Cheaper Home Batteries***

The Government is making changes to the successful Cheaper Home Batteries Program to ensure that Australian households, businesses and communities can continue to benefit more from cheap and clean solar power, while helping to lower electricity bills for everyone by reducing pressures on the grid. The changes will implement tiered levels of discounts for small, medium and large batteries, and adjust the existing discount reductions to 2030.

The uptake of batteries has been significant since the Program launched on 1 July 2025 and has exceeded initial expectations, already helping more than 155,000 households and small businesses to cut their bills. Storing the energy from rooftop solar in household batteries is good for the grid, smoothing out evening demand and reducing peak pricing in ways that benefit all consumers. Data from the Australian Energy Market Commission found that, even on a conservative outlook for installations, faster home battery uptake could deliver a reduction of up to 3 per cent on household electricity bills annually across the National Electricity Market. The Government is taking responsible actions to sustainably manage the Program while ensuring consumers continue to benefit.

#### ***A better energy deal for consumers***

The Government is ensuring households and small businesses benefit from small scale consumer energy resources. This includes providing \$32.7 million to expand the Nationwide House Energy Rating Scheme and \$15.4 million to modernise and reform retail market and consumer protections and implement recommendations of the Nelson Review of the National Electricity Market. The recommendations of the review aim to improve the reliability, affordability and security of the electricity market and put downward pressure on consumer prices.

The Government is committed to meeting the challenges that the transition to a renewables-based grid presents, while delivering the best outcomes for consumers and incentivising effective investment in low-cost renewable energy. Together, these measures will help cut energy bills and emissions, and ensure consumers are protected from high prices.

### *Rewiring the Nation*

The Government's Rewiring the Nation program continues to modernise Australia's electricity grid by committing over \$20 billion to make clean energy more accessible and affordable to consumers. The largest investment under this initiative to date is Marinus Link, which achieved its final investment decision in August 2025 supported by an expected \$3.8 billion from Rewiring the Nation. The undersea and underground electricity and data interconnector between Tasmania and Victoria will be critical to Australia's energy transition, reduce electricity prices and increase reliability.

### **Future Made in Australia**

This MYEFO builds on measures taken in the first term to broaden and modernise Australia's industrial capabilities and realise the economic opportunities presented by the global net zero transformation. New investments in cleaner fuels and critical minerals and better access to capital for net zero innovations and economic resilience will position Australian businesses to capture emerging industrial opportunities, and support a Future Made in Australia.

### *Supporting major investments in decarbonisation*

The Government is strengthening Australia's industrial capabilities by establishing a \$5 billion Net Zero Fund within the National Reconstruction Fund. The more concessional Net Zero Fund will enable large industrial facilities to make major investments to decarbonise and improve energy efficiency, and will support manufacturing of renewable and low emissions technologies. These concessional investments will support our 2035 emissions reduction target and promote innovation.

### *Cleaner Fuels*

In addition to the Net Zero Fund, the Government is investing \$1.1 billion in low carbon liquid fuels through the Cleaner Fuels Program. The Cleaner Fuels Program will stimulate private investment in Australian onshore production of low carbon liquid fuels, such as renewable diesel and sustainable aviation fuel. This builds on investments made in renewable hydrogen, green metals, critical minerals and clean energy manufacturing that position Australia to realise the economic opportunities presented by the global net zero transformation.

### *Critical minerals*

The Government is supporting the development of Australia's critical minerals industry by committing \$1.2 billion to deliver the Critical Minerals Strategic Reserve and helping to further secure the supply chains of critical minerals and rare earths required for defence, advanced technologies and clean energy manufacturing.

Through the Critical Minerals Facility, the Government is providing USD\$100 million in equity financing to Arafura Rare Earths for the Nolans Rare Earths project in the Northern Territory. This builds on existing government support for the project and will help crowd in private investment. The Government is also providing equity financing to Alcoa of Australia for the Alcoa-Sojitz Gallium Recovery project in Wagerup, Western Australia. This is a joint project with Japan and the United States, which will strengthen our collective economic security.

### *Supporting Australia's heavy industry transition and securing regional jobs*

The Government is making targeted investments to sustain strategically important smelting capabilities. As part of this effort, the Government is providing \$135 million in joint support with the South Australian and Tasmanian Governments to Nyrstar's Port Pirie and Hobart facilities, including accelerating a feasibility study relating to the production of the critical mineral antimony. This will support the facilities to undertake further technical studies, fast-track pilot projects and implement facility upgrades to secure future operations. The Government is also supporting the continued operations of Glencore's Mount Isa Copper Smelter and Townsville Refinery. The Government is partnering with the Queensland Government to provide up to \$600 million in support over four years, helping to secure regional jobs and reinforce Australia's position in the global copper supply chain.

Work is continuing with the South Australian Government to secure the future of the Whyalla Steelworks, supporting local jobs and encouraging continued investment into Australian-made green iron and steel. Building on the February 2025 joint commitment of \$2.4 billion to stabilise and secure the longer-term future of the steelworks, in July 2025 the Government announced a further \$275 million in joint administration funding.

### *Supporting a sustainable forestry industry*

The Government is helping secure a sustainable future for timber and forestry workers by establishing a \$300 million Forestry Growth Fund. The Forestry Growth Fund will help deliver a bigger forestry industry that supports more secure jobs, better pay and more high-value output by investing in industry modernisation and advanced processing.

The Forestry Growth Fund includes \$150 million in concessional finance from the National Reconstruction Fund to modernise timber processing. A further \$150 million in grants will fund training and support for forestry workers, further innovation in engineered wood products and support the housing construction supply chain.

*Strengthening the manufacturing sector with zero interest loans*

The Government is delivering its election commitment to establish a new Economic Resilience program within the National Reconstruction Fund to provide \$1 billion in zero interest loans for Australian manufacturing businesses. The zero interest loans will be used to help businesses diversify and expand their export markets as well as build industrial capabilities in the national interest.

**Making our economy more productive and resilient**

A more productive and resilient economy is critical to lifting living standards and is an important defence against global volatility. This MYEFO builds on measures the Government took in its first term and progresses priorities from the Economic Reform Roundtable to foster a more resilient economy that is well placed to face new challenges and seize the opportunities of the future.

### Box 1.1: Building on the Economic Reform Roundtable

The Roundtable brought together leaders from the business community, the union movement and civil society to help make the Australian economy more productive and resilient and the budget more sustainable.

Informed by nearly 900 submissions and over 40 forums held around the country, the Roundtable highlighted the substantial areas of common ground and shared ambition for making Australians the beneficiaries of the change underway in the global economy.

Coming out of the Roundtable were ten reform directions, including immediate actions and areas for further work.

The reform directions were:

1. Progress towards a single national market
2. Simplify trade and reform tariffs
3. Better regulation
4. Speed up approvals in national priority areas
5. Build more homes, more quickly
6. Make AI a national priority
7. Attracting capital and deploying investment
8. Build a skilled and adaptable workforce
9. A better tax system
10. Modernise government services

Since the Roundtable, progress includes landmark reforms to the *Environment Protection and Biodiversity Conservation Act 1999*, streamlining regulations for builders to build more homes more quickly, committing to abolish more nuisance tariffs, legislating the Regulatory Reform Omnibus Bill 2025, releasing a National AI Plan and piloting the Investor Front Door.

Significant further work is also underway, including working through more than 400 regulatory reform ideas proposed by 38 regulators, advancing a further round of national competition policies with states and territories to build a single national market, further work to streamline approvals, and better coordinating and facilitating private investment through the Government's suite of Special Investment Vehicles.



### **Boosting productivity and creating a single national market**

The Government is working with the states and territories to expand National Competition Policy reforms and reduce barriers and costs across the federation. These reforms include:

- Working towards a single national market for workers through broad and ambitious occupational licensing reforms, with an initial focus on occupations critical to housing and construction.
- Working towards a single national market for goods through regulatory and standards harmonisation, starting with reforms in three priority sectors (building and construction, waste and recycling, and household electrical consumer products), and identifying relevant reforms from the Food Standards Australia New Zealand Act Review to promote grocery and supermarket competition.
- Delivering a package of heavy vehicle reforms to increase transport productivity and support the uptake of heavy zero emissions vehicles.
- Allowing health professionals to work to their full scope of practice to increase access to care, alleviate skills shortages and reduce costs, starting with the harmonisation of state and territory drugs and poisons legislation.
- Expanding right to repair to agricultural machinery to enhance productivity through improved access to repair and maintenance information.

The Government will also progress the development of a second-pass business case for a single national worker screening model for the care and support economy.

### **Investor Front Door and accelerating approvals**

The Government is making it easier to build and invest in major, transformational projects in Australia through the Investor Front Door. Attracting more private investment in key industries will help to boost productivity, achieve Australia's net zero targets, and realise the ambition of a Future Made in Australia.

The Government has committed \$17.3 million to pilot Investor Front Door services until early 2027. The Investor Front Door will work with Commonwealth, state and territory governments to speed up regulatory approval decisions for projects of national significance. It will identify regulatory gaps, overlaps and inefficiencies to inform the Government's reform agenda. The Government will consult on options for a dedicated Coordinator General function as part of the Investor Front Door in 2026.

### **Reforms to better protect the environment while boosting productivity**

The Government has passed landmark environmental law reforms, heralding a new era that will better protect our environment and boost productivity. Delivering on the recommendations of Professor Graeme Samuel’s review of the *Environment Protection and Biodiversity Conservation Act 1999*, these changes will protect the environment for future generations while increasing certainty and accelerating approvals.

The reforms include a new Streamlined Assessment Pathway that will significantly reduce the timeframe for proponents who provide sufficient information upfront. New and improved bilateral agreements with states and territories will remove duplication for the assessment and approval of projects. Regional planning that identifies ‘go’ and ‘no go’ zones will deliver greater certainty to businesses.

### **Abolishing nuisance tariffs**

A second tranche of around 500 nuisance tariffs will be abolished from 1 July 2026 to make products cheaper for Australians and reduce compliance costs for business by an estimated \$127 million per annum.

### **Reducing the regulatory burden for builders**

The Government has worked with states and territories to pause further residential changes to the National Construction Code (NCC) until 2029, excluding essential safety and quality changes. During the pause, the NCC will be modernised to make it more streamlined, easy to use, and cost effective while upholding high standards, quality and safety.

### **Capturing opportunity through the National AI Plan**

The Government has released the National AI Plan, which will help Australia capture the opportunity of AI and ensure the benefits of AI are widely shared, while keeping Australians safe. Work is underway to progress the National AI Plan, including consulting with the states and territories on national interest principles to underpin the development of data centres. The Government is also establishing the Artificial Intelligence Safety Institute to monitor, test and share information on emerging AI capabilities, risks and harms. The Institute will support ministers, portfolio agencies and regulators to respond to AI harms and ensure that existing regulatory frameworks remain fit-for-purpose.

### **Delivering on transport infrastructure priorities**

The Government is maintaining its more than \$120 billion 10-year infrastructure investment pipeline. This MYEFO, the Government is providing an additional \$1.1 billion over seven years from 2025–26 to support the delivery of election commitments and other priority projects under the Infrastructure Investment Program, while continuing to smooth the medium-term investment pipeline.

To support operations at the new Western Sydney International Airport, the Government will provide more than \$261.8 million for a further stage of preparations by border agencies.

### **Community infrastructure grants**

The Government is investing \$625.5 million over four years from 2025–26 to fund community infrastructure that improves the social and economic vitality of local communities. Funding will deliver community and sporting infrastructure, open space improvements and other community priorities. This will improve the resilience, amenity, and liveability of communities and broader regions.

A further \$87.5 million over four years from 2025–26 will protect and improve Australia's environment and heritage. This supports locally informed, place-based projects that protect and restore threatened species and habitats, enhance coasts and waterways, and improve community access to nature.

### **A stronger and more efficient public service**

The Government is building a more efficient, productive and future-ready public service, able to deliver better services for all Australians while demonstrating effective use of funding. The Government will achieve savings of \$6.8 billion by further reducing spending on external labour and other non-wage expenses like travel, hospitality and property.

To unlock the full potential of AI in public service delivery, the Government is continuing to build AI capability, confidence and coordination across the APS. On 12 November 2025, the Government released the APS AI Plan to support public servants with the foundational training, access and guidance needed to use AI tools safely and responsibly.

### **Broadening opportunity and advancing equality**

Health care, aged care, and social security provide essential services that Australians rely on. The Government is continuing to invest in these essential services to improve access and make sure they meet the evolving needs of the community.

### **Fairer superannuation for low-income workers**

The Government is boosting the Low Income Superannuation Tax Offset (LISTO) to provide additional support to low income workers to help build their retirement savings. From 1 July 2027, the LISTO threshold will increase from \$37,000 to \$45,000 to match the top of the second income tax bracket. The maximum payment will also increase to \$810 to account for recent increases in the Superannuation Guarantee rate.

This change will provide low-income workers with a fairer tax concession on their super contributions to align with recent increases in the Superannuation Guarantee rate and the Government's third round of tax cuts taking effect in 2027. The boost to LISTO will help deliver a more secure retirement for 1.3 million Australians.

## **First Nations economic empowerment**

The Government is partnering with First Nations people, communities and businesses to drive First Nations economic empowerment by unlocking economic opportunities and creating sustainable jobs for First Nations Australians.

The Government will provide an additional \$75 million to support Prescribed Bodies Corporate to build capability and accelerate investment, enabling meaningful participation for communities and timely decision-making for investors. Together with the First Nations Economic Partnership, the Government is also examining how Specialist Investment Vehicles can better deliver long-term benefits for First Nations communities.

## **A more accessible health and aged care system for Australians**

### *Improving access to quality aged care services*

The Government is supporting thousands more older Australians to continue living in their homes and communities by providing an additional 63,000 Support at Home places by 30 June 2026. This builds on the 20,000 Home Care Packages that were released before the aged care reforms commenced on 1 November 2025. This represents a total additional investment in in-home support of \$947.8 million over two years from 2025–26.

### *Better health outcomes for regional Australia*

In this MYEFO the Government is making a number of investments to improve access to health care in regional and remote communities. This includes \$10.1 million to CareFlight for aeromedical retrievals and care in the Top End region of the Northern Territory. A further \$2.0 million will strengthen preventive health and health promotion activities for communities in Cairns and Far North Queensland, including cancer screening and skin cancer checks.

In addition, the Government is committing \$73.4 million to strengthen and support Australia's health workforce in regional, rural and remote areas. This extends funding for seven programs that support medical professionals to deliver essential health services in areas of need.

### *Equitable health care for men, women and families*

In this MYEFO the Government is investing \$82.6 million to provide essential health supports for men, women and families. This includes funding of \$32.7 million across five programs to support men's health and reduce stigma around seeking support. In addition, the Government is providing \$16.0 million to continue the Australian Longitudinal Study on Male Health (Ten to Men), which provides data on the health needs of men and boys.

Funding will also support research and education on the prevention, early detection and management of diseases affecting women and girls (see Box 1.2). To support parents, the Government is committing funding for the National Breastfeeding Helpline and Livechat service and the Australian Red Cross Lifeblood donor human milk banks for vulnerable pre-term infants.

**Stronger social services for everyone***A fairer and more efficient social security system*

The Government is making the social security system fairer and more efficient by increasing the small debt waiver threshold to \$250, recognising that the cost of recovery for small, accidental debts generally exceeds the value of the debts themselves. The Government is also expanding eligibility for the special circumstances debt waiver to provide further protections for victims of domestic, family and sexual violence.

*Helping veterans and their families*

The Government is providing \$1.4 billion over four years to deliver better outcomes for veterans and their families. This includes giving veterans better access to professionalised free-to-the-veteran advocacy services and improving the accessibility and timeliness of health care. In addition, the Government is providing more resources to process compensation claims, supporting veterans' aged care and improving veteran services provider and advocate compliance. A new executive agency focussed on veteran wellbeing will be established with \$78.0 million, as recommended by the Royal Commission into Defence and Veteran Suicide (the Royal Commission). The Defence and Veterans' Service Commission will be provided with \$44.5 million, giving effect to another recommendation of the Royal Commission.

*Safer and better early childhood education and care*

Ensuring the safety and wellbeing of every child in early childhood education and care is a national priority. The Government will provide \$188.5 million over four years from 2025–26 to strengthen safety and quality in early childhood education and care. This includes developing a National Educator Register, supporting the workforce to complete mandatory child safety training, an assessment of CCTV in services, improving transparency for parents about services' quality and safety and increased regulatory actions. The Government is also investing \$39.3 million to address existing gaps in the Working With Children Checks (WWCC) process and to implement the National Continuous Checking Capability to provide all jurisdictions near-real time information on the suitability of WWCC holders across the country.

The Government's Worker Retention Payment (WRP) has increased wages for the female-dominated early childhood education and care workforce, delivering a total 15 per cent wage increase from 1 December 2025. The Government has also introduced a new combined fee growth cap over 2 years to assist more child care services to take up the WRP at the same time as limiting fee growth for families.

From January 2026, the 3 Day Guarantee replaces the Child Care Subsidy Activity Test. Families will be eligible for at least 72 hours of subsidised early childhood education and care per fortnight, with 100 subsidised hours per fortnight for families caring for a First Nations child, regardless of parents' level of work, training, study or other activity.

### **Box 1.2: Working for women and advancing gender equality**

The Government is focussed on ensuring women have more and better choices when it comes to their economic security, health, safety, and employment.

#### **Economic equality and security**

From 1 July 2027, the LISTO threshold will increase from \$37,000 to \$45,000 to match the top of the second income tax bracket. The maximum payment will also increase to \$810 to account for recent increases in the Superannuation Guarantee rate. This will benefit 1.3 million Australians, of which around 60 per cent are women, helping to narrow the gender superannuation balance gap.

The Government will provide \$28.5 million over three years from 2025–26 to extend the Advancing Gender Equality in Gender Segregated Industries grant opportunity for an additional two years to 2028. This will support state and territory Trades and Labour Councils and peak employer organisations to continue to deliver initiatives to improve gender equality in gender segregated industries. These initiatives will aim to address systemic issues facing women in gender segregated industries and foster more cooperative workplaces.

Addressing minimum wages in female dominated industries is the next step in continuing to reduce the gender pay gap. The Government legislated to make gender equality an objective the FWC must consider and supports its Gender-based undervaluation – priority awards review.

#### **Gender-based violence**

Further actions to end gender-based violence are included in this MYEFO, including allocating \$185.2 million on top of the more than \$4 billion already invested to support women's safety and the National Plan to End Violence against Women and Children 2022–32. Additional actions include:

- Progressing Building Australia's Future: Labor's Commitment to Women to:
  - Prevent perpetrators from using the tax and corporate systems to create debts as a form of coercive control and make perpetrators accountable for these debts if they do.
  - Stop perpetrators of domestic and family violence from receiving their victim's superannuation after death.
  - Make perpetrators liable for social security debts incurred by a victim-survivor due to coercion or financial abuse.
- Investing \$42.9 million to extend the Family Violence and Cross Examination of Parties Scheme and the Lighthouse Project pilot, ensuring the courts remain safe, culturally responsive, accessible and supportive for women and families.

*Continued on the next page*

**Box 1.2: Working for women and advancing gender equality continued**

- Investing a further \$41.8 million to ensure the sustainability of 1800RESPECT – Australia’s national counselling, information and referral service for people affected by family, domestic, and sexual violence.
- Committing \$35.5 million to extend a pilot on a model of care for improved coordination and access to specialised trauma-informed mental health recovery care for victim-survivors of family, domestic and sexual violence
- Providing \$22.7 million to continue the Supporting Primary Care Response to Family, Domestic and Sexual Violence (FDSV) pilot to train primary health care workers to recognise, respond and refer patients to local FDSV services.

**Unpaid and paid care**

The Government is continuing to expand Paid Parental Leave (PPL) to empower the full and equal participation of women in the workforce. After expanding to 24 weeks of leave entitlement and adding superannuation in 2025, the scheme will increase to 26 weeks from 1 July 2026. In addition to providing more leave, the changes provide greater flexibility and support more equal sharing of parenting and household responsibilities.

Further, parents of children born on or after 1 July 2025 are now eligible for superannuation guarantee equivalent contributions on Government-funded PPL. Payments to superannuation accounts will be made annually, commencing from 1 July 2026. This payment recognises the important contribution parents make to society, by reducing the impact that career-breaks to care for young children have on superannuation balances.

**Health**

Building on the significant investments made in the 2025–26 Budget, this MYEFO includes further support for women’s health. The Government is providing \$8.8 million to support Jean Hailes for Women’s Health to undertake research and education on the prevention, early detection and management of diseases affecting women and girls. In addition, the Government is supporting maternal health by providing \$46.5 million across multiple measures. These include ongoing funding for breastfeeding support services for new parents; lowering the rate of preterm and early birth by continuing the Preventing Preterm Birth program; and providing care and support for women and families impacted by miscarriage, stillbirth and neonatal loss. The Government is also investing \$154.0 million in new life saving medicines to treat breast and endometrial cancer and expand contraceptive choices on the PBS.

To ensure LGBTIQ+ people receive safe, accessible health care, the Government is providing \$10.1 million for a primary health care training and accreditation program to deliver a national network of LGBTIQ+ safe accredited primary care providers.

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**Box 1.2: Working for women and advancing gender equality (continued)**

**Leadership, representation and decision-making**

The Government is committed to elevating women's sport, including by enhancing assistance for the Asian Football Confederation Women's Asian Cup 2026 to be hosted by Australia, and investing \$0.8 million in the planning and delivery of the Women's Softball World Cup in Queensland in 2027.

**Securing our home and region**

This MYEFO continues the Government's commitment to national resilience and defence capabilities to ensure Australia is well-positioned to meet the challenges of the future. This includes strengthening defence infrastructure, upgrading our emergency management systems, and ensuring the security and prosperity of communities and the regions.

**Delivering the Henderson Defence Precinct**

The Government has committed an initial \$12 billion over ten years towards delivering a Defence Precinct at Henderson in Western Australia. This investment will support the delivery of facilities for the construction of vessels for the Australian Defence Force including Army Landing Craft and the domestic build element of Australia's future general purpose frigates pending successful consolidation, sustainment of Navy surface combatants, and maintenance of Australia's future conventionally armed, nuclear powered submarine fleet.

**Improving emergency capability**

*Better and more resilient emergency warning systems*

A new National Messaging System will provide Australians with cell broadcast warnings during emergencies. The Government has committed \$19 million to complete the National Messaging System to ensure it is in place for the 2026–27 high risk weather season.

In addition, the Government will provide \$11.6 million to improve Australia's capacity to prepare for, monitor and respond to natural hazards including bushfires. This investment supports the National Bushfire Intelligence Capability, the North Australia and Rangelands Fire Information web service, the National Resource Sharing Centre and fire station infrastructure upgrades.

*Safeguarding Triple Zero*

The Government will provide over \$23.4 million to the Australian Communications and Media Authority for regulatory oversight and compliance activities to improve the resilience of the Triple Zero emergency call service. This investment will complement reforms that the Government has made in response to the Bean Review, including the establishment of the Triple Zero Custodian.



## **Investing in regional and remote Australia**

### *Strengthening the Regional Investment Corporation*

The Government is supporting the growth, resilience and sustainability of Australia's agricultural sector with an additional \$1 billion available for new loans through the Regional Investment Corporation (RIC). This funding underscores the Government's enduring commitment to support Australian primary producers facing hardship – including those dealing with drought and significant ecological events. This new funding brings total support for the agriculture sector through RIC loans to over \$5 billion.

### *Keeping Rex in the air*

The Government is providing financial support for the sale of Rex Airlines to new commercial owners. Rex's existing debt will be restructured and a new commercial loan facility of up to \$60 million will be provided in exchange for a range of commitments aimed at maintaining regional connectivity.

### *Addressing algal bloom outbreaks and combating ghost nets*

The Commonwealth is contributing \$68.5 million to help South Australians respond to the algal bloom outbreak currently affecting state waters. Funding will enable critical work in environmental restoration, science and research to protect South Australia's coast and support coastal businesses and communities.

The Government is expanding funding to detect, remove and dispose of discarded fishing nets and marine debris from Australia's northern waters, with \$25.1 million over four years for the Ghost Nets Initiative. This additional funding will expand the Initiative to other coastal areas around Western Australia, the Torres Strait and the Arafura and Timor seas.

### *Strengthening Australian leadership in Antarctica*

The Government is securing the future of Australia's Antarctic Program with an investment of \$208.8 million for critical shipping and aviation to support the Australian Antarctic Program, including the delivery of additional world-class marine science voyages. Delivering additional science voyages will deepen our understanding of Antarctica, the impacts of climate change on the Southern Ocean and Antarctica's role in the global climate system.

## **Supporting multicultural communities**

The Government is investing \$220.6 million over four years from 2025–26 to support multiculturalism in Australia, to strengthen and support multicultural communities; and promote inclusion, economic participation and stronger community connections. This includes \$171.3 million over three years from 2025–26 for grants to community organisations to support the delivery of priority infrastructure, amenities and events initiatives. It also includes \$25.6 million over four years from 2025–26 to support over 600 community language schools across Australia, which will benefit over 90,000 students.



## Part 2: Economic Outlook

### Overview

The Australian economy is gathering momentum against the backdrop of heightened global uncertainty. Growth and the private sector recovery are strengthening, unemployment is low, participation is near record highs, employment continues to grow, business investment and real household incomes are growing again. While the Australian economy has not been immune to global economic challenges, it is one of the best placed economies to manage them.

The global economic outlook is complex and uncertain and risks are tilted to the downside. Global trade disruptions, conflict and geopolitical tensions remain major headwinds. Several major advanced economies face the potential of persistently higher inflation and there are concerns about fiscal sustainability for some advanced economies.

The effective tariff rate on imports into the United States (US) increased sharply in 2025. This has precipitated some shifts in global trade patterns, while the longer-term effects of structurally higher tariffs are yet to be fully realised. The tariff rate on imports of Australian goods into the US remains low compared to the rates facing many other advanced economies, with most goods subject to a baseline tariff of 10 per cent.

Despite these global challenges, the Australian economy is strengthening and the private sector recovery is now broader and stronger. Growth in real GDP, which was 1.4 per cent in 2024–25, is forecast to increase to 2¼ per cent in 2025–26 and in 2026–27.

Private demand has resumed as the primary driver of economic growth and this is expected to continue over the forecast period. Household consumption is forecast to strengthen over the next two years, underpinned by ongoing growth in real household disposable income. Business investment picked up sharply in the September quarter 2025 and is forecast to grow by 3 per cent in 2025–26 and 1½ per cent in 2026–27. Non-mining business investment is forecast to grow strongly and reach its highest level on record by the end of the forecast period. Businesses are continuing to invest in digitising their operations and expanding their productive capacity. Investment in wind, solar and battery projects is growing in support of the renewable energy transition. Dwelling investment is forecast to grow by a strong 5½ per cent in 2025–26, supported by lower borrowing costs and robust housing demand.

Growth in public demand is expected to ease over the coming years, with public demand expected to grow at a lower rate than private demand. Growth in public final demand is forecast to moderate from 4.4 per cent in 2024–25 to 2¾ per cent in 2025–26 and 2¼ per cent in 2026–27. This reflects the phasing in of structural reforms to some demand-driven Commonwealth programs and lower expected growth in consumption and investment by state and territory governments.

Headline and underlying inflation are substantially below their peaks. While inflation has recently increased to be above the Reserve Bank of Australia's (RBA) target band, this can

be partly attributed to temporary factors, such as the cessation of state electricity rebate schemes, large increases in council property rates, and increases in the prices of volatile items such as fuel and travel. However, increases in services inflation and the prices of newly constructed dwellings are expected to be more persistent and are in line with the sustained recovery in demand. The recent increase in inflation is similar to the experiences of many advanced economies.

Excluding the effect of rebates and fuel, inflation is expected to return sustainably to the target band by the end of 2026. The moderation in inflation has been achieved while preserving post-pandemic gains in employment and labour force participation. This differs from previous inflationary episodes in Australia in the 1980s and 1990s and recent experience in some advanced economies, such as Canada and New Zealand, where efforts to curb inflation have coincided with larger rises in the unemployment rate.

Conditions in the labour market are expected to remain solid. The unemployment rate has increased gradually, but is forecast to remain low by historic standards, at around 4½ per cent in 2025–26 and 2026–27. Employment is expected to grow by 1¼ per cent in 2025–26 and 1½ per cent in 2026–27. The labour force participation rate is forecast to remain at around 67 per cent, which is close to its recent record highs.

Wages growth is forecast to remain above pre-pandemic averages. The Wage Price Index is forecast to grow by 3¼ per cent in 2025–26 and 2026–27. Annual real wages have grown for eight consecutive quarters, the longest consecutive run of annual real wages growth in almost a decade. While the recent increase in inflation is likely to result in a slight decline in real wages in 2025–26, real wages are expected to grow again in 2026–27.

There are a range of risks to the outlook for the Australian economy, many of which are related to potential global developments. Trade tensions could increase further, fragmenting supply chains, increasing input and end-user costs, and weighing on global growth. The risk of persistent inflation in advanced economies could lead to monetary policy having to remain tighter, which would also constrain growth.

More stable trade settings would create more confidence around supply chains, which would help support higher investment, particularly in Southeast Asia. Greater use of and improvements in artificial intelligence technology could also provide a boost to global productivity and growth.

There are also domestic sources of risk. If households' real incomes grow at a slower pace, the pick-up in consumption and private final demand could be slower. Conversely, if the recent pick-up in business investment is sustained, it could boost the productive capacity of the economy. There is also potential for higher mining investment as firms look to capitalise on recent increases in gold prices by expanding operations or opening new mines.

## International economic outlook

Since early 2025, the global economic outlook has become increasingly complex and uncertain. Global trade settings have changed significantly. Although the full effects of evolving trade policy settings – both by the US and other economies – are yet to be felt, trade flows have been affected. A shift towards a less efficient global trading system can be expected to create headwinds for the global economy. Reflecting this, global growth is forecast to remain low by historical standards at 3 per cent in 2025 and is then expected to recover slightly to 3¼ per cent in 2026 and 2027 (Table 2.1).

**Table 2.1: International GDP growth forecasts<sup>(a)</sup>**

	Outcomes	Forecasts (Calendar Years)		
	2024	2025	2026	2027
Australia	1.1	2	2 1/2	2 1/4
China	5.0	5	4 3/4	4 1/2
India	6.7	6 1/2	6 1/2	6 1/2
Japan	0.1	1	3/4	3/4
United States	2.8	1 3/4	1 3/4	2
Euro area	0.9	1	1	1 1/2
United Kingdom	1.1	1	1	1 1/4
Other East Asia <sup>(b)(c)</sup>	4.4	3 3/4	3 3/4	4
Major trading partners <sup>(b)</sup>	3.4	3 1/2	3 1/4	3 1/2
World <sup>(b)</sup>	3.3	3	3 1/4	3 1/4

a) Percentage change on previous year.

b) 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.

c) 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.

Countries face headline tariff rates of at least 10 per cent on nearly all exports to the US (Table 2.2). Tariffs are likely to weigh more heavily on growth in economies that are more export-oriented, such as Japan, the Republic of Korea (South Korea) and Germany. Economies in Southeast Asia that are deeply integrated into global manufacturing production chains, such as Vietnam, may also experience weaker growth. However, this could be partially offset by firms seeking to relocate production in response to recent changes to trade policy settings.

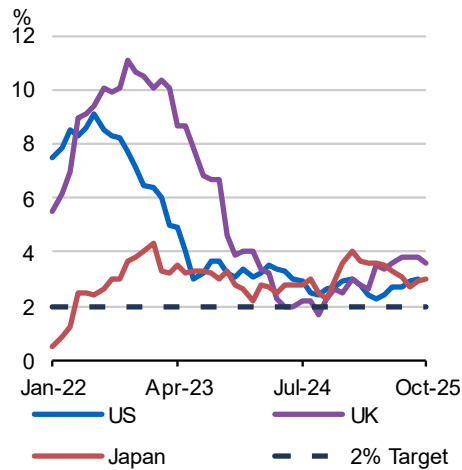
Inflation remains above central bank targets in many advanced economies, including the US, the United Kingdom (UK), and Japan. Inflation has also recently increased to the top of the Reserve Bank of New Zealand's target band (Charts 2.1 and 2.2). Persistently elevated inflation is creating more difficult trade-offs for monetary policy, particularly as a number of advanced economies are now also slowing and experiencing an easing in labour market conditions.

In the US and the UK, services inflation remains sticky, which is limiting central bank efforts to lower headline inflation rates towards their targets. Following a period of post-pandemic goods price deflation, goods prices in both economies have recently begun to increase again, contributing to higher headline inflation. In the US, tariffs have contributed to goods price inflation, which has increased from around zero in May 2025 to around 2 per cent in September 2025. In the UK, goods inflation largely reflects higher food and energy prices, while elevated wages growth is contributing to more persistent services inflation.

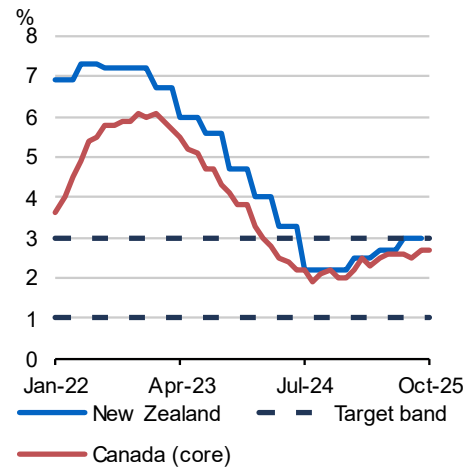
In Canada, the impact of policy measures, like the removal of the consumer carbon tax, has pushed inflation close to the middle of the Bank of Canada’s target band. However, core measures of inflation have remained around the top of their target band for much of 2025.

**Table 2.2: Selected headline tariff rates applied by the United States**

Economy	Headline tariff rate (per cent)
Australia	10
United Kingdom	10
European Union	15
Republic of Korea (South Korea)	15
Japan	15
China	20
Vietnam	20
Taiwan	20
Mexico	25
Canada	35
India	50
Source: Treasury	
Note:	The above figures are not effective tariff rates, as they exclude sector-specific measures imposed by the US. For instance, steel and aluminium are subject to additional tariffs, whereas many agricultural products are not subject to duties under the new US tariff framework.

**Chart 2.1: Headline inflation in economies with 2 per cent targets**

Source: National statistical agencies, LSEG and Treasury.

**Chart 2.2: Inflation in economies with 1 to 3 per cent target bands**

Source: National statistical agencies, LSEG and Treasury.

The **US** economy has remained resilient following the imposition of wide-ranging tariffs, and is forecast to grow by 1¾ per cent in 2025 and 2026, and 2 per cent in 2027. The 43-day government shutdown that commenced on 1 October is expected to weigh heavily on growth towards the end of 2025, but a moderate rebound is expected in early 2026. Fiscal policy is also expected to provide moderate support to growth in 2026.

While inflation has eased from its 2022 peak, it remains persistently above the US Federal Reserve's target of 2 per cent and has recently begun to increase. At the same time, employment growth has eased to 1.1 per cent through the year to September 2025. This shift in labour market conditions prompted the Federal Reserve to re-commence easing monetary policy in September, and subsequently ease policy further in October and December.

**China's** economy is forecast to slow over the period ahead. Growth is forecast to meet the official target of 'around 5 per cent' this year and then moderate to 4¾ per cent in 2026 and 4½ per cent in 2027 as the economy contends with weak household demand, declining investment, and the ongoing fall-out from intensifying trade and geopolitical tensions, particularly with the US (see Box 2.1).

Conditions in the **euro area** economy have improved modestly since the middle of 2025. Inflation remains close to the European Central Bank's target of 2 per cent, and is expected to remain consistent with this target over the forecast period. Real GDP is forecast to grow by 1 per cent in 2025 and 2026, and by 1½ per cent in 2027. Higher growth in economic activity later in the forecast period is expected to be supported by increased government spending, including on infrastructure (particularly in Germany).

Recent trade negotiations between the US and the European Union have resulted in lower US tariffs imposed on imports from the EU compared to those announced in April. These negotiations have also preserved access for European agriculture and certain manufactured products to the US market, although tariffs on steel and aluminium remain high.

Growth in the **UK** is expected to remain subdued and is forecast to grow by 1 per cent in 2025 and 2026, and by 1¼ per cent in 2027. In part, the subdued growth is due to tighter fiscal policy. High public debt remains a concern for the government and investors, with gilt yields proving sensitive to political and policy developments.

In the context of weak growth and a softening labour market, recent inflation outcomes in the UK continue to complicate the Bank of England's task in setting monetary policy. Annual inflation in the UK increased from 1.7 per cent in September 2024 to 3.6 per cent in October 2025, while core inflation was 3.4 per cent through the year to October 2025. The higher rate of inflation also reflects the unsustainable rate of wages growth which, despite a softening labour market, remains elevated.

**Japan's** economy is expected to navigate global trade headwinds successfully and is forecast to grow by 1 per cent in 2025 and ¾ of a per cent in 2026 and 2027. After years of anaemic economic growth and deflation, inflation has now exceeded the Bank of Japan's 2 per cent target for nearly four years and recent data suggest that higher inflation could remain stickier for longer than previously expected. Inflation in utilities prices has increased as government subsidies have ended. Acute labour shortages are pushing up wages and stronger demand has provided businesses scope to pass on higher costs. Persistent inflationary pressures are expected to result in the Bank of Japan raising interest rates further in the near term.

**India** is expected to remain the world's fastest growing major economy over the forecast period. Real GDP growth is forecast to be 6½ per cent in 2025, 2026 and 2027 due to strength in private consumption, government-supported infrastructure projects, capital investment, and a growing labour force. Inflation has remained below target for much of 2025, which is largely due to falls in food prices.

**Other East Asia** is forecast to grow by 3¾ in 2025 and 2026, and by 4 per cent in 2027. While Vietnam and other emerging economies could benefit from shifting trade patterns, growth in Taiwan and the Republic of Korea (South Korea) could moderate if easing Chinese demand and heightened trade risks weigh on these export-oriented economies.



**Box 2.1: The outlook for the Chinese economy**

The Chinese economy faces a number of significant internal and external challenges, although growth has been resilient to date. Chinese exports supported activity in early 2025 as US businesses brought forward orders in expectation of higher tariffs. After these were imposed, falls in US exports were largely offset by exports to alternative markets (Chart 2.3). Following the brief escalation of tensions in October, the subsequent trade agreement between the US and China should bring some near-term stability to trade flows.

Households have been incentivised to spend more on durable goods in 2025 through a trade-in program for vehicles and appliances. However, this is not expected to have a lasting effect on consumption. Real incomes are growing below pre-pandemic rates, and declining property prices have reduced household wealth. This weakness has contributed to Chinese tourist arrivals to Australia and the stock of Chinese students not yet recovering to pre-pandemic levels (Chart 2.4).

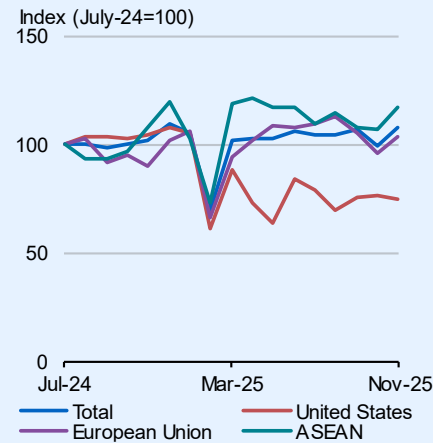
Investment also continues to shift away from the real estate sector to high-tech manufacturing, including electric vehicles and semiconductors. Although part of a long-term plan to develop new growth drivers, there has been a broad-based contraction in fixed asset investment through the year to October 2025. This prompted authorities to announce policies to support infrastructure investment.

Beyond these near-term challenges, the Chinese economy faces structural headwinds including a slowing urbanisation rate, and an ageing and shrinking population. These could keep growth below recent averages.

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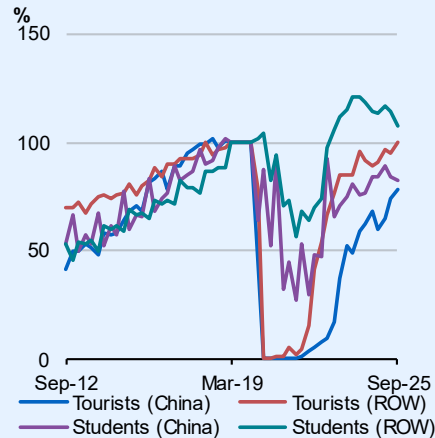
**Box 2.1: The outlook for the Chinese economy (continued)**

**Chart 2.3: Chinese export values**



Source: General Administration of Customs China and LSEG Workspace.

**Chart 2.4: 2025 student stock and visitor arrivals as share of the corresponding month in 2019**



Source: ABS Overseas Arrivals and Departures, Department of Home Affairs and Treasury.

Note: Visitor arrivals calculated as quarterly moving average. ROW is Rest of World.

## Domestic economic outlook

The Australian economy is gathering momentum in the face of substantial global headwinds (Chart 2.5). Real GDP grew 1.4 per cent in 2024–25 and in through-the-year terms was 2.1 per cent in September quarter 2025, the fastest pace in two years. Real GDP growth is forecast to pick up to 2¼ per cent in both 2025–26 and 2026–27 (Table 2.3).

Private final demand has contributed more to GDP growth than public final demand for four consecutive quarters and it is forecast to remain the major driver of GDP growth (Chart 2.6). Growth in private final demand is forecast to more than double from 1.2 per cent in 2024–25 to 3 per cent in 2025–26. Growth in household consumption is forecast to pick up over 2025–26. This in part reflects robust growth in real household disposable income, which grew by 4.1 per cent in 2024–25 due to a combination of real wages growth, employment growth, tax cuts, and lower interest rates.

Private investment is strengthening. Business investment grew at its fastest rate in nearly five years in the September quarter. Business investment has been supported by investment in data centres, computer software and renewable energy. Lower borrowing costs, rising private demand and elevated capacity utilisation are expected to continue to support business investment going forward. Growth in dwelling investment has also picked up and momentum is expected to be supported by lower financing costs.

Public final demand played an important role in supporting growth, while private demand was subdued. Private demand is picking up and growth in public demand is expected to moderate as existing infrastructure projects are completed and state governments commit to fewer new projects. Growth in public consumption is expected to moderate due to the phasing in of structural reforms to some demand-driven Commonwealth programs.

Inflation remains substantially below its peak in both headline and underlying terms. Recent increases in inflation can be partly attributed to temporary factors, such as the cessation of state electricity rebate schemes, large increases to council property rates and increases in volatile items such as fuel and travel. However, inflation in the prices of new dwellings and market services may be more persistent. Inflation is expected to be 3¾ per cent in 2025–26 and then moderate to 2¾ per cent in 2026–27. Excluding fuels and energy rebates, inflation is expected to sustainably return to the target band by the end of 2026.

The labour market is expected to remain resilient, with the unemployment rate expected to remain low by historic standards, at around 4½ per cent over 2025–26 and 2026–27. The labour force participation rate is expected to remain around 67 per cent, which is close to its record high. Employment growth is forecast to grow by 1¼ per cent in 2025–26 and 1½ per cent in 2026–27, with growth increasingly driven by the market sector. Nominal wages growth is expected to be 3¼ per cent in 2025–26 and 2026–27, which is well above the five-year pre-pandemic average. Annual real wages have grown in each of the past two years, and real wages are expected to grow again in 2026–27. Productivity has grown for four consecutive quarters and a cyclical increase in productivity growth is expected over the forecast period.

**Table 2.3: Domestic economy – detailed forecasts<sup>(a)</sup>**

	Outcomes <sup>(b)</sup>	Forecasts			
		2025-26		2026-27	
	2024-25	Budget	MYEFO	Budget	MYEFO
<b>Real gross domestic product</b>	<b>1.4</b>	<b>2 1/4</b>	<b>2 1/4</b>	<b>2 1/2</b>	<b>2 1/4</b>
Household consumption	1.1	2 1/4	2 1/2	2 1/4	2 1/4
Dwelling investment	4.4	5 1/2	5 1/2	7 1/2	6
Total business investment <sup>(c)</sup>	-0.1	1 1/2	3	1 1/2	1 1/2
<i>By industry</i>					
Mining investment	-1.1	2 1/2	0	3	0
Non-mining investment	0.2	1	4	1	2
Private final demand <sup>(c)</sup>	1.2	2 1/2	3	2 3/4	2 1/2
Public final demand <sup>(c)</sup>	4.4	3	2 3/4	2	2 1/4
Change in inventories <sup>(d)</sup>	-0.1	0	- 1/4	0	0
Gross national expenditure	1.9	2 1/2	2 3/4	2 1/2	2 1/2
Exports of goods and services	0.9	2 1/2	2 1/2	2 1/2	1 1/2
Imports of goods and services	3.1	4	4 1/2	2 1/2	2 1/2
Net exports <sup>(d)</sup>	-0.5	- 1/4	- 1/2	0	- 1/4
Nominal gross domestic product	3.6	3 1/4	5 1/4	4	3 1/4
Prices and wages					
Consumer price index <sup>(e)</sup>	2.1	3	3 3/4	2 1/2	2 3/4
Wage price index <sup>(f)</sup>	3.4	3 1/4	3 1/4	3 1/4	3 1/4
GDP deflator	2.2	1	2 3/4	1 1/2	1
Labour market					
Participation rate (per cent) <sup>(g)</sup>	67.0	67	67	66 3/4	67
Employment <sup>(f)</sup>	2.2	1	1 1/4	1 1/4	1 1/2
Unemployment rate (per cent) <sup>(g)</sup>	4.2	4 1/4	4 1/2	4 1/4	4 1/2
Balance of payments					
Terms of trade <sup>(h)</sup>	-4.0	-6	0	-3	-6
Current account balance (per cent of GDP)	-2.3	-3 3/4	-2 3/4	-4 1/4	-4 3/4
Net overseas migration <sup>(i)</sup>	310,000	260,000	260,000	225,000	225,000

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.

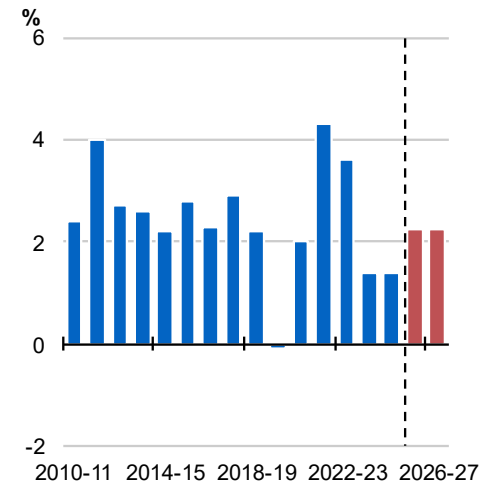
g) Seasonally adjusted rate for the June quarter.

h) Bulk commodity prices are assumed to decline from elevated levels over four quarters to the end of the December quarter of 2026: 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. The gold price is assumed to decline over eight quarters to a long-run anchor. All bulk prices are in free on board (FOB) terms.

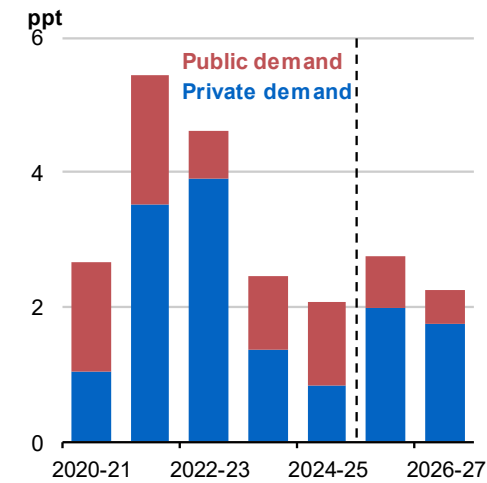
i) Net overseas migration (NOM) in 2024–25 remains a forecast.

Note: These forecasts are based on several technical assumptions. The labour market forecasts do not incorporate the November 2025 release of the ABS Labour Force. The exchange rate is assumed to remain around its recent average level – a trade weighted index of around 61 and a \$US exchange rate of around 65 US cents. Interest rates are informed by expectations derived from financial market pricing. World oil prices (Malaysian Tapis) are assumed to remain around US\$66 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, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; unpublished ABS data and Treasury.

**Chart 2.5: Real GDP growth**

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

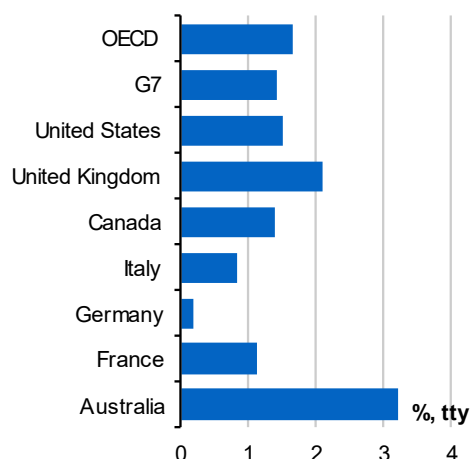
**Chart 2.6: Contributions to domestic final demand growth**

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

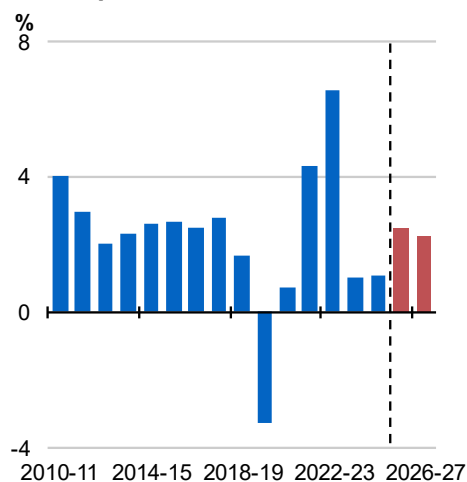
## Household consumption

Household consumption grew by 1.1 per cent in 2024–25, supported by stronger growth in real incomes. In per capita terms, real household disposable income grew by 2.4 per cent in 2024–25, which was the fastest annual growth in four years. This was due to a combination of real wages growth, tax cuts and reductions in interest rates. Over the year to June 2025, growth in real household disposable income (RHDI) per capita in Australia exceeded growth in most major advanced economies and was around double the OECD average (Chart 2.7)

Household consumption is forecast to continue to grow solidly over the forecast period, driven by a continual rise in real incomes. Household consumption is forecast to grow by 2½ per cent in 2025–26 and 2¼ per cent in 2026–27 (Chart 2.8). Real household disposable income per capita is forecast to grow by 1½ per cent in 2025–26 and 1 per cent in 2026–27 due to robust wages growth as well as the tax cuts in 2026 and 2027. Spending on essentials is expected to remain robust over the forecast period. Consumers, however, continue to be price sensitive and discount driven, particularly in relation to discretionary goods and services.

**Chart 2.7: Comparison of growth in per capita RHHDI to June 2025**

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

**Chart 2.8: Growth in household consumption**

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

## Dwelling investment

Dwelling investment expanded by 4.4 per cent in 2024–25, reflecting an easing in capacity constraints (Chart 2.9). Approvals have picked up and have translated to a 9.0 per cent increase in private commencements over the year to the June quarter 2025. The prices of new dwellings purchased by owner-occupiers, as measured by the CPI, has eased significantly from its peak of around 20 per cent in 2022 to 1.7 per cent through-the-year to October 2025 as inflation in material costs has eased. These trends are supporting the expected pick-up in dwelling investment, with growth forecast to be 5½ per cent in 2025–26 and 6 per cent in 2026–27.

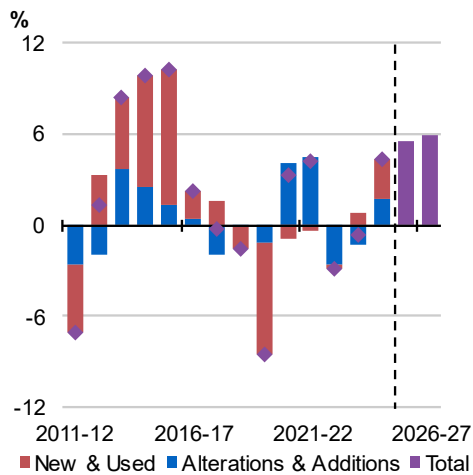
## Business investment

Business investment grew strongly in the most recent quarter. Growth in business investment is expected to remain robust, at 3 per cent in 2025–26 and 1½ per cent in 2026–27. By the end of the forecast period, non-mining business investment is forecast to reach its highest level on record (Chart 2.10). Lower borrowing costs, rising private demand and elevated capacity utilisation are expected to create better conditions for business investment over the forecast period.

Non-mining business investment is forecast to grow by 4 per cent in 2025–26 and 2 per cent in 2026–27, supported by the automation of supply chains and continued digitisation of business operations, as well as investment in data centres (Box 2.2). Non-dwelling construction activity is expected to accelerate from 2026–27, assisted by a strong pipeline of renewable energy projects.

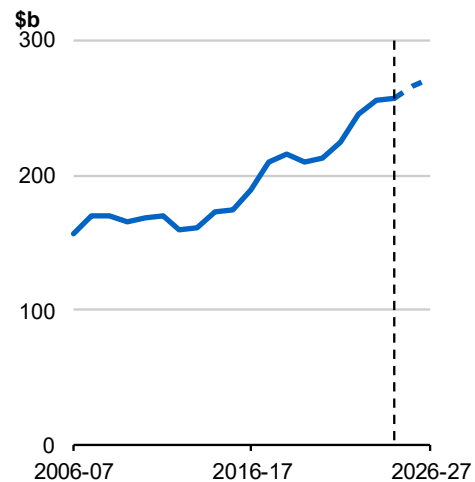
Mining investment remains subdued and is forecast to be flat in 2025–26 and 2026–27. While some investment in iron ore is expected in order to maintain output close to current levels, metallurgical coal producers are, in aggregate, expected to run down their capital stock over time. Some moderate expansion of gold mining capacity is expected as producers respond to elevated gold prices.

**Chart 2.9: Growth in dwelling investment**



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

**Chart 2.10: Real non-mining business investment**



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

### **Box 2.2: Emerging trends in business investment**

Business investment picked up in the September quarter and its changing composition reflects broader structural changes in the Australian economy. Recent data have shown increased investment in the energy transformation, data centres and computer software. Non-mining firms are expecting an increase in their capital expenditure in 2025–26. Firms have upgraded their expectations for capital expenditure for 2025–26 in the most recent surveys and expectations are significantly higher than the first estimate in December 2024 (Chart 2.11). Lower financing costs, rising private demand and high capacity utilisation are working to create a more favourable investment environment. Business investment is forecast to grow 3 per cent in 2025–26 and 1½ per cent in 2026–27. By 2026–27, non-mining business investment is forecast to reach its highest level on record.

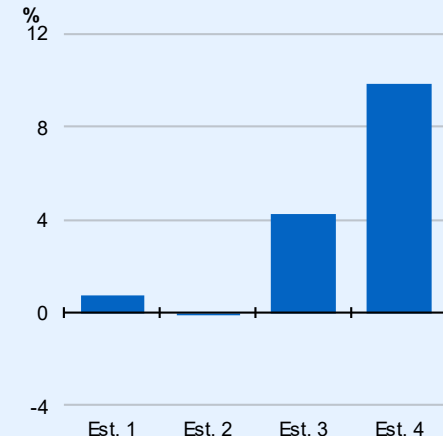
Business investment surged by 3.4 per cent in the September quarter. This was the highest quarterly growth since March 2021. Around 80 per cent of the quarter's growth was attributable to machinery and equipment investment, a large proportion of which is imported, including to support data centre fit-outs. Non-dwelling construction, including the building of data centres and renewable wind, solar and battery storage projects, also contributed to the higher growth over the year.

Firms continue to invest to improve their business operations and systems. Computer software investment has risen steadily over the past ten years and has more than tripled since 2015 as businesses look to improve their operations and systems, including in accounting, financing and security. This has been supported by strong growth in information technology employment, as specialist workforces are needed to enable these digitisation efforts. Infrastructure investments to support digitisation are also increasing. Construction of data centres has accelerated and the accompanying fit-out with equipment has increased over six-fold in the past five years (Chart 2.12).

Policy signals are also guiding investment, particularly in the renewable energy transition. The pipeline of renewable energy projects has increased over three-fold in the past two years, and now represents around \$170 billion of nominal investment.

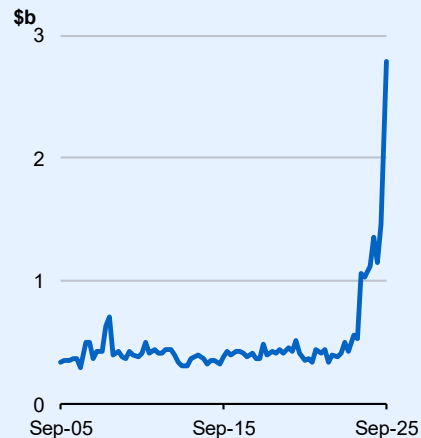
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**Box 2.2: Emerging trends in business investment (continued)****Chart 2.11 Nominal non-mining CAPEX intentions for 2025–26, year average growth**

Source: ABS Private New Capital Expenditure and Expected Expenditure, Australia.

Note: Nominal CAPEX intentions are realisation ratio adjusted.

**Chart 2.12: Information media and technology equipment investment**

Source: ABS Private New Capital Expenditure and Expected Expenditure, Australia.

**Public final demand**

Public demand played an important role in supporting the economy during a period of subdued private sector growth. However, the private sector recovery is now underway and growth in public final demand is expected to ease over the forecast period. Public final demand is forecast to grow by 2¾ per cent in 2025–26, and 2¼ per cent in 2026–27 – moderating from growth of 4.4 per cent in 2024–25.

An easing in government consumption growth is expected because of moderating spending on demand-driven programs, such as the NDIS and aged care programs. Growth in public investment is also expected to moderate over the next two years as several large state transport projects reach completion and the number of new state infrastructure projects declines.

**International trade**

Exports are forecast to grow by 2½ per cent in 2025–26 and 1½ per cent in 2026–27. Growth in non-rural commodity exports is expected to remain subdued. This is largely due to easing demand for metallurgical coal as China continues its transition to less steel-intensive

economic activity. Services exports are expected to grow modestly. In part, this reflects shifting preferences by travellers from overseas, especially those from China, towards domestic and closer destinations, as well as a decline in the number of Chinese students in Australia relative to the pre-COVID period. In 2026–27, there is a more subdued outlook for exports compared to Budget and this is the primary driver of the downgrade to real GDP.

Growth in imports is forecast to be 4½ per cent in 2025–26 and 2½ per cent in 2026–27. Growth in goods imports is expected to be supported by a broad array of investment. This includes investment in software, automatic data processing equipment, defence spending, and materials for large state and renewable infrastructure projects. Imports of consumption goods and outbound tourism are forecast to grow in line with increasing consumer demand, particularly for discretionary goods and services.

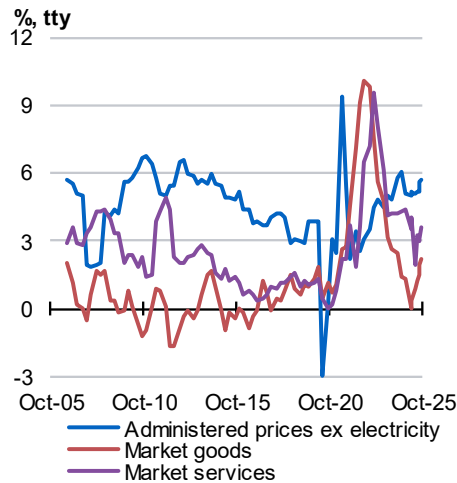
## **Inflation**

Headline and underlying inflation remain well below their peaks in late 2022. A significant moderation in goods inflation over 2023–24 drove the initial decline in inflation. In 2024–25, disinflation was driven by a moderation in more persistent components of the CPI, including rents, new dwelling purchases and insurance. In addition, Government’s cost-of-living measures, including the government’s Energy Bill Relief Fund (EBRF), helped ease cost-of-living pressures when these pressures were most acute.

Inflation over the year to October 2025 was 3.8 per cent, with the recent increase partly reflecting temporary factors. A significant portion of the recent increase in inflation reflected the cessation of state energy rebates, which contributed around ½ of a percentage point to year-end inflation. Large annual increases in administered prices, which are predominantly determined by regulation or policy settings, including council property rates, and water and sewerage charges have also contributed to the recent increase in inflation (Chart 2.13). Market sector inflation, which moderated significantly over 2024–25, has also increased in recent months but remains lower than administered price inflation. Increases in the prices of volatile items, such as fuel and travel, contributed to this increase but are expected to be temporary.

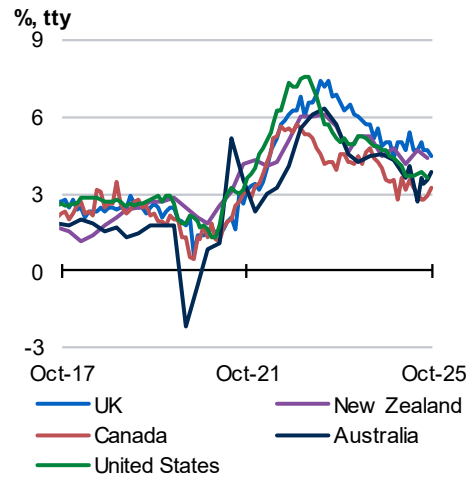
However, higher inflation was also observed across new dwellings and a range of market service categories, reflecting input price growth and strengthening demand. Persistence in services inflation is consistent with what has been observed overseas, with many advanced economies, such as the UK, New Zealand and the US, currently experiencing elevated services price inflation (Chart 2.14).

Headline inflation is expected to be around 3¾ per cent in 2025–26 as a result of recent outcomes and the cessation of the EBRF. Excluding the effect of rebates and fuel, inflation is forecast to moderate and return sustainably to the target band by the end of 2026 and headline inflation is expected to be in the band by June 2027. Tradable goods inflation is expected to remain relatively low and stable because of subdued growth in import prices of consumer goods. Productivity has grown for four consecutive quarters and if this momentum continues, then it could support a moderation in services inflation.

**Chart 2.13 Inflation in different components of the CPI basket**

Source: ABS Consumer Price Index and Treasury.

Notes: Estimates prior to the December quarter 2024 are approximations using 2025 expenditure weights. Administered items are those not included in the market sector by the ABS, plus tobacco where most of the price is excise.

**Chart 2.14 Services inflation country comparison**

Source: LSEG, ABS and Treasury.

## The labour market

The decline in inflation in Australia has been achieved while maintaining gains in employment and participation. Compared to previous disinflationary episodes, the unemployment rate has remained low by historical standards. This is in stark contrast with the experience of some other advanced economies, like Canada and New Zealand, where the moderation in inflation has occurred alongside a larger increase in unemployment.

Conditions in the labour market are expected to remain solid, with the unemployment rate forecast to remain low by historic standards, the participation rate near record highs and employment continuing to grow. The unemployment rate was 4.3 per cent in November 2025 (Chart 2.15) and is expected to only modestly rise to be around 4½ per cent over 2025–26 and 2026–27. The slight increase in the forecast unemployment rate from 4¼ per cent since Budget reflects that the participation rate is now forecast to remain around historical highs. The upgrade to the participation rate means the rate of growth in the workforce is expected to exceed the rate of employment growth over the forecast period.

Growth in employment is forecast to ease. Employment grew by 2¼ per cent in 2024–25 and is forecast to grow by 1¼ per cent in 2025–26 and by 1½ per cent in 2026–27. The shift from public to private sector led growth is expected to change the composition of labour demand. Employment growth in the market sector is expected to recover, while labour

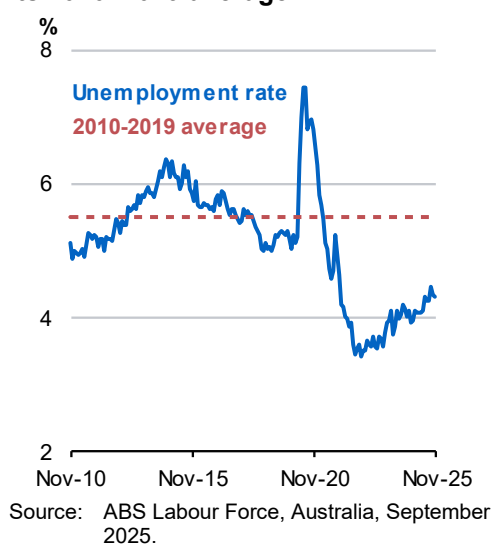
demand in the non-market sector is expected to ease. The market sector is expected to initially increase hours of its existing workforce and lift labour productivity before it increases employment.

The participation rate is forecast to remain near its recent record highs at around 67 per cent across 2025–26 and 2026–27. This is a result of structural factors such as changing patterns of caring duties supporting increased female participation, later retirements and a greater propensity for migrants to participate in the labour market.

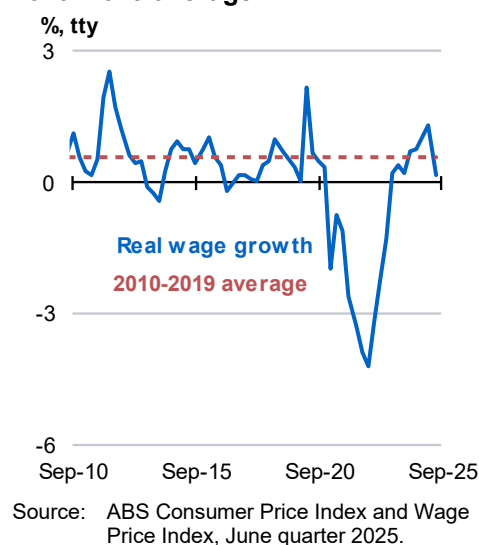
Wages growth is forecast to ease slightly but remain well above the pre-pandemic average. The Wage Price Index is forecast to grow by  $3\frac{1}{4}$  per cent in both 2025–26 and 2026–27, well above the five-year pre-pandemic average rate of 2.1 per cent.

Real wages have grown in each of the past two years (Chart 2.16). Real wages are forecast to grow again in 2026–27 and are expected to be  $\frac{1}{2}$  per cent higher through the year to the June quarter 2027.

**Chart 2.15: Unemployment rate and its 2010–2019 average**



**Chart 2.16: Real wages growth and its 2010–2019 average**



## Outlook for the terms of trade and nominal GDP

Australia's terms of trade are expected to show no growth in 2025–26 and fall by 6 per cent in 2026–27. Bulk commodity prices are assumed to return to long-run fundamental levels by the end of the December quarter 2026.

The prices of most bulk commodities have increased moderately the levels they were at Budget. Iron ore and metallurgical coal prices have been supported by ongoing policy support to economic growth in China. Weaker demand for thermal coal from China has been offset by resilient demand from other East Asian trade partners. LNG prices have

declined as well-supplied global oil markets weigh on benchmark energy prices, and weaker demand from China as it switches to alternative sources of gas.

In contrast, the price of gold has increased sharply since Budget. Central bank demand, particularly in emerging economies, combined with recent increases in retail demand, have driven the spot price to near-record highs (see Box 2.3).

Nominal GDP is forecast to grow by  $5\frac{1}{4}$  per cent in 2025–26 and  $3\frac{1}{4}$  per cent in 2026–27. The forecast increase in real GDP growth and growth in some prices is expected to be slightly offset by commodity prices returning to their long-run anchors.

**Box 2.3: Gold price assumption in the forecasts**

Following a post-pandemic period of relative stability, the gold price has increased by 60 per cent since the beginning of this year and reached historic highs in October 2025 (Chart 2.17). Demand to date has been driven by a number of factors, including expectations of declining interest rates, global uncertainty, central banks in developing economies increasing their gold reserves, greater speculative retail demand, and inelastic short-term supply. These demand dynamics are being supported by ongoing global uncertainty.

Gold price movements have become a new source of volatility for the economic forecasts, particularly for nominal GDP, which is sensitive to the outlook for commodity prices. Australia is the world's third-largest producer of gold, with 22 per cent of known gold resources. In 2024–25, gold accounted for 12 per cent of Australia's resources and energy exports by value, behind iron ore (30 per cent) and LNG (17 per cent), and ahead of metallurgical coal (10 per cent). Gold is expected to become Australia's second largest export by value in 2025–26.

Given its growing size as a source of export revenue, Treasury has updated its forecast framework to recognise the recent large increase in gold prices, while accounting for the risk that gold prices may decline from current high levels. The gold price is assumed to decline over eight quarters to a long-run anchor, which is calibrated to historical shifts in gold prices.

**Chart 2.17: Historical spot gold price and glide path assumption**

Source: Bloomberg and Treasury.

Note: Dotted line represents eight-quarter glide path assumption for spot gold.

## **Medium term forecasts and projections**

Beyond the detailed forecast horizon, Treasury uses a macroeconometric model of the Australian economy to inform its forecasts and projections. The model returns the economy to its level of potential output, which is estimated based on an analysis of trends for population, productivity, and labour force participation.

Over the medium term, potential GDP is projected to grow by 2½ per cent each year. Annual long-term productivity growth is assumed to be 1.2 per cent –unchanged from the assumption at Budget. The unemployment rate remains at the Non-Accelerating Inflation Rate of Unemployment (NAIRU) assumption of 4¼ per cent and domestic inflation converges to the midpoint of the RBA’s target band.





## Part 3: Fiscal Strategy and Outlook

### Overview

The 2025–26 Mid-Year Economic and Fiscal Outlook (MYEFO) strengthens the budget, reduces debt and continues the Government’s responsible approach to economic and fiscal management. The underlying cash deficit and debt are lower in every year of the forward estimates compared to forecasts in the 2025 Pre-Election Economic and Fiscal Outlook (PEFO); net policy decisions improve the budget position over the forward estimates; and every dollar of the tax receipts upgrade has been returned to the budget.

This builds on the progress made on budget repair in the last term, where the Government delivered the largest nominal budget improvement in a single parliamentary term, delivered back-to-back surpluses in the first two years and a substantially lower deficit in the third year.

An underlying cash deficit of \$36.8 billion is forecast for 2025–26, \$5.4 billion lower than expected at the 2025 PEFO. The underlying cash balance has improved by a cumulative \$8.4 billion over the forward estimates compared to the 2025 PEFO. Relative to the 2022 PEFO, the underlying cash balance is forecast to improve by \$233.5 billion over the seven years to 2028–29 and gross debt is expected to be \$176 billion lower in 2025–26.

The Government’s fiscal discipline has reduced gross debt in every year of the forward estimates compared to the 2025 PEFO. Gross debt is expected to be \$993 billion by the end of 2025–26. It is projected to peak at 37.0 per cent at 30 June 2031 and then fall to 33.0 per cent at 30 June 2036. Gross debt is expected to peak at the same level as the 2025 PEFO and 7.9 percentage points lower than the forecast peak at the 2022 PEFO. The improvements to gross debt since the Government came to office means more than \$60 billion of interest costs are avoided over the 11 years to 2032–33.

The Government has delivered this improvement to the budget through restraining spending, identifying savings and returning the entire tax receipts upgrade to the budget. For the first time in eight years, net policy decisions in this MYEFO are positive, improving the budget position by \$2.2 billion over the forward estimates. As a result, the Government has returned every single dollar of the tax receipts upgrade to the budget, something that has not happened for more than a decade and a half. The Government has also identified a further \$20.0 billion in savings and reprioritisations, taking the total under this Government to \$114.1 billion. Since coming to Government, a cumulative 72 per cent of tax upgrades have been returned to the budget.

The Government’s record of spending restraint has continued in this MYEFO, with real growth in payments averaging 1.7 per cent per year over the seven years to 2028–29, around half of the 30-year average of 3.3 per cent. Payments as a share of GDP are forecast to fall over the forward estimates, declining from 26.9 per cent of GDP in 2025–26 to 26.5 per cent of GDP by 2028–29.

The Government's fiscal settings are consistent with underlying inflation sustainably returning to the target band by the end of 2026.

This MYEFO delivers on the Government's election commitments including by funding more free mental health services, support for major and local infrastructure projects and investing \$10 billion to deliver up to 100,000 homes reserved for first home buyers. These commitments were more than offset by \$7.2 billion of budget improvements, including from reducing spending on consultants and contractors in the Australian Public Service (APS) and increasing student visa application charges.

The Government has been able to achieve all this despite having to fund substantial payment variations and unavoidable spending. This MYEFO includes \$35.1 billion in automatic payment parameter variations, including in disaster funding and aged care, and additional support for veterans. New spending commitments since the election include \$6.6 billion in urgent and unavoidable spending to give access to new medicines, support security capability and border protection, and sustain core services for veterans. The Government is also progressing key national priorities including improving access to health and aged care services, investing in infrastructure and supporting local jobs.

Consistent with the Commonwealth's latest offer to states and territories, the Government has provisioned for future payments to the states and territories for the National Health Reform Agreement (NHRA) and Disability Foundational Supports. The Government continues to make progress in addressing large structural spending pressures over time, including the National Disability Insurance Scheme (NDIS), support for veterans and their families and aged care.

Tax receipts have been revised up by \$32.6 billion over the forward estimates compared to the 2025 PEFO, excluding GST and policy decisions. The upgrade to tax receipts in this MYEFO is less than the average upgrade in the last six major budget updates. Stronger-than-expected wages, and improved asset returns for individuals, are the primary drivers of upgrade to tax receipts. Over the forward estimates period, all personal income taxpayers will receive two further tax cuts. The upgrade to company taxes is supported by higher mining profits in the near-term, and higher non-mining profits driven by strength in the private sector.

Australia is one of only nine countries with a AAA sovereign credit rating from all three major ratings agencies. The rating reflects this Government's prudent economic management, which has kept gross debt as a share of the economy low by international standards. Australia's gross debt to GDP (including all levels of government) is less than half the advanced economy average and more than 70 percentage points below the United States. This strong fiscal position helps support Australia's economic resilience.

**Table 3.1: Australian Government general government sector budget aggregates**

	Estimates								Projections
	2025-26		2026-27		2027-28		2028-29		2035-36
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP	% GDP
<b>Underlying cash balance</b>									
MYEFO	-36.8	-1.3	-34.3	-1.1	-36.2	-1.1	-36.0	-1.1	-0.1
PEFO	-42.2	-1.5	-35.4	-1.2	-37.1	-1.2	-37.0	-1.1	0.0
Budget	-42.1	-1.5	-35.7	-1.2	-37.2	-1.2	-36.9	-1.1	0.0
<b>Receipts</b>									
MYEFO	749.8	25.7	777.0	25.8	805.6	25.5	846.9	25.4	26.6
PEFO	735.4	25.5	766.0	25.6	797.4	25.3	840.8	25.3	26.8
Budget	735.4	25.5	766.0	25.6	797.4	25.3	840.8	25.3	26.8
<b>Tax receipts</b>									
MYEFO	691.1	23.6	718.5	23.8	742.3	23.5	783.6	23.5	24.7
PEFO	676.1	23.5	707.6	23.6	735.9	23.4	778.3	23.4	24.9
Budget	676.1	23.5	707.6	23.6	735.9	23.4	778.3	23.4	24.9
<b>Non-tax receipts</b>									
MYEFO	58.6	2.0	58.5	1.9	63.3	2.0	63.3	1.9	1.9
PEFO	59.3	2.1	58.4	2.0	61.4	2.0	62.6	1.9	1.9
Budget	59.3	2.1	58.4	2.0	61.4	2.0	62.6	1.9	1.9
<b>Payments(a)</b>									
MYEFO	786.6	26.9	811.3	26.9	841.7	26.6	882.9	26.5	26.8
PEFO	777.5	27.0	801.3	26.8	834.5	26.5	877.9	26.4	26.8
Budget	777.5	27.0	801.7	26.8	834.6	26.5	877.7	26.4	26.8
<b>Gross debt(b)</b>									
MYEFO	993.0	34.0	1,069.0	35.4	1,142.0	36.1	1,213.0	36.4	33.0
PEFO	1,022.0	35.5	1,092.0	36.5	1,161.0	36.9	1,223.0	36.8	31.9
Budget	1,022.0	35.5	1,092.0	36.5	1,161.0	36.9	1,223.0	36.8	31.9
<b>Net debt(c)</b>									
MYEFO	587.5	20.1	646.9	21.4	700.4	22.2	754.8	22.6	20.3
PEFO	620.7	21.6	676.3	22.6	713.9	22.7	768.2	23.1	20.2
Budget	620.3	21.5	676.3	22.6	714.1	22.7	768.2	23.1	20.2
<b>Net interest payments(d)</b>									
MYEFO	18.3	0.6	20.3	0.7	27.4	0.9	28.7	0.9	1.2
PEFO	18.5	0.6	21.2	0.7	26.9	0.9	28.1	0.8	1.1
Budget	18.5	0.6	21.2	0.7	26.9	0.9	28.1	0.8	1.1

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 and is presented as at the end of the financial year.

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) and is presented as at the end of the financial year.

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 outlined in 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 2025–26 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.

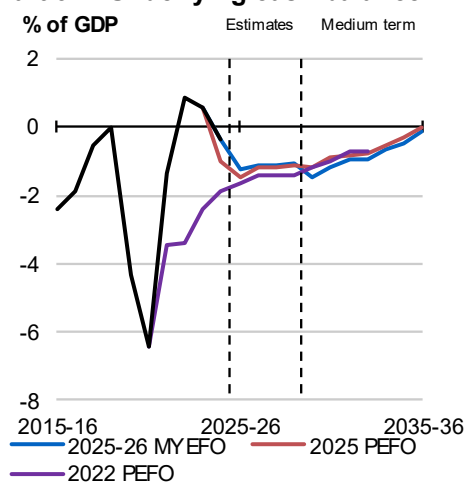
## Delivering on the Economic and Fiscal Strategy

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

- Improving the budget balance.
  - The underlying cash balance in 2025–26 has improved by \$5.4 billion since the 2025 PEFO. The underlying cash balance has improved in every year of the forward estimates since the 2025 PEFO, resulting in a cumulative budget improvement of \$8.4 billion.
  - Compared to projections at the 2022 PEFO, the underlying cash balance has improved by \$6.2 billion in 2025–26 and by a cumulative \$233.5 billion over the seven years to 2028–29.
- Reducing debt as a share of the economy over time.
  - Compared to projections at the 2025 PEFO, gross debt-to-GDP is lower in every year of the forward estimates.
  - Gross debt at 30 June 2026 is forecast to be \$29 billion lower than estimated at the 2025 PEFO and \$176 billion lower than estimated at the 2022 PEFO.
  - Gross debt-to-GDP is expected to peak at 37.0 per cent at 30 June 2031 and then fall to 33.0 per cent at 30 June 2036. Gross debt is expected to peak at the same level as the 2025 PEFO and 7.9 percentage points lower than the forecast peak at the 2022 PEFO.
  - The cumulative improvements to the budget position, compared to the 2022 PEFO, are expected to save more than \$60 billion in interest payments over the 11 years to 2032–33.
- Repairing the budget through savings and re-prioritisations.
  - Net policy decisions have improved the budget position by \$2.2 billion over the forward estimates. This is the first time since the 2017–18 Budget that net policy decisions have been positive.
  - This MYEFO provides \$20.0 billion in savings and reprioritisations. This brings total savings and spending reprioritisations to \$114.1 billion, and total budget improvements to \$145.0 billion, since the 2022 PEFO.
- Limiting spending.
  - Real payments growth over the seven years to 2028–29 averages 1.7 per cent per year, and 2.1 per cent per year over the four years to 2028–29.
  - This compares to an annual average of 3.3 per cent over the past 30 years.

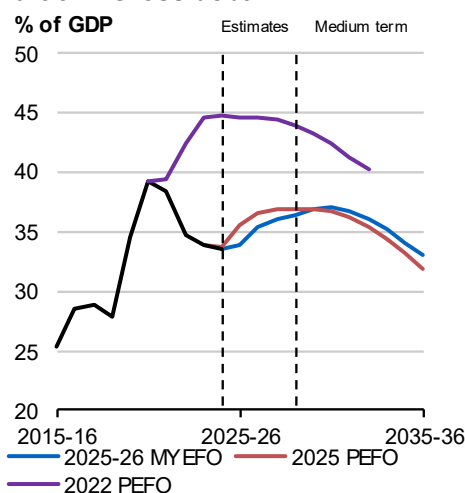
- Returning the majority of tax receipt upgrades to the budget.
  - The 2025–26 MYEFO returns all tax receipt upgrades to the budget. This is the first time this has occurred since the 2009–10 MYEFO.
  - Since coming to government, the Government has returned to the budget 72 per cent of tax receipt upgrades over the seven years to 2028–29.

**Chart 3.1: Underlying cash balance**



Source: Treasury.

**Chart 3.2: Gross debt**



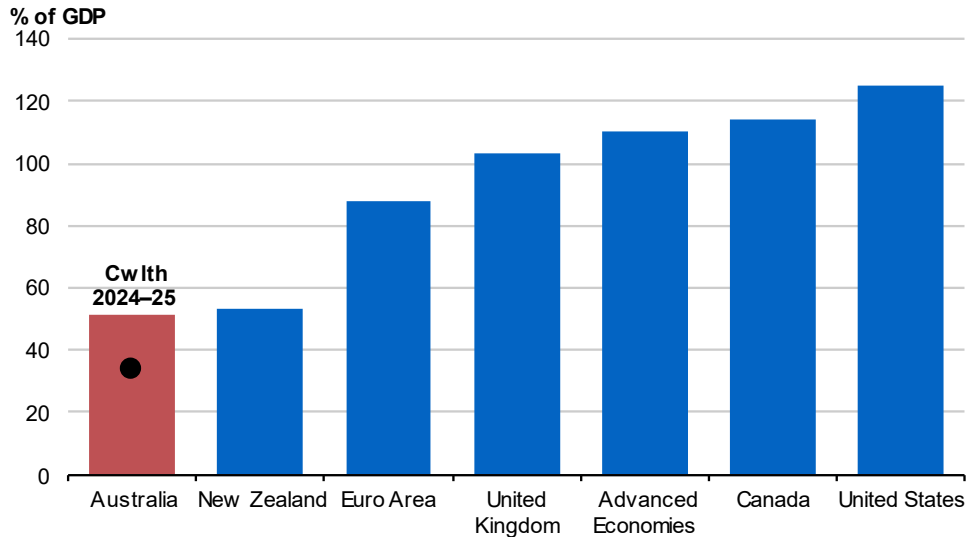
Source: Australian Office of Financial Management, Treasury.

## International comparisons of fiscal performance

Australia's strong record of responsible economic management has kept gross debt well below international benchmarks. Australia is one of only nine countries with a AAA credit rating from all three major ratings agencies, reflecting the strength and resilience of the economy.

While many advanced economies are projected to experience increases in debt-to-GDP in 2025 and 2026, Australia's general government gross debt (including all levels of government) is forecast to remain broadly stable, maintaining comparatively low debt-to-GDP. According to International Monetary Fund (IMF) projections, Australia's gross debt-to-GDP is less than half the advanced economy average (Chart 3.3), and the fifth lowest gross debt-to-GDP ratio in the G20.

Maintaining low levels of government debt helps to keep borrowing costs down, preserves fiscal flexibility to respond to future economic challenges, and supports the sustainable funding of essential services.

**Chart 3.3: Gross debt in 2025**

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.

Source: Treasury, International Monetary Fund.

## Fiscal outlook

### Underlying cash balance estimates

The underlying cash balance has improved by \$8.4 billion over the four years to 2028–29 since the 2025 PEFO.

The 2025–26 underlying cash balance is estimated to be a \$36.8 billion deficit (1.3 per cent of GDP), which is a \$5.4 billion improvement compared to the 2025 PEFO and a 0.2 percentage points improvement as a proportion of GDP (Table 3.2).

The underlying cash deficit is then expected to improve to \$36.0 billion (1.1 per cent of GDP) by 2028–29.

Net policy decisions have improved the underlying cash balance by \$2.2 billion over the four years to 2028–29. This includes reducing spending on consultants and contractors in the APS, strengthening program integrity in the Veterans' Affairs portfolio, gradually returning deeming rates to pre-pandemic settings, and increasing student visa application charges. This is the first time in eight years that net policy decisions are positive in a budget update. Parameter and other variations since PEFO have improved the underlying cash balance by \$6.2 billion over the four years to 2028–29.

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

	Estimates				Total \$m
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m	
<b>2025-26 Budget underlying cash balance</b>	<b>-42,122</b>	<b>-35,706</b>	<b>-37,247</b>	<b>-36,854</b>	<b>-151,929</b>
Per cent of GDP	-1.5	-1.2	-1.2	-1.1	
<b>Changes from 2025-26 Budget to 2025 PEFO</b>					
Effect of policy decisions(a)	-226	-380	-276	-223	-1,105
Effect of parameter and other variations	183	720	436	49	1,387
<b>Total variations</b>	<b>-43</b>	<b>339</b>	<b>160</b>	<b>-174</b>	<b>282</b>
<b>2025 PEFO underlying cash balance</b>	<b>-42,165</b>	<b>-35,366</b>	<b>-37,087</b>	<b>-37,028</b>	<b>-151,647</b>
Per cent of GDP	-1.5	-1.2	-1.2	-1.1	
<b>Changes from 2025 PEFO to 2025-26 MYEFO</b>					
Effect of policy decisions(a)(b)					
<i>Receipts</i>	-151	-103	-819	-511	-1,584
<i>Payments</i>	1,758	44	-2,156	-3,399	-3,754
Total policy decisions impact on underlying cash balance	-1,909	-147	1,337	2,888	2,170
Effect of parameter and other variations(b)					
<i>Receipts</i>	14,585	11,158	8,989	6,590	41,322
<i>Payments</i>	7,275	9,948	9,428	8,442	35,094
Total parameter and other variations impact on underlying cash balance	7,310	1,210	-439	-1,852	6,229
<b>2025-26 MYEFO underlying cash balance</b>	<b>-36,764</b>	<b>-34,303</b>	<b>-36,189</b>	<b>-35,993</b>	<b>-143,248</b>
Per cent of GDP	-1.3	-1.1	-1.1	-1.1	

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

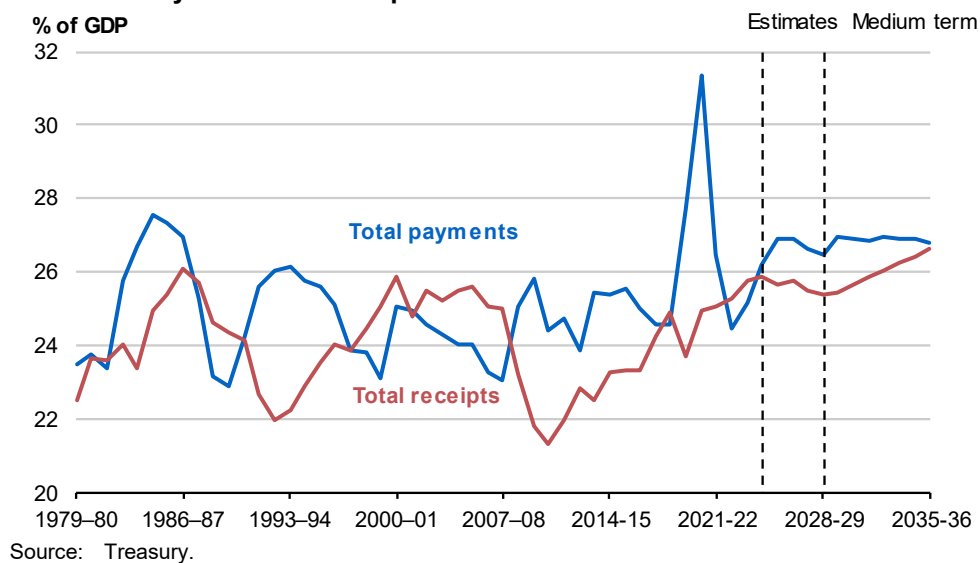
b) A positive number for receipts improves the underlying cash balance, while a positive number for payments worsens the underlying cash balance.



## Medium-term projections

The medium-term fiscal outlook is broadly in line with the 2025 PEFO. The underlying cash balance improves over the medium term, returning to broad balance by 2035–36 (Chart 3.4). This is in line with what was expected at the 2025 PEFO.

**Chart 3.4: Payments and receipts**

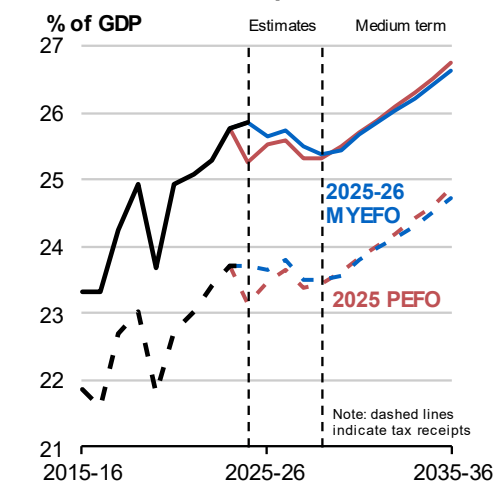


Total receipts as a share of GDP have been revised modestly downwards over the medium term compared to the 2025 PEFO projections (Chart 3.5). Total receipts are projected to be 25.4 per cent of GDP in 2028–29, rising to 26.6 per cent of GDP by 2035–36.

Total payments are projected to grow from 26.5 per cent of GDP in 2028–29 to 26.8 per cent of GDP in 2035–36 (Chart 3.6). This is consistent with what was expected at the 2025 PEFO.

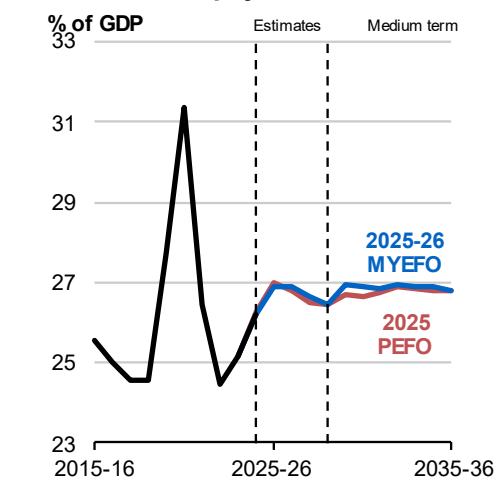
The fastest growing major payments are interest on government debt, the NDIS, defence, hospitals payments, medical benefits payments, and the Child Care Subsidy (Chart 3.7).

**Chart 3.5: Total receipts**



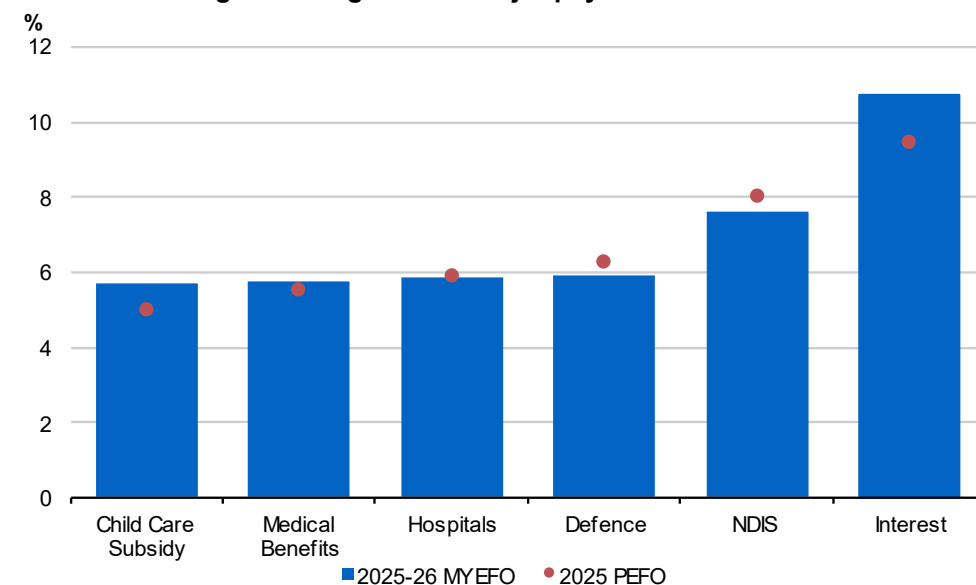
Source: Treasury.

**Chart 3.6: Total payments**



Source: Treasury.

**Chart 3.7: Average annual growth in major payments from 2025–26 to 2035–36**



Note: Shows major payments that are growing faster than nominal GDP over the projection period. Interest refers to interest payments on Australian Government Securities. NDIS refers to the Australian Government's contribution to payments for NDIS participant supports. Aged care was a fastest growing major payment in the 2025–26 Budget but is no longer projected to grow faster than nominal GDP and so is not included in the chart.

Source: Treasury.

Growth in some major payments over the ten-year projection period to 2035–36 has changed compared to the 2025 PEFO.

- Interest payments growth is expected to average 10.7 per cent over the projection period compared to 9.5 per cent at the 2025 PEFO. This reflects an improved gross debt outcome reducing interest payments at the start of the period, offset by increased borrowing and gross debt towards the end of the projections.
- NDIS Commonwealth funded participant payments growth is expected to average 7.6 per cent over the projection period, compared to 8.1 per cent at the 2025 PEFO. This reflects higher costs at the start of the projection period resulting in slower growth over the decade and lower spending towards the end of the projection period due to updated NDIS Actuary estimates.
- Defence payments growth is expected to average 5.9 per cent compared to 6.3 per cent at the 2025 PEFO. This reflects a bring-forward of planned investment causing higher spending at the start of the projection period as well as a revised estimate for the final year, resulting in slower growth over the decade.
- Child Care Subsidy payments growth is expected to average 5.7 per cent over the projection period compared to 5.1 per cent at the 2025 PEFO, largely reflecting higher-than-estimated child care use by families in the forward estimates.
- Aged care payments growth is expected to average 4.9 per cent over the projection period, lower than the projected growth rate of nominal GDP, compared to 5.2 per cent at the 2025 PEFO, reflecting weaker-than-expected growth in aged care prices in the forward estimates.

## Receipts estimates

Total receipts over the forward estimates have increased by \$39.7 billion since the 2025 PEFO, driven by both higher tax receipts and higher non-tax receipts.

Tax receipts have been revised up by \$37.6 billion over the four years to 2028–29 compared to the 2025 PEFO, with the upgrade concentrated in the near-term. Excluding GST and policy decisions, tax receipts have been revised up by \$32.6 billion. The upgrade in this MYEFO is less than the average of the last six major budget updates. Forecasts for personal income tax, company tax, superannuation fund taxes and GST receipts are all higher, partly offset by a downgrade to tobacco excise receipts. The upgrades are driven by strength in a range of factors including wages, savings income, corporate profits and consumption.

Since the 2025 PEFO, non-tax receipts are expected to decrease by \$0.6 billion in 2025–26 (Table 3.3) and increase by \$2.1 billion over the four years to 2028–29.

Total receipts as a proportion of GDP are expected to decrease over the forward estimates, from 25.7 per cent of GDP in 2025–26 to 25.4 per cent of GDP in 2028–29. Tax receipts are expected to fall from 23.6 per cent of GDP in 2025–26 to 23.5 per cent of GDP in 2028–29.

**Table 3.3: Reconciliation of 2025–26 general government (cash) receipts**

	Estimates		Change from 2025 PEFO	
	2025 PEFO	2025–26 MYEFO		
	\$m	\$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	310,600	312,500	1,900	0.6
Gross other individuals	79,900	86,000	6,100	7.6
less: Refunds	40,800	40,600	-200	-0.5
Total individuals and other withholding tax	349,700	357,900	8,200	2.3
Fringe benefits tax	5,080	5,310	230	4.5
Company tax	140,400	144,700	4,300	3.1
Superannuation fund taxes	25,560	30,010	4,450	17.4
Petroleum resource rent tax	1,950	1,500	-450	-23.1
<b>Income taxation receipts</b>	<b>522,690</b>	<b>539,420</b>	<b>16,730</b>	<b>3.2</b>
Goods and services tax	94,234	95,654	1,420	1.5
Wine equalisation tax	1,200	1,160	-40	-3.3
Luxury car tax	1,200	1,120	-80	-6.7
Excise and customs duty				
Petrol	7,450	7,300	-150	-2.0
Diesel	17,850	17,610	-240	-1.3
Other fuel products	2,020	1,680	-340	-16.8
Tobacco	7,050	5,450	-1,600	-22.7
Beer	2,780	2,710	-70	-2.5
Spirits	3,380	3,270	-110	-3.3
Other alcoholic beverages(a)	1,830	1,810	-20	-1.1
Other customs duty				
Textiles, clothing and footwear	170	160	-10	-5.9
Passenger motor vehicles	380	300	-80	-21.1
Other imports	1,620	1,550	-70	-4.3
less: Refunds and drawbacks	730	1,380	650	89.0
Total excise and customs duty	43,800	40,460	-3,340	-7.6
Major Bank Levy	1,850	1,880	30	1.6
Agricultural levies	669	707	38	5.6
Visa application charges	4,199	4,576	377	9.0
Other taxes	6,244	6,166	-78	-1.2
<b>Indirect taxation receipts</b>	<b>153,396</b>	<b>151,722</b>	<b>-1,674</b>	<b>-1.1</b>
<b>Taxation receipts</b>	<b>676,086</b>	<b>691,142</b>	<b>15,056</b>	<b>2.2</b>
Sales of goods and services	21,921	21,528	-393	-1.8
Interest received	9,389	9,103	-286	-3.0
Dividends and distributions	7,416	7,558	142	1.9
Other non-taxation receipts	20,540	20,460	-80	-0.4
<b>Non-taxation receipts</b>	<b>59,266</b>	<b>58,649</b>	<b>-617</b>	<b>-1.0</b>
<b>Total receipts</b>	<b>735,353</b>	<b>749,792</b>	<b>14,439</b>	<b>2.0</b>
<i>Memorandum:</i>				
Total excise	32,450	31,680	-770	-2.4
Total customs duty	11,350	8,780	-2,570	-22.6
Capital gains tax(b)	27,600	31,500	3,900	14.1

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 2026–27 general government (cash) receipts**

	Estimates		Change from 2025 PEFO	
	2025 PEFO	2025-26 MYEFO		
	\$m	\$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	327,000	328,700	1,700	0.5
Gross other individuals	84,900	89,500	4,600	5.4
less: Refunds	41,900	42,400	500	1.2
Total individuals and other withholding tax	370,000	375,800	5,800	1.6
Fringe benefits tax	5,110	5,370	260	5.1
Company tax	144,500	147,300	2,800	1.9
Superannuation fund taxes	26,110	29,110	3,000	11.5
Petroleum resource rent tax	1,800	1,500	-300	-16.7
<b>Income taxation receipts</b>	<b>547,520</b>	<b>559,080</b>	<b>11,560</b>	<b>2.1</b>
Goods and services tax	99,309	101,560	2,251	2.3
Wine equalisation tax	1,240	1,210	-30	-2.4
Luxury car tax	1,270	1,180	-90	-7.1
Excise and customs duty				
Petrol	7,600	7,550	-50	-0.7
Diesel	18,770	18,430	-340	-1.8
Other fuel products	2,070	1,710	-360	-17.4
Tobacco	6,800	4,800	-2,000	-29.4
Beer	2,910	2,760	-150	-5.2
Spirits	3,430	3,280	-150	-4.4
Other alcoholic beverages(a)	1,930	1,860	-70	-3.6
Other customs duty				
Textiles, clothing and footwear	180	160	-20	-11.1
Passenger motor vehicles	350	270	-80	-22.9
Other imports	1,680	1,640	-40	-2.4
less: Refunds and drawbacks	730	730	0	0.0
Total excise and customs duty	44,990	41,730	-3,260	-7.2
Major Bank Levy	1,930	1,970	40	2.1
Agricultural levies	684	697	13	1.9
Visa application charges	4,402	4,971	569	12.9
Other taxes	6,211	6,087	-123	-2.0
<b>Indirect taxation receipts</b>	<b>160,036</b>	<b>159,406</b>	<b>-630</b>	<b>-0.4</b>
<b>Taxation receipts</b>	<b>707,556</b>	<b>718,486</b>	<b>10,930</b>	<b>1.5</b>
Sales of goods and services	22,974	23,025	52	0.2
Interest received	8,939	9,091	152	1.7
Dividends and distributions	7,766	7,766	0	0.0
Other non-taxation receipts	18,736	18,662	-74	-0.4
<b>Non-taxation receipts</b>	<b>58,414</b>	<b>58,544</b>	<b>130</b>	<b>0.2</b>
<b>Total receipts</b>	<b>765,970</b>	<b>777,030</b>	<b>11,059</b>	<b>1.4</b>
<i>Memorandum:</i>				
Total excise	33,810	32,900	-910	-2.7
Total customs duty	11,180	8,830	-2,350	-21.0
Capital gains tax(b)	27,600	30,700	3,100	11.2

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			
	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
Individuals and other withholding taxes					
Gross income tax withholding	295,827	312,500	328,700	348,200	368,300
Gross other individuals	81,707	86,000	89,500	92,500	101,100
<i>less: Refunds</i>	39,223	40,600	42,400	45,600	47,700
Total individuals and other withholding tax	338,312	357,900	375,800	395,100	421,700
Fringe benefits tax	4,927	5,310	5,370	5,530	5,840
Company tax	138,762	144,700	147,300	146,900	151,700
Superannuation fund taxes	25,700	30,010	29,110	28,110	30,310
Petroleum resource rent tax	1,420	1,500	1,500	1,300	1,050
<b>Income taxation receipts</b>	<b>509,121</b>	<b>539,420</b>	<b>559,080</b>	<b>576,940</b>	<b>610,600</b>
Goods and services tax	90,322	95,654	101,560	106,848	113,702
Wine equalisation tax	1,134	1,160	1,210	1,270	1,310
Luxury car tax	1,088	1,120	1,180	1,240	1,300
Excise and customs duty					
Petrol	7,306	7,300	7,550	7,750	8,000
Diesel	17,262	17,610	18,430	19,130	19,730
Other fuel products	1,731	1,680	1,710	1,710	1,760
Tobacco	7,767	5,450	4,800	4,550	4,350
Beer	2,729	2,710	2,760	2,790	2,850
Spirits	3,320	3,270	3,280	3,280	3,300
Other alcoholic beverages(a)	1,789	1,810	1,860	1,900	1,950
Other customs duty					
Textiles, clothing and footwear	153	160	160	150	140
Passenger motor vehicles	339	300	270	220	90
Other imports	1,504	1,550	1,640	1,250	890
<i>less: Refunds and drawbacks</i>	711	1,380	730	730	730
Total excise and customs duty	43,188	40,460	41,730	42,000	42,330
Major Bank Levy	1,768	1,880	1,970	2,060	2,170
Agricultural levies	664	707	697	703	716
Visa application charges	4,154	4,576	4,971	5,198	5,438
Other taxes	6,403	6,166	6,087	6,010	6,033
<b>Indirect taxation receipts</b>	<b>148,723</b>	<b>151,722</b>	<b>159,406</b>	<b>165,329</b>	<b>173,001</b>
<b>Taxation receipts</b>	<b>657,844</b>	<b>691,142</b>	<b>718,486</b>	<b>742,269</b>	<b>783,601</b>
Sales of goods and services	22,024	21,528	23,025	24,545	25,546
Interest received	10,545	9,103	9,091	9,478	9,841
Dividends and distributions	7,262	7,558	7,766	8,323	9,126
Other non-taxation receipts	19,277	20,460	18,662	20,939	18,810
<b>Non-taxation receipts</b>	<b>59,107</b>	<b>58,649</b>	<b>58,544</b>	<b>63,285</b>	<b>63,322</b>
<b>Total receipts</b>	<b>716,951</b>	<b>749,792</b>	<b>777,030</b>	<b>805,554</b>	<b>846,923</b>
<i>Memorandum:</i>					
<i>Total excise</i>	31,294	31,680	32,900	33,890	34,940
<i>Total customs duty</i>	11,894	8,780	8,830	8,110	7,390
<i>Capital gains tax(b)</i>	30,900	31,500	30,700	31,300	32,600

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 since the 2025 PEFO are expected to decrease tax receipts by \$3.7 billion over the four years to 2028–29. Key tax receipts measures include:

- *Superannuation Reforms – Boosting the Low Income Superannuation Tax Offset and practical changes to Better Targeted Superannuation Concessions.* This measure is estimated to decrease receipts by \$3.8 billion and increase payments by \$475.8 million over the four years to 2028–29.
- *Migration – Uplift of Visa Application Charge for student visas.* This measure is estimated to increase receipts by \$740.0 million and decrease GST payments to the states and territories by \$20.0 million over the four years to 2028–29.
- *OECD Crypto Asset Reporting Framework and domestic reporting.* This measure is estimated to increase receipts by \$170.0 million and increase payments by \$57.6 million over the four years to 2028–29.

Since the 2025 PEFO, policy decisions are expected to decrease non-tax receipts by \$0.1 billion in 2025–26 and increase non-tax receipts by \$2.1 billion over the four years to 2028–29. This includes the standard non-tax receipt impacts of Pharmaceutical Benefits Scheme listings.

Further details of Government policy decisions are provided in Appendix A: *Policy Decisions taken since the 2025 PEFO.*

### Receipts parameter and other variations over the forward estimates

Parameter and other variations since the 2025 PEFO are expected to increase total receipts by \$14.6 billion in 2025–26; tax receipts have increased by \$15.1 billion and non-tax receipts have decreased by \$0.5 billion.

Over the four years to 2028–29, total receipts are expected to increase by \$41.3 billion since the 2025 PEFO, due to parameter and other variations. This reflects upgrades in personal income tax, superannuation fund taxes, company tax and GST; partially offset by a downgrade to tobacco excise receipts.

Since the 2025 PEFO, parameter and other variations are expected to decrease non-tax receipts by \$0.5 billion in 2025–26 and have no material net impact on non-tax receipts over the four years to 2028–29. Decreases in non-tax receipts are largely driven by updated pharmaceutical pricing assumptions and changes to predicted prescription volumes, and a decrease in the expected dividends to be received from Government Business Enterprises. Broadly equivalent increases in non-tax receipts are largely driven by an increase in state and territory contributions for blood and blood products, and a forecast increase in earnings from the Future Fund and other Australian Government Investment Funds.

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<sup>(a)</sup>**

	Outcome	Forecasts			
	2024–25	2025–26	2026–27	2027–28	2028–29
<b>Revenue parameters</b>					
Nominal gross domestic product	3.6	5 1/4	3 1/4	4 3/4	5 1/2
Change since 2025 PEFO		2	-3/4	-1/2	0
Compensation of employees (b)	6.2	5 3/4	4 1/2	5	5 1/2
Change since 2025 PEFO		1 1/4	1/4	0	1/4
Corporate gross operating surplus (c)	-2.9	4 1/4	-1	4	6 3/4
Change since 2025 PEFO		5 1/2	-2 1/4	-1 1/2	3/4
Non-farm gross mixed income	0.9	5 1/2	6 3/4	6 1/2	6 3/4
Change since 2025 PEFO		-2 3/4	-1/2	-3/4	1/4
Property income (d)	8.4	2 3/4	5	5 3/4	6
Change since 2025 PEFO		1/2	1	3/4	1
Consumption subject to GST	2.3	5	5 1/4	5 1/4	5 1/2
Change since 2025 PEFO		0	1	1/4	1

a) Current prices, per cent change on previous year. Changes since PEFO are percentage points. The economic parameters used to prepare the 2025 PEFO were unchanged from those presented at the 2025–26 Budget.

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.

Compared to the 2025 PEFO, personal income tax receipts excluding policy decisions, have been revised up by \$8.7 billion in 2025–26 and by \$23.2 billion over the four years to 2028–29. Income tax withholding has been revised up by \$1.9 billion in 2025–26 and \$4.8 billion over the four years to 2028–29, reflecting higher wages. Net other individuals (gross other individuals less refunds) receipts have been revised up by \$6.7 billion in 2025–26 and \$18.4 billion over the four years to 2028–29, due to strong tax collections – particularly pay-as-you-go instalments – higher capital gains, and increased savings income.

Company tax receipts have been revised up by \$4.3 billion in 2025–26 and by \$12.8 billion over the four years to 2028–29, driven by stronger corporate profits. The improved outlook for profits is due to both non-mining profits flowing from higher nominal private sector activity and a near-term increase in mining profits reflecting higher bulk commodity and gold prices.

Superannuation fund tax receipts have been revised up by \$4.3 billion in 2025–26 and by \$10.1 billion over the four years to 2028–29. The upward revision reflects higher superannuation contributions (from higher wages) and tax from investment earnings.

Fringe benefits tax receipts have been upgraded by \$0.2 billion in 2025–26 and \$1.2 billion over the four years to 2028–29, reflecting strength in current-year collections and higher compensation of employees.



Petroleum resource rent tax receipts have been revised down by \$0.5 billion in 2025–26 and by \$1.5 billion over the four years to 2028–29. This downgrade reflects a lower assumed oil price and an increase in credits for decommissioning expenditure incurred by projects no longer producing.

Total excise and customs duty receipts have been downgraded by \$3.3 billion in 2025–26 and by \$13.1 billion over the four years to 2028–29. This is largely due to lower tobacco excise receipts, which have been downgraded by \$1.6 billion in 2025–26 and \$8.2 billion over the four years to 2028–29, owing to lower-than-expected tobacco excise collections to date. This reflects the persistent and significant decline in legal tobacco consumption. A weaker outlook for alcohol and fuel excise receipts also contributes to the downgrade.

GST receipts have been upgraded by \$1.4 billion in 2025–26 and by \$8.9 billion over the four years to 2028–29. This reflects stronger current year collections supported by higher nominal consumption growth across the forward estimates.

### **Payments estimates**

Since the 2025 PEFO, total payments have increased by \$9.0 billion in 2025–26 and by \$31.3 billion over the four years to 2028–29. Real payments growth is expected to average 1.7 per cent over the seven years to 2028–29 and 2.1 per cent over the four years to 2028–29.

### **Payment policy decisions over the forward estimates**

New policy decisions since the 2025 PEFO have increased total payments by \$1.8 billion in 2025–26 and decreased total payments by \$3.8 billion over the four years to 2028–29.

Major policy decisions since the 2025 PEFO that have decreased payments over the four years to 2028–29 include:

- reducing spending on external labour and other non-wage expenses like travel, hospitality and property, which is expected to decrease payments by \$6.8 billion over the four years to 2028–29, delivering and expanding on the Government’s election commitment made during the 2025 federal election.
- ensuring support under the Cheaper Home Batteries program is aligned with contemporary battery technologies and household needs while continuing to provide cheaper batteries for consumers, which is expected to decrease payments by \$6.7 billion over the four years to 2028–29.
- returning to the practice of updating the social security deeming rates on financial assets to reflect market returns, which is expected to decrease payments by \$1.9 billion over the four years to 2028–29.
- reprofiling Housing Australia Future Fund disbursements and funding to align with the delivery model, which combined with additional support is expected to increase payments by \$4.4 billion over the life of Round 3 but is expected to decrease payments by \$742.6 million over the four years to 2028–29.

- strengthening program integrity across the Veterans' Affairs portfolio by reducing service provider and advocate non-compliance and fraud, which is expected to decrease payments by \$678.4 million over the four years to 2028–29.
- reprioritising funding across the Climate Change, Energy, the Environment and Water portfolio to deliver on key Government priorities, which is expected to decrease payments by \$534.4 million over the four years to 2028–29.

Major policy decisions since the 2025 PEFO that have increased payments over the four years to 2028–29 include:

- funding for new and amended listings on the Pharmaceutical Benefits Scheme and Life Saving Drugs program, which is expected to increase payments by \$1.8 billion over the four years to 2028–29.
- funding to provide more free mental health services and grow the mental health workforce, which is expected to increase payments by \$1.1 billion over the four years to 2028–29, delivering on the Government's election commitment made during the 2025 federal election.
- funding to prioritise prevention, treatment and rehabilitation services to support the long-term health and wellbeing of veterans and serving members, which is expected to increase payments by \$739.2 million over the four years to 2028–29.
- funding 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, which is expected to increase payments by \$692.2 million over the four years to 2028–29.
- funding for major and local community infrastructure projects across Australia, which is expected to increase payments by \$618.6 million over the four years to 2028–29, including delivering on the Government's election commitment made during the 2025 federal election.
- funding for road and rail infrastructure priorities to support productivity and jobs, which is expected to increase payments by \$573.8 million over the four years to 2028–29.
- funding to enable first home buyers to get into housing sooner, which is expected to increase payments by \$519.1 million over the four years to 2028–29, delivering on the Government's election commitment made during the 2025 federal election.
- funding to support Australian industries and protect local jobs, including to maintain the operation of Glencore's Mount Isa copper smelter and Townsville copper refinery and support the Whyalla steelworks during administration, which is expected to increase payments by \$491.4 million over the four years to 2028–29.
- funding to build a stronger, fairer and more sustainable superannuation system including by boosting the Low Income Superannuation Tax Offset to support low income earners to build their retirement savings, which is expected to increase payments by \$475.8 million over the four years to 2028–29.

### Payment parameter and other variations over the forward estimates

Parameter and other variations since the 2025 PEFO have increased payments by \$7.3 billion in 2025–26 and \$35.1 billion over the four years to 2028–29.

This is primarily driven by higher estimated payments for the Cheaper Home Batteries program, higher GST entitlements for payments to the states and territories and payments under the Disaster Recovery Funding Arrangements. These increases are partially offset by lower estimated payments for the Fuel Tax Credits Scheme and the Commonwealth Debt Management program.

Major increases in payments from parameter and other variations since the 2025 PEFO include:

- payments related to the Cheaper Home Batteries program, which are expected to increase by \$3.4 billion in 2025–26 and \$11.6 billion over the four years to 2028–29, largely reflecting higher demand for household batteries under the program. This is partially offset by the Government’s changes under the *Sustaining the Cheaper Home Batteries Program* measure, which results in a revised total cost for the program of \$7.2 billion over the four years to 2028–29.
- GST-related payments to the states and territories, which are expected to increase by \$2.5 billion in 2025–26 and \$10.4 billion over the four years to 2028–29, and are largely offset by an increase in GST receipts.
- payments related to the National Partnership Payments – Natural Disaster Relief program, which are expected to increase by \$3.1 billion in 2025–26 and \$6.3 billion over the four years to 2028–29, largely reflecting updated estimates for future expenditure on past disaster events.
- payments related to the Support for Seniors program, which are expected to increase by \$326.4 million in 2025–26 and \$3.0 billion over the four years to 2028–29, largely reflecting a higher-than-projected rate of indexation and increased recipient numbers for the Age Pension.
- payments related to the NDIS, which are expected to increase by \$1.1 billion in 2025–26 and \$2.3 billion over the four years to 2028–29, largely reflecting revised projections from the NDIS Actuary in the 2024–25 Annual Financial Sustainability Report.
- payments related to the Defence Force Superannuation Benefits program, which are expected to increase by \$501.0 million in 2025–26 and \$2.1 billion over the four years to 2028–29, largely reflecting revised valuation of the unfunded liability for the military superannuation schemes by the Australian Government Actuary.
- payments related to the Child Care Subsidy program, which are expected to decrease by \$149.1 million in 2025–26 and increase by \$2.0 billion over the four years to 2028–29, largely reflecting higher-than-estimated child care use by families. This is partially offset by higher-than-expected family taxable incomes which reduces families’ Child Care Subsidy entitlement.

- payments related to non-government schools, which are expected to increase by \$505.0 million in 2025–26 and by \$1.7 billion over the four years to 2028–29, 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 Financial Support for Carers program, which are expected to increase by \$248.8 million in 2025–26 and by \$1.6 billion over the four years to 2028–29, largely reflecting higher-than-expected recipient numbers.
- payments related to the Military Rehabilitation Compensation Acts – Health and Other Care Services program, which are expected to increase by \$72.9 million in 2025–26 and \$1.2 billion over the four years to 2028–29, largely reflecting increases in eligible recipients in part as a flow on result of the Government’s efforts to clear the claims backlog, and the value of average medical benefits provided under the program.

Major decreases in payments from parameter and other variations since the 2025 PEFO include:

- payments related to the Fuel Tax Credits Scheme program, which are expected to decrease by \$768.4 million in 2025–26 and by \$3.4 billion over the four years to 2028–29, largely reflecting lower-than-expected Fuel Tax Credit claims.
- payments related to the Commonwealth Debt Management program, which are expected to decrease by \$816.0 million in 2025–26 and by \$1.7 billion over the four years to 2028–29, largely reflecting lower levels of Australian Government Securities (AGS) on issue.
- payments related to the Aged Care Services program, which are expected to decrease by \$133.1 million in 2025–26 and by \$1.3 billion over the four years to 2028–29, largely reflecting updates to the Australian National Aged Care Classification funding model recommended by the Independent Health and Aged Care Pricing Authority. This is partially offset by increases to the Hotelling Supplement rate. Delays to the commencement of the new *Aged Care Act 2024* have also resulted in a relatively lower increase to payments under the program.

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 details differences between the underlying and headline cash balance estimates.

A headline cash deficit of \$58.6 billion (2.0 per cent of GDP) is estimated in 2025–26, compared to an estimated deficit of \$65.2 billion at the 2025 PEFO. The improvement is predominantly driven by the improvement in the underlying cash balance. The headline cash balance decreases to an estimated deficit of \$62.7 billion (2.1 per cent of GDP) in 2026–27, before moderating to a deficit of \$57.5 billion (1.7 per cent of GDP) in 2028–29.

Estimated net cash outflows for IFAPPs increased by \$9.0 billion over the four years to 2028–29 compared to the 2025 PEFO.

Policy decisions contributing to the increase in net cash outflows include:

- An additional \$2.6 billion in concessional loans to community housing providers, to support delivery of more than 21,000 social and affordable homes through Round 3 of the Housing Australia Future Fund. Further information can be found in the 2025–26 MYEFO measure *Housing Australia Future Fund Round 3*.
- \$2.0 billion in concessional loans, expected over three years from 2026–27, to support states, territories and industry to deliver up to 100,000 new, well-located dwellings reserved for sale to first home buyers. An additional \$6.0 billion in concessional loans will be provided beyond 2028–29. Further information can be found in the 2025–26 MYEFO measure *Support for Homebuyers*.
- \$1.0 billion for the Regional Investment Corporation to deliver new concessional loans to farm businesses and drought-affected farm-related businesses and a broadened loan scope to include assistance for improving climate resilience, boosting sector productivity and supporting agriculture to be part of Australia’s net zero transition. Further information can be found in the 2025–26 MYEFO measure *Future of the Regional Investment Corporation*.

Parameter and other variations contributing to the increase in net cash outflows for IFAPPs include:

- \$735.8 million in additional investing cash flows across the forward estimates on Export Finance Australia’s National Interest Account including the Critical Minerals Facility, reflecting revisions to the timing of capital investments.
- \$611.8 million in additional net loan drawdowns on the \$4 billion line of credit provided to support the Housing Australia Affordable Housing Bond Aggregator.
- \$501.6 million in additional outflows over the forward estimates for the Australian Business Securitisation Fund, reflecting updated estimates for the pipeline of proposals.

The increase in net cash outflows for IFAPPs was partially offset by a number of parameter and other variations, including:

- \$3.5 billion in lower investments by the CEFC over the forward estimates, reflecting revised timeframes for capital deployment across Rewiring the Nation as well as other CEFC activities.
- \$793.2 million in lower investments by the Northern Australia Infrastructure Facility (NAIF) over the forward estimates, reflecting a reduction in expected loan commitments.

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

	Estimates				Total
	2025-26	2026-27	2027-28	2028-29	
	\$m	\$m	\$m	\$m	\$m
<b>2025-26 MYEFO underlying cash balance</b>	<b>-36,764</b>	<b>-34,303</b>	<b>-36,189</b>	<b>-35,993</b>	<b>-143,248</b>
<b>plus Net cash flows from investments in financial assets for policy purposes(a)</b>					
Student loans	-4,804	-5,231	-5,751	-6,199	-21,986
NBN Investment	-1,337	-186	0	0	-1,523
Snowy Hydro Limited loan	-1,450	-1,450	-1,450	0	-4,350
Snowy Hydro Limited investment	-975	0	0	0	-975
Australian apprenticeship support loans	-133	-142	-138	-134	-547
CEFC loans and investments	-1,286	-3,962	-4,167	-5,141	-14,557
Northern Australia Infrastructure Facility	-675	-450	-461	-335	-1,921
NRFC loans and investments	-1,920	-2,505	-3,015	-3,399	-10,839
Australian Business Securitisation Fund	-653	-101	-101	-1	-857
Drought and rural assistance loans	-386	-91	-78	90	-465
Official Development Assistance					
- Multilateral Replenishment	-202	-151	-188	-197	-738
Historical state and territory loans	97	101	100	94	391
Home Equity Access Scheme	-232	-289	-335	-364	-1,219
Housing Australia	-2,795	-7,383	-2,819	-2,162	-15,159
Indigenous Business Australia					
home and business loans	-219	-111	-114	-114	-558
National Interest Account					
loans and investments	-696	-906	-624	5	-2,221
COVID-19 Support for Indonesia - loan	100	100	100	100	400
Financial Assistance to					
Papua New Guinea - loan	169	169	169	169	677
Rex Airlines	-65	-30	4	9	-82
Net other(b)	-4,333	-5,770	-3,241	-3,953	-17,298
<b>Total net cash flows from investments in financial assets for policy purposes</b>	<b>-21,796</b>	<b>-28,389</b>	<b>-22,111</b>	<b>-21,532</b>	<b>-93,828</b>
<b>2025-26 MYEFO headline cash balance</b>	<b>-58,560</b>	<b>-62,691</b>	<b>-58,300</b>	<b>-57,525</b>	<b>-237,076</b>

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

b) 'Net other' includes amounts that cannot be itemised, including commercial-in-confidence transactions and decisions taken but not yet announced.

## 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 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 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 has resulted in lower debt in both nominal terms and as a share of the economy compared to the 2025 PEFO in every year of the forward estimates.

At 30 June 2026, gross debt is forecast to be 34.0 per cent of GDP (\$993 billion), 1.5 percentage points lower than the estimate of 35.5 per cent of GDP (\$1,022 billion) at the 2025 PEFO and 10.7 percentage points lower than the estimate of 44.7 per cent of GDP (\$1,169 billion) at the 2022 PEFO.

Gross debt is estimated to peak at 37.0 per cent of GDP in 2030–31, the same level as at the 2025 PEFO and a year later. Gross debt is then projected to fall to 33.0 per cent of GDP by 30 June 2036, compared to 31.9 per cent of GDP projected at the 2025 PEFO.

Over the forward estimates, bond yields are assumed to remain at a recent average of daily spot rates at the time of the MYEFO update. Since the 2025–26 Budget, the assumed weighted average cost of borrowing for issuance of Treasury Bonds in the forward estimates has increased from 4.3 to 4.4 per cent, reflecting shifts in market expectations for future cash rates and broader economic uncertainty.



Increased yields since the 2025–26 Budget increase net interest and gross debt over time.

Total interest payments are estimated to be 0.9 per cent of GDP in 2025–26, broadly unchanged from the 2025 PEFO. Interest payments are estimated to peak at 1.6 per cent of GDP in 2032–33.

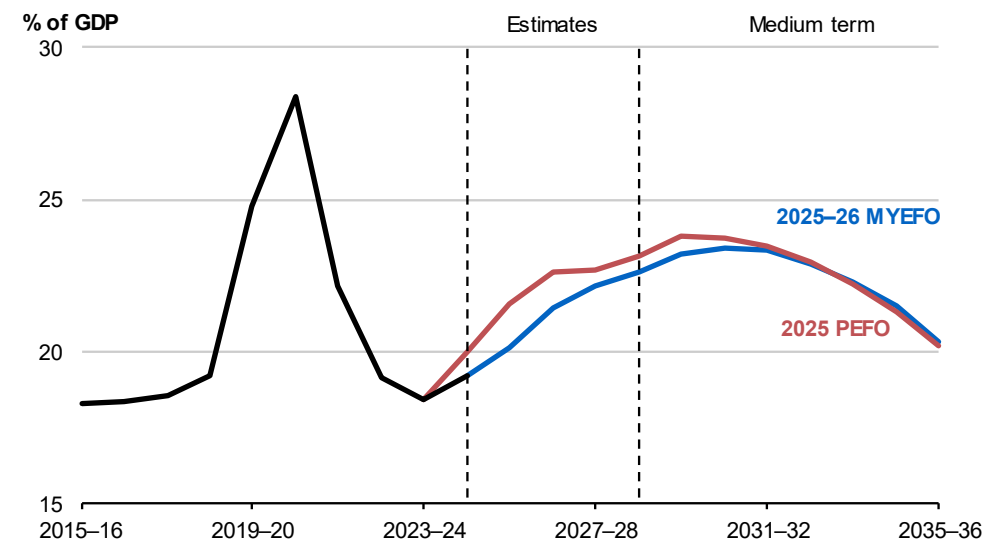
*Part 4: Debt Statement* contains further information on yield assumptions and interest payments. *Part 5: Sensitivity Analysis* contains information on the impact on the underlying cash balance and gross debt if the future trajectory for yields is higher or lower than assumed.

### Net debt estimates and projections

Net debt is estimated to be 20.1 per cent of GDP (\$587.5 billion) at 30 June 2026 (Table 3.8), lower than the estimate of 21.6 per cent of GDP (\$620.7 billion) in the 2025 PEFO. The improvement since the 2025 PEFO reflects a lower market value of Australian Government Securities on issue resulting from the improved headline cash balance outcome in 2024–25, combined with a higher value of investments through collective investment vehicles.

Over the medium term, net debt as a percentage of GDP is projected to peak at 23.4 per cent in 2030–31 and decline to 20.3 per cent of GDP at 30 June 2036, 0.2 percentage points higher than at the 2025 PEFO (Chart 3.8).

**Chart 3.8: Net debt**



Source: Treasury.

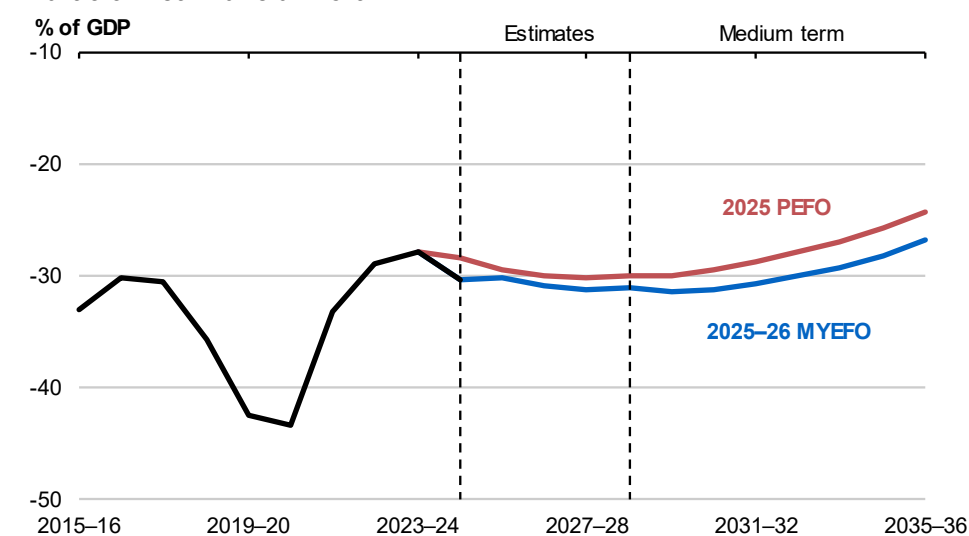
Further information on gross debt and net debt estimates across the forward estimates is provided in *Part 4: Debt Statement*.

## Net financial worth and net worth estimates and projections

Net financial worth is estimated to be minus 30.2 per cent of GDP (minus \$881.7 billion) at 30 June 2026 (Table 3.8), compared with the estimate of minus 29.5 per cent of GDP (minus \$850.1 billion) at the 2025 PEFO.

Net financial worth is projected to deteriorate to minus 31.4 per cent of GDP at 30 June 2030 before improving to minus 26.9 per cent of GDP at 30 June 2036 (Chart 3.9).

**Chart 3.9: Net financial worth**



Source: Treasury.

Net worth is estimated to be minus 22.0 per cent of GDP (minus \$644.3 billion) at 30 June 2026 (Table 3.8), compared with the estimate of minus 21.6 per cent of GDP (minus \$621.8 billion) at the 2025 PEFO.

The change in net worth and net financial worth since the 2025 PEFO largely reflects increases in the liabilities for military compensation and provisions for claims for veterans' benefits. This is partially offset by a lower market value of Australian Government Securities on issue resulting from the improved headline cash balance outcome in 2024-25, combined with a higher value of investments through collective investment vehicles.

Net worth is projected to decline to minus 23.4 per cent of GDP by 30 June 2030 before improving over the medium term.

**Table 3.8: Australian Government general government sector balance sheet aggregates<sup>(a)</sup>**

	Estimates							
	2025-26		2026-27		2027-28		2028-29	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Financial assets</b>								
MYEFO	688.3	23.5	735.1	24.4	781.0	24.7	827.8	24.8
PEFO	677.5	23.5	715.0	23.9	752.9	23.9	789.2	23.8
Budget	677.8	23.5	715.0	23.9	752.7	23.9	789.2	23.8
<b>Non-financial assets</b>								
MYEFO	237.4	8.1	246.8	8.2	257.3	8.1	267.2	8.0
PEFO	228.3	7.9	236.4	7.9	247.6	7.9	257.3	7.8
Budget	228.3	7.9	236.4	7.9	247.6	7.9	257.3	7.8
<b>Total assets</b>								
MYEFO	925.8	31.7	981.9	32.5	1,038.3	32.9	1,095.1	32.8
PEFO	905.8	31.5	951.4	31.8	1,000.4	31.8	1,046.5	31.5
Budget	906.1	31.5	951.3	31.8	1,000.3	31.8	1,046.5	31.5
<b>Total liabilities</b>								
MYEFO	1,570.1	53.7	1,665.4	55.2	1,766.0	55.9	1,866.3	56.0
PEFO	1,527.6	53.1	1,610.6	53.8	1,701.0	54.0	1,786.6	53.8
Budget	1,527.9	53.1	1,610.6	53.8	1,701.0	54.0	1,786.6	53.8
<b>Net worth</b>								
MYEFO	-644.3	-22.0	-683.4	-22.7	-727.6	-23.0	-771.2	-23.1
PEFO	-621.8	-21.6	-659.2	-22.0	-700.5	-22.3	-740.1	-22.3
Budget	-621.8	-21.6	-659.2	-22.0	-700.7	-22.3	-740.1	-22.3
<b>Net financial worth</b>								
MYEFO	-881.7	-30.2	-930.2	-30.8	-984.9	-31.2	-1,038.4	-31.1
PEFO	-850.1	-29.5	-895.6	-29.9	-948.1	-30.1	-997.4	-30.0
Budget	-850.1	-29.5	-895.6	-29.9	-948.3	-30.1	-997.4	-30.0
<b>Gross debt</b>								
MYEFO	993.0	34.0	1,069.0	35.4	1,142.0	36.1	1,213.0	36.4
PEFO	1,022.0	35.5	1,092.0	36.5	1,161.0	36.9	1,223.0	36.8
Budget	1,022.0	35.5	1,092.0	36.5	1,161.0	36.9	1,223.0	36.8
<b>Net debt</b>								
MYEFO	587.5	20.1	646.9	21.4	700.4	22.2	754.8	22.6
PEFO	620.7	21.6	676.3	22.6	713.9	22.7	768.2	23.1
Budget	620.3	21.5	676.3	22.6	714.1	22.7	768.2	23.1
<b>Total interest payments</b>								
MYEFO	27.4	0.9	29.4	1.0	36.8	1.2	38.5	1.2
PEFO	27.9	1.0	30.2	1.0	36.7	1.2	38.2	1.2
Budget	27.9	1.0	30.2	1.0	36.7	1.2	38.2	1.2
<b>Net interest payments(b)</b>								
MYEFO	18.3	0.6	20.3	0.7	27.4	0.9	28.7	0.9
PEFO	18.5	0.6	21.2	0.7	26.9	0.9	28.1	0.8
Budget	18.5	0.6	21.2	0.7	26.9	0.9	28.1	0.8

a) Assets, liabilities, net worth, net financial worth, gross debt and net debt are presented as at the end of each financial year.

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

## **Accrual budget 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 \$43.6 billion (1.5 per cent of GDP) in 2025–26 (Table 3.9), compared to an expected deficit of \$35.4 billion (1.2 per cent of GDP) in the 2025 PEFO.

### **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 \$54.8 billion (1.9 per cent of GDP) in 2025–26 (Table 3.9), compared to an expected deficit of \$44.2 billion (1.5 per cent of GDP) in the 2025 PEFO.

**Table 3.9: Australian Government general government sector accrual aggregates**

	Estimates							
	2025-26		2026-27		2027-28		2028-29	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Revenue</b>								
MYEFO	765.6	26.2	793.6	26.3	820.8	26.0	864.1	25.9
PEFO	750.3	26.1	783.6	26.2	815.4	25.9	862.5	26.0
Budget	750.3	26.1	783.6	26.2	815.4	25.9	862.5	26.0
<b>Expenses</b>								
MYEFO	809.2	27.7	819.0	27.1	854.0	27.0	897.5	26.9
PEFO	785.7	27.3	806.5	27.0	842.8	26.8	889.6	26.8
Budget	785.7	27.3	806.6	27.0	842.9	26.8	889.4	26.8
<b>Net operating balance</b>								
MYEFO	-43.6	-1.5	-25.4	-0.8	-33.2	-1.1	-33.4	-1.0
PEFO	-35.4	-1.2	-23.0	-0.8	-27.4	-0.9	-27.1	-0.8
Budget	-35.4	-1.2	-23.0	-0.8	-27.5	-0.9	-26.9	-0.8
<b>Net capital investment</b>								
MYEFO	11.2	0.4	10.4	0.3	10.0	0.3	10.4	0.3
PEFO	8.8	0.3	9.1	0.3	12.0	0.4	10.2	0.3
Budget	8.8	0.3	9.1	0.3	12.0	0.4	10.2	0.3
<b>Fiscal balance</b>								
MYEFO	-54.8	-1.9	-35.8	-1.2	-43.2	-1.4	-43.7	-1.3
PEFO	-44.2	-1.5	-32.1	-1.1	-39.4	-1.3	-37.3	-1.1
Budget	-44.2	-1.5	-32.2	-1.1	-39.5	-1.3	-37.1	-1.1

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 2025 PEFO.

**Table 3.10: Reconciliation of general government sector fiscal balance estimates**

	Estimates				Total \$m
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m	
<b>2025-26 Budget fiscal balance</b>	<b>-44,178</b>	<b>-32,174</b>	<b>-39,545</b>	<b>-37,087</b>	<b>-152,985</b>
Per cent of GDP	-1.5	-1.1	-1.3	-1.1	
<b>2025 PEFO fiscal balance</b>	<b>-44,221</b>	<b>-32,116</b>	<b>-39,385</b>	<b>-37,261</b>	<b>-152,984</b>
Per cent of GDP	-1.5	-1.1	-1.3	-1.1	
<b>Changes from 2025 PEFO to 2025-26 MYEFO</b>					
Effect of policy decisions(a)(b)					
<i>Revenue</i>	-895	-676	-1,334	-971	-3,877
<i>Expenses</i>	661	1,334	-1,766	-3,755	-3,526
<i>Net capital investment</i>	609	795	366	103	1,873
Total policy decisions impact on fiscal balance	-2,165	-2,805	65	2,681	-2,224
Effect of parameter and other variations(b)					
<i>Revenue</i>	16,221	10,718	6,664	2,555	36,156
<i>Expenses</i>	22,856	11,097	12,969	11,639	58,561
<i>Net capital investment</i>	1,790	492	-2,413	77	-54
Total parameter and other variations impact on fiscal balance	-8,426	-871	-3,893	-9,161	-22,351
<b>2025-26 MYEFO fiscal balance</b>	<b>-54,812</b>	<b>-35,792</b>	<b>-43,213</b>	<b>-43,741</b>	<b>-177,558</b>
Per cent of GDP	-1.9	-1.2	-1.4	-1.3	

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 \$15.3 billion in 2025–26 since the 2025 PEFO (Table 3.11).

**Table 3.11: Reconciliation of 2025–26 general government (accrual) revenue**

	Estimates		Change on PEFO	
	PEFO \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	314,100	315,800	1,700	0.5
Gross other individuals	84,500	91,600	7,100	8.4
<i>less: Refunds</i>	40,800	40,600	-200	-0.5
Total individuals and other withholding tax	357,800	366,800	9,000	2.5
Fringe benefits tax	5,150	5,560	410	8.0
Company tax	143,500	147,800	4,300	3.0
Superannuation fund taxes	25,580	29,880	4,300	16.8
Petroleum resource rent tax	1,980	1,820	-160	-8.1
<b>Income taxation revenue</b>	<b>534,010</b>	<b>551,860</b>	<b>17,850</b>	<b>3.3</b>
Goods and services tax	99,300	101,030	1,730	1.7
Wine equalisation tax	1,210	1,110	-100	-8.3
Luxury car tax	1,210	1,130	-80	-6.6
Excise and customs duty				
Petrol	7,450	7,320	-130	-1.7
Diesel	17,850	17,660	-190	-1.1
Other fuel products	2,020	1,680	-340	-16.8
Tobacco	7,050	5,450	-1,600	-22.7
Beer	2,780	2,720	-60	-2.2
Spirits	3,380	3,270	-110	-3.3
Other alcoholic beverages(a)	1,830	1,810	-20	-1.1
Other customs duty				
Textiles, clothing and footwear	170	160	-10	-5.9
Passenger motor vehicles	380	300	-80	-21.1
Other imports	1,620	1,550	-70	-4.3
<i>less: Refunds and drawbacks</i>	730	1,380	650	89.0
Total excise and customs duty	43,800	40,540	-3,260	-7.4
Major bank levy	1,870	1,900	30	1.6
Agricultural levies	669	707	38	5.6
Visa application charges	4,199	4,576	377	9.0
Other taxes	8,036	7,127	-908	-11.3
<b>Indirect taxation revenue</b>	<b>160,294</b>	<b>158,120</b>	<b>-2,174</b>	<b>-1.4</b>
<b>Taxation revenue</b>	<b>694,304</b>	<b>709,980</b>	<b>15,676</b>	<b>2.3</b>
Sales of goods and services	22,261	21,987	-274	-1.2
Interest	10,619	10,159	-461	-4.3
Dividends and distributions	7,434	7,591	157	2.1
Other non-taxation revenue	15,649	15,876	227	1.5
<b>Non-taxation revenue</b>	<b>55,964</b>	<b>55,613</b>	<b>-350</b>	<b>-0.6</b>
<b>Total revenue</b>	<b>750,268</b>	<b>765,593</b>	<b>15,325</b>	<b>2.0</b>
<i>Memorandum:</i>				
<i>Total excise</i>	32,450	31,760	-690	-2.1
<i>Total customs duty</i>	11,350	8,780	-2,570	-22.6
<i>Capital gains tax(b)</i>	27,600	31,500	3,900	14.1

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 2026–27 general government (accrual) revenue**

	Estimates		Change on PEFO	
	PEFO \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	330,700	332,200	1,500	0.5
Gross other individuals	90,000	94,200	4,200	4.7
<i>less: Refunds</i>	41,900	42,400	500	1.2
Total individuals and other withholding tax	378,800	384,000	5,200	1.4
Fringe benefits tax	5,180	5,620	440	8.5
Company tax	147,900	150,500	2,600	1.8
Superannuation fund taxes	26,130	29,140	3,010	11.5
Petroleum resource rent tax	1,680	1,590	-90	-5.4
<b>Income taxation revenue</b>	<b>559,690</b>	<b>570,850</b>	<b>11,160</b>	<b>2.0</b>
Goods and services tax	104,560	107,240	2,680	2.6
Wine equalisation tax	1,250	1,220	-30	-2.4
Luxury car tax	1,280	1,180	-100	-7.8
Excise and customs duty				
Petrol	7,600	7,570	-30	-0.4
Diesel	18,770	18,490	-280	-1.5
Other fuel products	2,070	1,710	-360	-17.4
Tobacco	6,800	4,800	-2,000	-29.4
Beer	2,910	2,780	-130	-4.5
Spirits	3,430	3,280	-150	-4.4
Other alcoholic beverages(a)	1,930	1,860	-70	-3.6
Other customs duty				
Textiles, clothing and footwear	180	160	-20	-11.1
Passenger motor vehicles	350	270	-80	-22.9
Other imports	1,680	1,640	-40	-2.4
<i>less: Refunds and drawbacks</i>	730	730	0	0.0
Total excise and customs duty	44,990	41,830	-3,160	-7.0
Major bank levy	1,950	1,990	40	2.1
Agricultural levies	684	697	13	1.9
Visa application charges	4,402	4,971	569	12.9
Other taxes	7,929	6,927	-1,002	-12.6
<b>Indirect taxation revenue</b>	<b>167,045</b>	<b>166,055</b>	<b>-990</b>	<b>-0.6</b>
<b>Taxation revenue</b>	<b>726,735</b>	<b>736,905</b>	<b>10,170</b>	<b>1.4</b>
Sales of goods and services	23,485	23,526	41	0.2
Interest	10,662	10,568	-94	-0.9
Dividends and distributions	7,786	7,808	21	0.3
Other non-taxation revenue	14,895	14,798	-97	-0.7
<b>Non-taxation revenue</b>	<b>56,829</b>	<b>56,699</b>	<b>-129</b>	<b>-0.2</b>
<b>Total revenue</b>	<b>783,564</b>	<b>793,605</b>	<b>10,041</b>	<b>1.3</b>
<i>Memorandum:</i>				
<i>Total excise</i>	33,810	33,000	-810	-2.4
<i>Total customs duty</i>	11,180	8,830	-2,350	-21.0
<i>Capital gains tax(b)</i>	27,600	30,700	3,100	11.2

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. The differences between the accrual and cash amounts generally reflect where there is a timing difference between the expense accruing and cash payments occurring. Common examples include employee-related liabilities such as superannuation benefits programs and long service leave, government insurance and guarantee schemes, concessional loans and purchases of non-financial assets.

Since the 2025 PEFO, total expenses have been revised up by \$23.5 billion in 2025–26 and by \$55.0 billion over the four years from 2025–26 to 2028–29.

Movements in expenses over the forward estimates period are broadly consistent with movements in cash payments. A key exception is the Higher Education Loan Program, where debt remissions are recorded as accrual expenses with no impact on cash payments, with a material expense impact in 2025–26 largely driven by the 20 per cent student debt reduction provided through the 2024–25 MYEFO measure *Building Australia's Future – A fairer deal for students*.

**Table 3.13: Reconciliation of general government sector expense estimates**

	Estimates				Total
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m	
<b>2025-26 Budget expenses</b>	<b>785,670</b>	<b>806,594</b>	<b>842,949</b>	<b>889,397</b>	<b>3,324,610</b>
<b>2025 PEFO expenses</b>	<b>785,715</b>	<b>806,539</b>	<b>842,792</b>	<b>889,576</b>	<b>3,324,622</b>
<b>Changes from 2025 PEFO to 2025-26 MYEFO</b>					
Effect of policy decisions(a)	661	1,334	-1,766	-3,755	-3,526
Effect of economic parameter variations					
Total economic parameter variations	4,673	5,951	5,824	6,535	22,983
<i>Unemployment benefits</i>	1,768	1,672	1,112	285	4,836
<i>Prices and wages</i>	737	2,076	2,720	3,056	8,590
<i>Interest and exchange rates</i>	-123	-39	34	-18	-146
<i>GST payments to the states(b)</i>	2,291	2,242	1,958	3,212	9,702
Public debt interest	-688	-1,321	-841	-611	-3,460
Program specific parameter variations	17,496	9,159	11,192	9,965	47,811
Other variations	1,376	-2,692	-3,206	-4,250	-8,772
<b>Total variations</b>	<b>23,517</b>	<b>12,431</b>	<b>11,204</b>	<b>7,883</b>	<b>55,035</b>
<b>2025-26 MYEFO expenses</b>	<b>809,232</b>	<b>818,970</b>	<b>853,996</b>	<b>897,459</b>	<b>3,379,657</b>

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

b) GST entitlement for 2025–26 accounts for the balancing adjustment from 2024–25.

## 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
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m	
<b>2025-26 Budget net capital investment</b>	<b>8,771</b>	<b>9,140</b>	<b>12,025</b>	<b>10,196</b>	<b>40,132</b>
<b>2025 PEFO net capital investment</b>	<b>8,774</b>	<b>9,140</b>	<b>12,026</b>	<b>10,196</b>	<b>40,136</b>
<b>Changes from 2025 PEFO to 2025-26 MYEFO</b>					
Effect of policy decisions(a)	609	795	366	103	1,873
Effect of parameter and other variations	1,790	492	-2,413	77	-54
<b>Total variations</b>	<b>2,399</b>	<b>1,287</b>	<b>-2,046</b>	<b>180</b>	<b>1,819</b>
<b>2025-26 MYEFO net capital investment</b>	<b>11,173</b>	<b>10,427</b>	<b>9,980</b>	<b>10,376</b>	<b>41,955</b>

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 cyclical factors that have a temporary impact on receipts and payments. These 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.

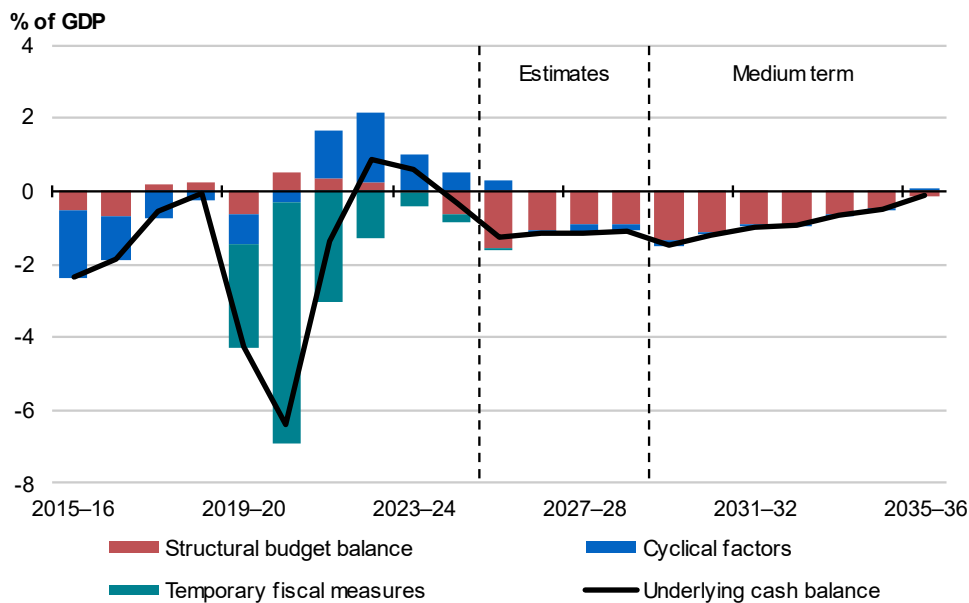
The overall trajectory for the structural budget balance is broadly consistent with the 2025–26 Budget. While the near-term has changed, the structural budget balance is still projected to increase towards balance by the end of the medium term.

The estimate of the structural budget balance for 2024–25 has improved since the 2025–26 Budget to a deficit of 0.6 per cent of GDP, consistent with the higher-than-expected underlying cash balance outcome for that year (Chart 3.10).

The structural budget position is forecast to remain in deficit over the projection period, peaking at 1.5 per cent of GDP in 2025–26 and then narrowing to the end of the forward estimates.

Cyclical factors are estimated to have a small positive contribution to the underlying cash balance in 2025–26, in large part due to elevated commodity prices. This recedes as commodity prices return to their assumed long-run levels.

**Chart 3.10: Structural budget balance**



**Note:** The approach separating the budgetary impact of cyclical factors 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 alter the structural budget balance estimate in those years.

**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.

This MYEFO demonstrates the Government's ongoing commitment to reducing gross debt as a share of the economy over time. Gross debt is expected to be lower than estimated at the 2025 Pre-election Economic and Fiscal Outlook (PEFO) in every year of the forward estimates as a proportion of the economy.

By the end of 2025–26, gross debt is expected to be \$993 billion (34.0 per cent of GDP), lower than the \$1,022 billion (35.5 per cent of GDP) estimated at the 2025 PEFO and considerably less than the \$1,169 billion (44.7 per cent of GDP) estimated at the 2022 PEFO. Gross debt is expected to peak at 37.0 per cent of GDP in 2030–31, the same level as at the 2025 PEFO and 7.9 percentage points lower than the 44.9 per cent of GDP peak estimated at the 2022 PEFO, before falling to 33.0 per cent in 2035–36.

Net debt in 2025–26 is expected to be \$587.5 billion or 20.1 per cent of GDP, 1.5 percentage points of GDP (\$33.2 billion) lower than estimated at the 2025 PEFO.

Interest payments on AGS are estimated to be \$25.5 billion in 2025–26, increasing to \$36.7 billion by 2028–29. Over the four years to 2028–29, interest payments on AGS are expected to be \$1.7 billion lower than estimated at the 2025 PEFO.

## 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 on the AOFM website at [www.aofm.gov.au](http://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.<sup>1</sup> 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.

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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.

Gross debt is estimated to be \$993 billion (34.0 per cent of GDP) at 30 June 2026, increasing to \$1,213 billion (36.4 per cent of GDP) at 30 June 2029. Gross debt relative to GDP is expected to be lower than at the 2025 PEFO across each year of the forward estimates. The decline in gross debt relative to GDP since the PEFO reflects the stronger than expected headline cash balance outcome in 2024–25, improvements in the financing requirement across the forward estimates and upward revisions to nominal GDP.

**Table 4.1: Estimates of AGS on issue subject to the Treasurer's Direction<sup>(a)(b)</sup>**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$b	\$b	\$b	\$b
Face value – end-of-year	993	1,069	1,142	1,213
Per cent of GDP	34.0	35.4	36.1	36.4
Face value – within-year peak(c)	996	1,069	1,154	1,218
Per cent of GDP(c)	34.1	35.4	36.5	36.5
<i>Month of peak(c)</i>	<i>Apr-26</i>	<i>Apr-27</i>	<i>May-28</i>	<i>Apr-29</i>
Market value – end-of-year	943	1,028	1,108	1,191
Per cent of GDP	32.3	34.1	35.1	35.7

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 2025 PEFO

The decrease in total face value of AGS on issue primarily reflects an improved financing requirement over the forward estimates, and the impact of the improved headline cash balance outcome for 2024–25, which effectively pre-funds some of the Government’s future financing requirements.

Additionally, recent changes in yields have influenced estimates of AGS on issue. While shifts in yields affect interest payments and the financing requirement, the impact has varied across the yield curve. The change in yields is estimated to decrease the face value of gross debt by \$2.5 billion by the end of the forward estimates compared with the 2025 PEFO.

**Table 4.2: Estimates of AGS on issue subject to the Treasurer’s Direction – reconciliation from the 2025 PEFO to the 2025–26 MYEFO**

	2025-26 \$b	2026-27 \$b	2027-28 \$b	2028-29 \$b
<b>Total face value of AGS on issue subject to the Treasurer's Direction as at 2025 PEFO</b>	<b>1,022</b>	<b>1,092</b>	<b>1,161</b>	<b>1,223</b>
<b>Factors affecting the change in face value of AGS on issue from 2025 PEFO to 2025-26 MYEFO</b>				
Cumulative receipts decisions	0.2	0.3	1.1	1.6
Cumulative receipts variations	-14.6	-25.7	-34.7	-41.3
Cumulative payment decisions	1.8	1.8	-0.4	-3.8
Cumulative payment variations	7.3	17.2	26.7	35.1
Cumulative change in net investments in financial assets(b)	-1.3	4.3	6.5	9.0
Other contributors	-22.3	-21.7	-18.7	-10.9
<b>Total face value of AGS on issue subject to the Treasurer's Direction as at 2025-26 MYEFO</b>	<b>993</b>	<b>1,069</b>	<b>1,142</b>	<b>1,213</b>
a) Cumulative impact of decisions and variations from 2025–26 to 2028–29. 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 3 December 2025.

**Table 4.3: Breakdown of current AGS on issue**

	On issue as at 3 December 2025	
	Face value	Market value
	\$m	\$m
Treasury Bonds	873,749	800,166
Treasury Indexed Bonds	39,192	48,717
Treasury Notes	40,000	39,719
<b>Total AGS subject to Treasurer's Direction(a)</b>	<b>952,942</b>	<b>888,602</b>
Other stock and securities	5	5
<b>Total AGS on issue</b>	<b>952,947</b>	<b>888,608</b>

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 3 December 2025, 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 progress Australia's net zero transformation and support Australia's environmental objectives. Annual Allocation and Impact Reports for Green Treasury Bonds are published on the AOFM website.

**Table 4.4: Treasury Bonds on issue**

Coupon Per cent	Maturity	On issue as at 3 December 2025		Timing of interest payments <sup>(a)</sup>		
			\$m			
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	36,000		Twice yearly	21-Nov	21-May
2.25	21-May-28	37,900		Twice yearly	21-May	21-Nov
2.75	21-Nov-28	43,300		Twice yearly	21-Nov	21-May
3.25	21-Apr-29	42,000		Twice yearly	21-Apr	21-Oct
2.75	21-Nov-29	44,500		Twice yearly	21-Nov	21-May
2.50	21-May-30	41,000		Twice yearly	21-May	21-Nov
1.00	21-Dec-30	42,800		Twice yearly	21-Dec	21-Jun
1.50	21-Jun-31	43,200		Twice yearly	21-Jun	21-Dec
1.00	21-Nov-31	44,500		Twice yearly	21-Nov	21-May
1.25	21-May-32	43,200		Twice yearly	21-May	21-Nov
1.75	21-Nov-32	32,500		Twice yearly	21-Nov	21-May
4.50	21-Apr-33	26,700		Twice yearly	21-Apr	21-Oct
3.00	21-Nov-33	28,200		Twice yearly	21-Nov	21-May
3.75	21-May-34	25,000		Twice yearly	21-May	21-Nov
4.25	21-Jun-34	10,000		Twice yearly	21-Jun	21-Dec
3.50	21-Dec-34	29,200		Twice yearly	21-Dec	21-Jun
2.75	21-Jun-35	30,850		Twice yearly	21-Jun	21-Dec
4.25	21-Dec-35	22,900		Twice yearly	21-Dec	21-Jun
4.25	21-Mar-36	22,100		Twice yearly	21-Mar	21-Sep
4.25	21-Oct-36	16,000		Twice yearly	21-Oct	21-Apr
3.75	21-Apr-37	21,300		Twice yearly	21-Apr	21-Oct
3.25	21-Jun-39	11,200		Twice yearly	21-Jun	21-Dec
2.75	21-May-41	15,600		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	11,000		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 3 December 2025, there were six 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 3 December 2025		Timing of interest payments <sup>(a)</sup>				
			\$m					
0.75	21-Nov-27	7,350	Quarterly	21-Nov	21-Feb	21-May	21-Aug	
2.50	20-Sep-30	7,642	Quarterly	20-Sep	20-Dec	20-Mar	20-Jun	
0.25	21-Nov-32	6,500	Quarterly	21-Nov	21-Feb	21-May	21-Aug	
2.00	21-Aug-35	7,100	Quarterly	21-Aug	21-Nov	21-Feb	21-May	
1.25	21-Aug-40	6,000	Quarterly	21-Aug	21-Nov	21-Feb	21-May	
1.00	21-Feb-50	4,600	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 3 December 2025, there were seven Treasury Note lines on issue. Treasury Notes do not pay a coupon.

**Table 4.6: Treasury Notes on issue**

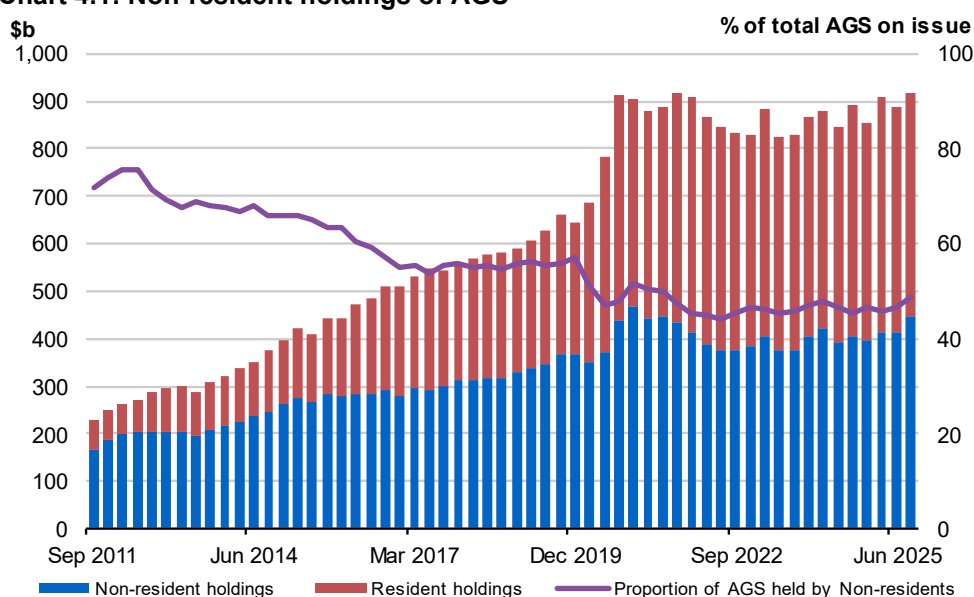
Maturity	On issue as at 3 December 2025		Timing of interest payment	
		\$m		
12-Dec-25	7,000	At maturity	12-Dec	
30-Jan-26	6,000	At maturity	30-Jan	
13-Feb-26	9,000	At maturity	13-Feb	
27-Feb-26	6,500	At maturity	27-Feb	
13-Mar-26	4,000	At maturity	13-Mar	
27-Mar-26	5,500	At maturity	27-Mar	
10-Apr-26	2,000	At maturity	10-Apr	

Source: AOFM

## Non-resident holdings of AGS on issue

As at the September 2025 quarter, the proportion of non-resident holdings of AGS was 49 per cent (Chart 4.1), down from historical highs of around 76 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 2025, 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			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Liabilities included in net debt</b>				
Deposits held	416	416	416	416
Government securities(a)	942,518	1,027,847	1,108,193	1,190,511
Loans	34,181	35,127	35,797	35,881
Lease liabilities	18,599	17,634	17,388	16,339
<b>Total liabilities included in net debt</b>	<b>995,715</b>	<b>1,081,024</b>	<b>1,161,794</b>	<b>1,243,148</b>
<b>Assets included in net debt</b>				
Cash and deposits	73,588	75,947	80,268	83,949
Advances paid	73,794	87,975	100,801	113,038
Investments, loans and placements	260,862	270,215	280,321	291,325
<b>Total assets included in net debt</b>	<b>408,244</b>	<b>434,137</b>	<b>461,390</b>	<b>488,311</b>
<b>Net debt</b>	<b>587,471</b>	<b>646,888</b>	<b>700,404</b>	<b>754,837</b>

a) Government securities are presented at market value.

### Changes in net debt since the 2025 PEFO

Net debt is expected to be lower in 2025–26, and across each year of the forward estimates compared to the 2025 PEFO. The improvement in 2025–26 primarily reflects changes to the financing requirement in addition to greater investments, loans and placements. While movements in yields traditionally influence the market value of AGS on issue, this has not had a significant impact in the 2025–26 MYEFO.

**Table 4.8: Net debt – reconciliation from the 2025 PEFO to the 2025–26 MYEFO**

	2025-26 \$b	2026-27 \$b	2027-28 \$b	2028-29 \$b
<b>Net debt as at 2025 PEFO</b>	<b>620.7</b>	<b>676.3</b>	<b>713.9</b>	<b>768.2</b>
Changes in financing requirement	-25.9	-16.5	-10.8	-0.3
Impact of yields on AGS	-0.1	0.4	1.0	1.8
Asset and other liability movements	-7.3	-13.3	-3.7	-14.9
<i>Cash and deposits</i>	-0.3	-5.6	-11.9	-22.6
<i>Advances paid</i>	4.1	4.0	3.8	2.4
<i>Investments, loans and placements</i>	-12.3	-13.2	2.5	2.9
<i>Other movements</i>	1.2	1.5	2.0	2.4
<b>Total movements in net debt from 2025 PEFO to 2025-26 MYEFO</b>	<b>-33.2</b>	<b>-29.4</b>	<b>-13.5</b>	<b>-13.4</b>
<b>Net debt as at 2025-26 MYEFO</b>	<b>587.5</b>	<b>646.9</b>	<b>700.4</b>	<b>754.8</b>

## 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.

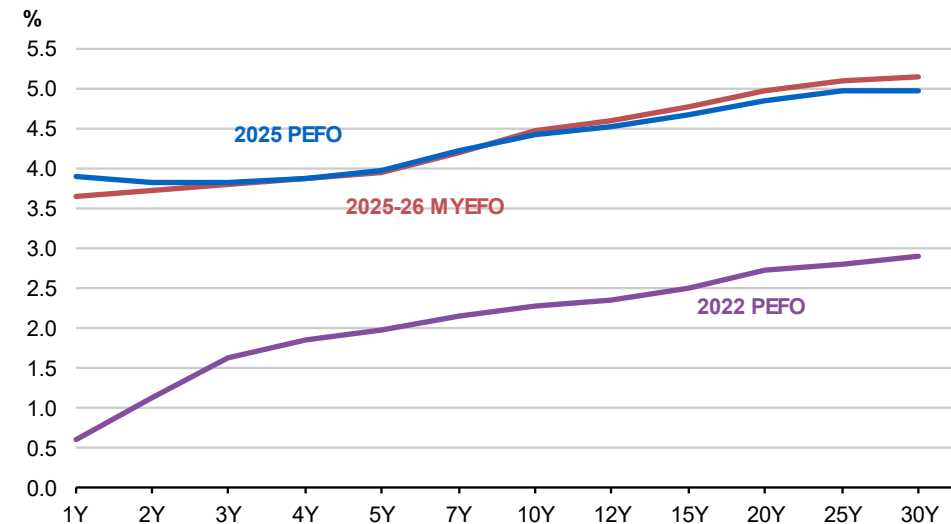
- The cost of AGS already on issue reflects the actual yield at the time of issuance.
- The expected cost of future AGS issuance is based on a recent average of daily spot rates across the yield curve at the time of a budget estimates update.

Interest payments on AGS are estimated to be lower across the forward estimates compared to the 2025 PEFO. The decrease is driven by the lower borrowing requirement and lower issuance of debt compared to the 2025 PEFO.

Chart 4.2 shows the yield curve assumptions underpinning the 2022 PEFO, 2025 PEFO and the 2025–26 MYEFO. The curve has pivoted since the 2025 PEFO, with yields higher from the 10-year tenor and beyond. Yields remain significantly higher than the 2022 PEFO curve. Since the 2025 PEFO, yields have remained volatile, reflecting shifts in market expectations and broader economic uncertainty.

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 the above drivers. This is higher than the assumed weighted average yields of 4.3 per cent at the 2025 PEFO and 2.2 per cent at the 2022 PEFO.

**Chart 4.2: Yield curve assumptions from 2025–26 to 2028–29**



Source: AOFM.

By the end of the forward estimates total interest payments are estimated to be \$38.5 billion, of which \$36.7 billion relates to AGS on issue (Table 4.9). Compared to the 2025 PEFO, total interest payments as a share of GDP are estimated to remain broadly unchanged across the forward estimates.

Interest receipts as a share of GDP are estimated to remain unchanged across each year of the forward estimates compared to the 2025 PEFO.

Net interest payments as a share of GDP are estimated to remain unchanged in 2025–26 at 0.6 per cent, and broadly unchanged across all years of the forward estimates, compared to the 2025 PEFO.

**Table 4.9: Interest payments, interest receipts and net interest payments<sup>(a)</sup>**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
Interest payments on AGS(b)	25,486	27,673	35,073	36,709
Per cent of GDP	0.9	0.9	1.1	1.1
Interest payments	27,390	29,383	36,849	38,511
Per cent of GDP	0.9	1.0	1.2	1.2
Interest receipts	9,103	9,091	9,478	9,841
Per cent of GDP	0.3	0.3	0.3	0.3
Net interest payments(c)	18,287	20,292	27,371	28,670
Per cent of GDP	0.6	0.7	0.9	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<sup>(a)</sup>**

	Estimates			
	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m
Interest expense on AGS	27,731	31,760	36,650	41,094
Per cent of GDP	0.9	1.1	1.2	1.2
Total interest expense(b)	39,245	42,615	48,628	50,465
Per cent of GDP	1.3	1.4	1.5	1.5
Interest income	10,159	10,568	11,363	12,063
Per cent of GDP	0.3	0.4	0.4	0.4
Net interest expense(c)	29,086	32,047	37,265	38,403
Per cent of GDP	1.0	1.1	1.2	1.2

- 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.<sup>2</sup>

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 are considered 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, including 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 <sup>(a)</sup> increase				US\$10/tonne FOB decrease			
	2025–26	2026–27	2027–28	2028–29	2025–26	2026–27	2027–28	2028–29
Nominal GDP (\$billion)	4.8	2.4	5.3	9.9	-4.8	-2.4	-5.3	-9.9
Tax receipts (\$billion)	0.3	0.3	0.3	1.9	-0.3	-0.3	-0.3	-1.9

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 \$4.8 billion in 2025–26, rising to around \$9.9 billion in 2028–29.

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2 Assessments of past forecasting performance and confidence interval analysis of forecasts are included in the 2025–26 Budget, Budget Paper No 1: Statement 7: *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 macroeconomic model. Higher iron ore export prices result in 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. This change in the exchange rate also 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 \$0.3 billion in each year from 2025–26 to 2027–28, before increasing to \$1.9 billion in 2028–29. An increase in iron ore prices increases mining company profits and therefore company tax receipts. This builds over time as tax receipts incorporate the full impact of the iron ore price increase on nominal GDP and due to the lag between when profits are realised and tax is paid by companies. The lower domestic prices result in lower individuals and other withholding taxes and indirect tax receipts, partially offsetting the increase in company tax receipts.

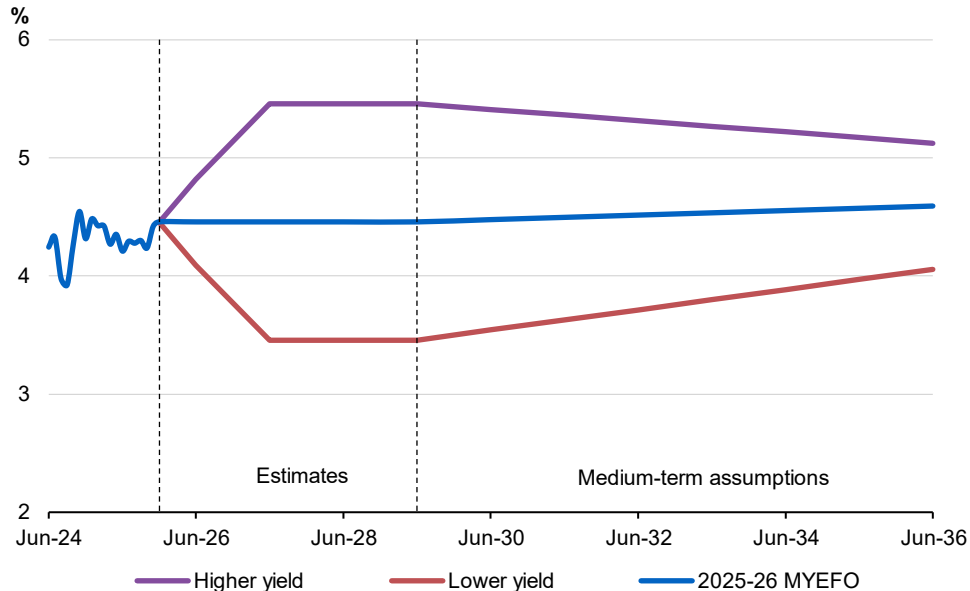
## **Alternative pathways for yields**

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 10-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 10-year bond yield.

The higher yield sensitivity analysis assumes bond yields transition to 100 basis points higher than baseline by 30 June 2027. Yields are then held constant over the remainder of the forward estimates to 2028–29, 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. Other economic parameters are assumed to remain unchanged from baseline forecasts to isolate the direct impact on fiscal aggregates.

**Chart 5.1: Baseline and alternative pathways for the 10-year bond yield**

Source: Reserve Bank of Australia and Treasury

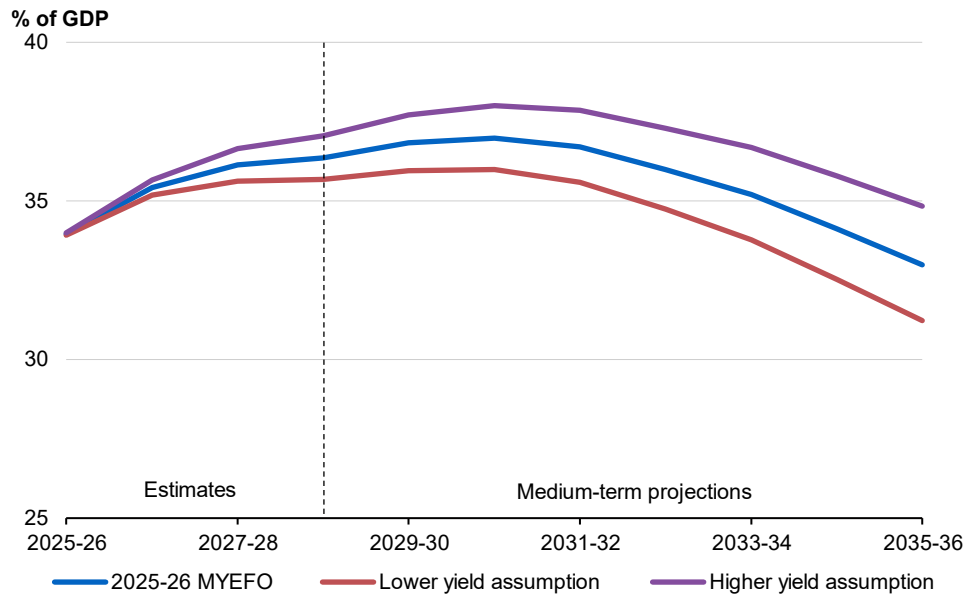
Note: Actual yields as at the end of each calendar month up to December 2025.

Higher yields increase public debt interest payments and receipts earned on investments. As government interest bearing liabilities usually exceed interest bearing assets, higher yields lead to a deterioration in the underlying cash balance. Lower yields have the reverse effect, improving the underlying cash balance.

The higher yield assumption results in a deterioration to the underlying cash balance of 0.3 percentage points of GDP by 2035–36 and increases gross debt by 1.8 percentage points of GDP at 30 June 2036 (Chart 5.2).

The lower yield assumption results in an improvement to the underlying cash balance of 0.2 percentage points of GDP by 2035–36. Under the lower yield assumption, cumulative improvements to the underlying cash balance reduce gross debt by 1.8 percentage points of GDP at 30 June 2036.

**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 2025–26 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 2025–26 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 Budget represent a material risk to the Budget estimates. *Part 5: Forecasting Performance and Sensitivity Analysis* examines the impact on receipts and payments of altering some of the key economic assumptions underlying the MYEFO estimates.

Expenditure can differ from forecasts for program specific reasons. Forecasts of payments for demand-driven programs, such as payments related to Aged Care, Child Care or the National Disability Insurance Scheme, are highly dependent on estimates of the number of expected participants or beneficiaries and estimates of the cost of providing services to different cohorts of participants. These can be affected by administrative decisions associated with these programs. Decisions made by courts, tribunals and other legal/statutory bodies (such as through the Fair Work Commission) can also affect the cost of activities funded by the Government.

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 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. This includes the impact of policy decisions that have been made but where negotiations remain underway or implementation details are still being finalised. There are risks to the fiscal position where legislation is not passed in time, where negotiations deliver outcomes that go beyond the funding offer or where final implementation details affect the timing or quantum of expected payments.

### **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.

This Statement 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 extreme weather events 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.

## Specialist direct Investment Vehicles

Successive Australian Governments have established Specialist direct Investment Vehicles (SIVs) to finance sectors of the economy to achieve policy outcomes. As at the 2025–26 MYEFO, there are eight SIVs: the Australian Infrastructure Financing Facility for the Pacific, the Australian Renewable Energy Agency, the Clean Energy Finance Corporation, Export Finance Australia, Housing Australia, the National Reconstruction Fund Corporation, the Northern Australia Infrastructure Facility and the Regional Investment Corporation. These SIVs have robust governance arrangements, including their own boards that make independent investment decisions balancing commercial and policy outcomes in line with each SIV's legislative framework. 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 the impact of those risks associated with the investments exceed or are expected to exceed the materiality threshold of \$20 million in any one year, or \$50 million over the forward estimates.

## 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.

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 the materiality threshold of \$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 estimated to exceed \$200 million at 30 June 2025 are included at the conclusion of this Statement.

**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<sup>(a)</sup>**

<b>Agriculture, Fisheries and Forestry</b>	<b>Status</b>
<b>Contingent liabilities – unquantifiable</b>	
Commonwealth liabilities in respect of matching payments to industries for research and development contributions	Unchanged
Emergency pest and disease response arrangements	Unchanged
<b>Attorney-General's</b>	<b>Status</b>
<b>Significant but remote contingency</b>	
Indemnities relating to the Air Security Officer Capability	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
Civil penalty relating to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 – The Star Pty Limited and The Star Entertainment QLD Limited	Unchanged
Civil penalty relating to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 – Entain Group Pty Ltd	Unchanged
<b>Climate Change, Energy, the Environment and Water</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Snowy Hydro Limited	Modified
<b>Significant but remote contingencies</b>	
Snowy Hydro Limited – Board Members' indemnity	Unchanged
Snowy Hydro Limited – Termination of the Equity Subscription Agreements	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
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	Modified
Murray-Darling Basin Reform – risk assignment	Unchanged
Remediation of Jabiru Township	Unchanged
United States Strategic Petroleum Reserve Lease Agreement – indemnity under certain conditions	Unchanged
<b>Contingent liabilities – quantifiable</b>	
Capacity Investment Scheme	Modified
Underwriting of the Marinus Link Project	Removed
<b>Contingent asset – quantifiable</b>	
Capacity Investment Scheme	New
<b>Defence</b>	<b>Status</b>
<b>Fiscal Risks</b>	
Implementation of the nuclear-powered submarine program	Unchanged

**Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Defence (continued)</b>	<b>Status</b>
<b>Fiscal Risks</b>	
Major operations of the Australian Defence Force in 2025–26	Unchanged
<b>Significant but remote contingencies</b>	
ADI Limited – Officers’ and Directors’ indemnities	Unchanged
Litigation cases	Unchanged
Remote Contingencies	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
Cockatoo Island Dockyard	Unchanged
Land decontamination, site restoration and decommissioning of Defence assets	Unchanged
<b>Contingent liability – quantifiable</b>	
Claims against the Department of Defence	Removed
<b>Employment and Workplace Relations</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Recovery of inappropriately claimed VET FEE-HELP payments from VET providers	Unchanged
<b>Contingent liability – unquantifiable</b>	
Indemnity provided to the Administrator of the Construction and General Division of the Construction, Forestry and Maritime Employees Union	Removed
Compensation for unlawful decisions under the Targeted Compliance Framework	New
<b>Contingent liabilities – quantifiable</b>	
Parent Pathways service	Unchanged
ParentsNext program	Removed
Workforce Australia – Employment Fund	Modified
<b>Finance</b>	<b>Status</b>
<b>Significant but remote contingency</b>	
Australian Naval Infrastructure Pty Ltd – Termination of the Equity Funding Agreement	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
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

**Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Finance (continued)</b>	<b>Status</b>
<b>Contingent liabilities – unquantifiable</b>	
Finance owned estate	Unchanged
Future Fund Management Agency and Future Fund Board of Guardians – indemnity	Unchanged
Googong 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
Kenbi Land Claim No. 37, Cox Peninsula, Northern Territory	Unchanged
<b>Foreign Affairs and Trade</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Export Finance Australia – National Interest Account	Modified
<b>Contingent liabilities – quantifiable</b>	
Export Finance Australia	Unchanged
Papua New Guinea Rugby League Franchise	Unchanged
<b>Health, Disability and Ageing</b>	<b>Status</b>
<b>Fiscal Risks</b>	
Aged Care	Modified
National Disability Insurance Scheme	Modified
<b>Contingent liabilities – unquantifiable</b>	
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
Medical Indemnity Exceptional Claims Scheme	Unchanged
Medical Rural Bonded Scholarship Waivers	Unchanged
mRNA manufacturing facility – indemnities	Unchanged
<b>Contingent asset – unquantifiable</b>	
Legal action seeking compensation	Unchanged

**Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Home Affairs</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Regional processing arrangements	Unchanged
<b>Significant but remote contingency</b>	
Indemnities relating the Air Security Officer Capability	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
Australian victims of terrorism overseas payment	Unchanged
Commonwealth Community Safety Order Scheme – Federation Funding Agreement – indemnity	Modified
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	Removed
Immigration detention services contract (Secure Journeys) – liability limit	Unchanged
<b>Contingent assets – unquantifiable</b>	
Civil penalty relating to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 – Star Pty Limited and The Star Entertainment Group QLD Limited	Unchanged
Civil penalty relating to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 – Entain Group Pty Ltd	Unchanged
<b>Industry, Science and Resources</b>	<b>Status</b>
<b>Fiscal Risks</b>	
Government support for Whyalla Steelworks	Modified
Rehabilitation of the Ranger Uranium Mine	Unchanged
<b>Significant but remote contingencies</b>	
Liability for damages caused by space and certain high-power rocket activities	Unchanged
Operations and maintenance of the Northern Endeavour and associated infrastructure	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
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 and building decontamination and site restoration for CSIRO property	Unchanged
Lindfield facility – asbestos contamination	New
Barrow Island royalty variation	New

**Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Infrastructure, Transport, Regional Development, Communications, Sport and the Arts</b>	<b>Status</b>
<b>Fiscal Risks</b>	
Australia Post's financial stability	Unchanged
Infrastructure Investment Program project slippage adjustment	Modified
Inland Rail – delivery	Unchanged
Regional Express Holdings Limited (Administrators Appointed) (Rex)	Removed
<b>Significant but remote contingencies</b>	
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
NBN Co Limited – Termination of the Equity 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
<b>Contingent liabilities – unquantifiable</b>	
Australian Maritime Safety Authority – ship-sourced pollution incident costs	Unchanged
Aviation rescue and firefighting services potential per- and poly-fluoroalkyl substances contamination	Unchanged
Indemnity provided to the New South Wales Rural Fire Fighting Service in relation to the Jervis Bay Territory	Unchanged
Major sporting events	Unchanged
Moorebank Intermodal Project – Georges River rail crossing	Unchanged
Service Delivery Arrangement Indemnities – Indian Ocean Territories and Jervis Bay Territory	Unchanged
<b>Prime Minister and Cabinet</b>	<b>Status</b>
<b>Contingent liability – quantifiable</b>	
Indigenous Land and Sea Corporation – Voyages Indigenous Tourism Australia	Unchanged
<b>Social Services</b>	<b>Status</b>
<b>Contingent liabilities– unquantifiable</b>	
Income apportionment and debt pause	Removed
Matthew Chaplin v Secretary, Department of Social Services	New
Prygodicz v Commonwealth	Removed

**Table 6.2: Summary of fiscal risks, contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Social Services (continued)</b>	<b>Status</b>
<b>Contingent asset – quantifiable</b>	
National Redress Scheme	Unchanged
<b>Treasury</b>	<b>Status</b>
<b>Fiscal Risks</b>	
Guarantee for Australia and New Zealand Banking Group Limited's Pacific liabilities	Unchanged
Guarantee for the Asia Development Bank's Innovative Finance Facility	Unchanged
<b>Significant but remote contingencies</b>	
Asbestos Injuries Compensation Fund	Unchanged
Financial Claims Scheme	Unchanged
Guarantee for Housing Australia	Modified
Guarantees under the Commonwealth Bank Sale Act 1995	Unchanged
Reserve Bank of Australia – Guarantee	Unchanged
<b>Contingent liabilities – quantifiable</b>	
Guarantee of a cyclone and related flooding reinsurance pool	Unchanged
Guarantees for housing	Modified
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
Australian Taxation Office – tax disputes	Unchanged
International financial institutions – uncalled capital subscriptions	Unchanged
International Monetary Fund – 16th General Review of Quota	Unchanged
International Monetary Fund – New Arrangements to Borrow & Bilateral Borrowing Agreement	Unchanged
International Monetary Fund – Poverty Reduction and Growth Trust	Unchanged
International Monetary Fund – Resilience and Sustainability Trust	Unchanged
<b>Veterans' Affairs</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Defence Service Homes Insurance Scheme	Unchanged
a) Detailed description of the modified and new items are in the following text.	

## **Climate Change, Energy, the Environment and Water**

### **Fiscal Risk**

#### **Snowy Hydro Limited**

The Australian Government has committed to provide additional financial support to Snowy Hydro Limited to support the delivery of the Snowy 2.0 pumped hydro project and the Hunter Power Project. These projects will improve the security and reliability of the National Electricity Market by providing reliable, dispatchable power and large-scale energy storage. Project risks for Snowy 2.0 include potential construction delays, cost pressures and cash flow forecasts.

The Government continues to monitor these risks through engagement and oversight of Snowy Hydro Limited, including the Snowy 2.0 cost reassessment which was announced on 3 October 2025.

### **Contingent liability – unquantifiable**

#### **Marinus Link Project – Shareholders’ agreement**

The Australian Government, along with the Victorian and the Tasmanian Governments, has invested in the joint venture entity Marinus Link Pty Ltd to deliver the Marinus Link project. On 1 August 2025, shareholder governments collectively reached a positive Final Investment Decision to proceed with Stage 1 of Marinus Link and, on 29 August 2025, Marinus Link Pty Ltd and the Clean Energy Finance Corporation reached Financial Close on the project’s debt arrangements.

The project is now progressing towards proposed construction commencement in early 2026. There are ongoing risks as the project progresses, such as from the co-dependent North West Transmission Developments project. The Australian Government will continue to monitor these risks through engagement with the Tasmanian and Victorian Governments and ongoing oversight of Marinus Link Pty Ltd’s activities.

In the event of winding up the project, shareholders may be required to contribute additional equity to meet any outstanding liabilities of Marinus Link Pty Ltd.

Under the shareholders’ agreement, the Tasmanian Government has the option to sell some or all of its shares in Marinus Link Pty Ltd to the other shareholders. This option can only be exercised following the commencement of commercial operations of stage one of the project, currently scheduled for 2030. While the Victorian Government has the first right of refusal to purchase these shares, the Australian Government is required to purchase the shares that the Victorian Government does not acquire. Any additional shares purchased would be expected to generate a return in line with the Australian Government’s existing shareholding in the entity.

## Contingent liability – quantifiable

### Capacity Investment Scheme

The Australian Government has announced it intends to enter into underwriting agreements under the Capacity Investment Scheme (CIS) for:

- six projects through the South Australia and Victoria tender, which are expected to generate 3.62 gigawatt hours (GWh) in storage capacity
- 19 projects through CIS Tender 1 – National Electricity Market (NEM) Generation, providing storage capacity of 3.56 GWh and generating 6.38 gigawatts of renewable energy to the NEM
- four projects through CIS Tender 2 – Wholesale Electricity Market (WEM) Dispatchable, in Western Australia, which are expected to have a combined capacity of around 2.6 GWh in storage capacity
- 16 projects through CIS Tender 3 – NEM Dispatchable, providing storage capacity of 4.13 gigawatts (GW)/15.37 gigawatt hours (GWh) in the NEM
- 20 projects through CIS Tender 4 – NEM Generation, generating 6.6 GW of renewable energy and providing storage capacity of 11.4 GWh in the NEM.

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 are not for publication, they are reflected in the forward estimates from 2026–27. Final payments will depend on future electricity prices and the resulting impact on project revenues.

Any additional specific risks associated with this program will be reflected in the Statement of Risks once further contracts are finalised and if it is determined that they meet the materiality thresholds for inclusion.



## **Contingent asset – quantifiable**

### **Capacity Investment Scheme**

Performance securities are provided to the Australian Government by project operators in the form of a financial guarantee under the terms of the Capacity Investment Scheme (CIS) agreements.

The Government may draw on the performance security in specific circumstances in accordance with the terms of the CIS contract. The performance security must be returned to the Project Operator within ten business days after the earlier date of commercial operations or termination.

At 30 June 2025, the Government holds performance securities in the form of bank guarantees totalling \$47.8 million.

## **Employment and Workplace Relations**

### **Contingent liability – quantifiable**

#### **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 initially accumulated a \$1,600 Employment Fund credit upon commencement of each participant in Workforce Australia Provider Services. This reduced to \$1,500 from 1 July 2025 as part of the 2024–25 Budget measure *Employment Services Reform – Supporting Jobseekers Through Paid Employment Pathways Package*. The Employment Fund credit remains at \$1,600 for Broome Employment Services and Yarrabah Employment Services as these two services have different policy and program settings.
- 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 from 1 June 2024 as part of the 2024–25 Budget measure *Employment Services Reform – Rebasing the Digital Services Contact Centre Funding*. New credits have been paused for the duration of the 2025 calendar year as part of the 2024–25 MYEFO measure *Temporarily Pausing Workforce Australia Online Employment Fund Credits*.

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 2025, there was \$685.2 million in unspent Employment Fund Credits in the Workforce Australia Employment Fund notional bank (this includes Workforce Australia Online Employment Fund, Workforce Australia Services Employment Fund, Broome Employment Services Employment Fund and Yarrabah Employment Services Employment Fund).

## **Contingent liability – unquantifiable**

### **Compensation for unlawful decisions under the Targeted Compliance Framework**

Since 2020, some decisions to cancel social security payments under the Targeted Compliance Framework (TCF) have been found to be invalid. Individuals affected by these decisions may have experienced financial or other forms of detriment.

Affected individuals may be eligible for compensation through an application based process administered under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA). The CDDA scheme would support individuals to receive compensation owing to defective administration of the TCF.

The total fiscal impact of these payments is currently unquantifiable, as it will depend on the number of applications received and the outcome of individual assessments. This represents an unquantifiable contingent liability for the Australian Government.

## **Foreign Affairs and Trade**

### **Fiscal Risk**

#### **Export Finance Australia – National Interest Account**

There are four financing facilities under Export Finance Australia's National Interest Account.

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) started operation on 1 July 2019. The AIFFP can provide up to \$4.0 billion in financing, including up to \$1.0 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 57 infrastructure projects in 11 countries. As at 1 October 2025, the maximum loan exposure was \$1.1 billion, of which \$243.6 million has been 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 2025–26 MYEFO, the Australian Government expanded the CMF by \$1.0 billion for a maximum aggregate exposure of \$5.0 billion. To date, the Government has agreed to provide a total of approximately \$3.1 billion to support six projects under the facility. As at 1 October 2025, \$489.9 million has been 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\$4.6 billion as at 1 October 2025). To date, three loans under the DEF have been agreed for a total signing value of A\$228.0 million. As at 1 October 2025, A\$124.1 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. To date, the Government has agreed to provide a total of approximately \$340.8 million to support three projects under the SEAIFF. As at 1 October 2025, \$6.8 million had been drawn down.

The *Export Finance and Insurance Corporation Act 1991* has been amended to enable Export Finance Australia to finance domestic projects in the national interest where they are consistent with the Future Made in Australia National Interest 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.

## **Health, Disability and Ageing**

### **Fiscal Risks**

#### **Aged Care**

The Australian Government is the principal funder of aged care services, including residential aged care and in-home aged care services.

The *Aged Care Act 2024* commenced on 1 November 2025 and provides the legislative basis for the Government’s reforms to aged care services, including the establishment of the Support at Home program to deliver improved and more targeted in-home care services, and a new framework for participant contributions for residential aged care and in-home aged care services to create a more equitable and sustainable aged care system.

As with other new demand-driven programs, there is greater potential for the estimated costs of the aged care programs to be subject to adjustments to reflect observed changes in actual payments. The estimated costs for the Support at Home program will depend on successful implementation, demand for the new program, wait times, the level of services that care recipients are assessed as eligible for, the services they choose to access and the amount that care recipients contribute towards their costs. The observed impact of the changes to the contribution arrangements for care recipients in residential aged care may also impact on the estimated costs for residential aged care.

#### **National Disability Insurance Scheme**

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

As with other demand-driven programs, the estimated costs for the Scheme 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 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 have begun to moderate growth in Scheme expenditure. Further moderation is expected from the implementation of new framework planning, which will determine Scheme participant plan budgets more consistently based on participant need.

The 2025–26 MYEFO estimates for the Scheme are based on updated projections from the NDIS Actuary as at end June 2025.

## Home Affairs

### Contingent liability – unquantifiable

#### **Commonwealth Community Safety Order Scheme – Federation Funding Agreement – indemnity**

The Department of Home Affairs has negotiated arrangements for the Community Safety Order 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. An extension to the FFA covering the period from 1 July 2025 to 30 June 2026 is currently being negotiated. The FFA provides for the delivery of services 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. 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.

## Industry, Science and Resources

### Fiscal Risk

#### Government support for Whyalla Steelworks

On 19 February 2025, the South Australian Government appointed an administrator to OneSteel Manufacturing Pty Ltd (OneSteel). On 20 February 2025, the Australian and South Australian Governments announced joint support of \$2.4 billion to stabilise and secure the long-term future of the Whyalla Steelworks, including up to \$1.9 billion for the transformation of the Steelworks. The Australian Government's funding contribution for immediate on the ground support and initial contribution to the administration process are reflected in the 2025–26 Budget, as is the commitment of up to \$500 million of the Green Iron Investment Fund to support the long-term transformation of the Steelworks. The Commonwealth has made a further contribution of \$145.5 million to the administration process as reflected in the 2025–26 MYEFO. The Australian Government has also committed to make additional financing contributions, subject to commercial negotiations, as part of the \$1.9 billion joint commitment to the long-term transformation of the steelworks. Funding to support a further extension of the administration process could also be considered if necessary, but this would be subject to a future decision of government so is unable to be quantified at this time.

### Contingent liabilities – unquantifiable

#### Lindfield facility – asbestos contamination

The measurement facility at Lindfield NSW contains asbestos in several buildings and in the soil. The costs of potential long-term management options cannot be accurately quantified at this time.

#### Barrow Island royalty variation

The *Barrow Island Royalty Variation Agreement Act 1985* (WA) provides the basis for royalties to be refunded in the final calendar year of active operations (2025) and the subsequent 3-years. These refunds can be equal to 40 per cent of the net value (the value of production less eligible deductions for costs such as rehabilitation and well abandonment) and are capped at the total value of previous royalty payments. The cost of the refund will be split between the Australian and Western Australian Governments in line with the split of royalty income. While the refund could be significant, the final amount cannot be accurately calculated until the value of production is verified and audited, and eligible costs are paid and similarly verified and audited.

## Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

### Fiscal Risk

#### 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. In the 2025–26 MYEFO, the adjustment is set at \$1.6 billion in 2025–26, \$1.5 billion in 2026–27 and \$0.4 billion in 2027–28, and is unwound over 2028–29 to 2033–34. 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 previous Budget rounds, including the 2025–26 Budget.

### Social Services

#### Contingent liability – unquantifiable

##### Matthew Chaplin v Secretary, Department of Social Services

On 6 November 2025, the High Court of Australia granted Mr Chaplin (represented by Victoria Legal Aid) special leave to appeal the Full Federal Court's decision in *Chaplin v Secretary, Department of Social Services* [2025] FCAFC 89 (*Chaplin case*). Costs associated with the appeal (if any) are not quantifiable until the matter is determined by the Court or otherwise resolved. The contingent liability is partially mitigated by the *Social Security and Other Legislation Amendment (Technical Changes No. 2) Act 2025*, which validates the historical practice of income apportionment and provides for a hierarchy of methodologies to be followed in the calculation of debts involving pre-7 December 2020 employment income.

### Treasury

#### Significant but remote contingency

##### Guarantee for Housing Australia

The Australian Government guarantees the due payment of money payable by Housing Australia to anyone other than the Government. The cap on the Australian Government's guarantee over Housing Australia's commitments has been increased from \$26 billion to \$44 billion to support commitments for Housing Australia Future Fund Round 3 projects.

The Housing Australia Board must not allow Housing Australia to enter into a transaction that would result in its total guaranteed commitments, and any outstanding amount borrowed from the Government, to exceed \$44 billion, unless approved by the Government.

## Contingent liability – unquantifiable

### Guarantees for housing

The Australian Government has several programs to support individuals to enter the housing market sooner. These are administered by Housing Australia.

On 1 October 2025, the Government expanded the 5% Deposit Scheme (the Scheme) (formerly the Home Guarantee Scheme) by uncapping places under all streams, removing the income caps, and increasing property price caps. The Scheme comprises the **General Stream** and the **Single Parent Stream**.

The General Stream (formerly the **First Home Guarantee** and the **First Home Loan Deposit Scheme**) is designed to support eligible first home buyers, and non-first home buyers who have not owned a property in Australia within the past ten years, to build or purchase a home by providing a guarantee to participating lenders for up to 15 per cent of the property purchase price.

The **Single Parent Stream** (formerly the **Family Home Guarantee**) is designed to support single parents and single legal guardians with dependents seeking to enter, or re-enter, the housing market by providing a guarantee to participating lenders for up to 18 per cent of the property purchase value.

The following programs previously operated under the Home Guarantee Scheme but have now concluded. Guarantees issued in previous financial years under these programs remain active.

The **New Home Guarantee** was designed to support eligible first home buyers seeking to build a new home or purchase a newly built home by providing a guarantee to participating lenders for up to 15 per cent of the property purchase value. A second tranche of 10,000 New Home Guarantees was made available from 1 July 2021. The New Home Guarantee concluded on 30 June 2022.

The **Regional First Home Buyer Guarantee** was designed to support regional eligible first home buyers and non-first home buyers who have not owned a property in Australia within the past ten years, to build or purchase a home in a regional location by providing a guarantee to participating lenders of up to 15 per cent of the property purchase value (subject to a minimum deposit of 5 per cent). The Regional First Home Buyer Guarantee commenced on 1 October 2022. The Regional First Home Buyer Guarantee concluded on 30 September 2025.

For the four programs listed above, the Australian Government guarantees the liabilities as they arise. Guaranteed liabilities arise where a lender's loss is covered by the guarantee. The lender then makes a claim against the guarantee and Housing Australia assesses the claim. Given liabilities under the Scheme are met by a standing appropriation, Housing Australia is not required to maintain capital and reserves to meet the liabilities associated with these programs.

## 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 2025.



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

Portfolio	Loan amount(a) (\$m)	Borrower	Interest rate	Term	Status(b)
<b>Agriculture, Fisheries and Forestry</b>					
Drought-related and farm finance concessional loans – Agriculture	133	State Governments (that through their delivery agencies, on-lend to eligible farm businesses)	Various	10 years	Unchanged
Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans and AgRebuild Loans	2,749	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
<b>Climate Change, Energy, the Environment and Water</b>					
Clean Energy Finance Corporation	4,080	Approved entities undertaking clean energy technology projects	Approximately 4.5 per cent weighted average on loans funded	Predominately 5-45 years	Unchanged
<b>Education</b>					
Higher Education Loan Program	51,400	Eligible higher education students	The lower of Wage Price Index (WPI) or Consumer Price Index (CPI) growth	10.2 years (average)	Modified
<b>Employment and Workplace Relations</b>					
Australian Apprenticeship Support Loans Program	899	Eligible students enrolled in a level 3 (Certificate III), level 4 (Certificate IV), level 5 (Diploma) or level 6 (Advanced Diploma) in the Australian Qualifications Framework	The lower of WPI or CPI growth		Unchanged
VET Student Loans Program	4,000	Eligible diploma and above students	The lower of WPI or CPI growth	2.8 years (average)	Unchanged
<b>Finance</b>					
Defence Housing Australia Loan	270	Defence Housing Australia	Various	Various	Unchanged
Snowy Hydro Limited Loan	150	Snowy Hydro Limited	Floating + margin	5 years	Unchanged

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

Portfolio	Loan amount(a) (\$m)	Borrower	Interest rate	Term	Status(b)
<b>Foreign Affairs and Trade</b>					
Government support for PsiQuantum Pty Ltd	191	PsiQuantum Pty Ltd and PsiQuantum Corporation	Commercial-in-confidence	Commercial-in-confidence	Unchanged
Telstra acquisition of Digicel Pacific	2,100	Telstra	Commercial-in-confidence	Various	Unchanged
<b>Industry, Science and Resources</b>					
National Reconstruction Fund Corporation	90	Eligible projects in accordance with NRFC Act and NRFC investment mandate	Various	Various	Unchanged
<b>Infrastructure, Transport, Regional Development, Communications, Sport and the Arts</b>					
Northern Australia Infrastructure Facility Loans	1,294	Northern Australia jurisdictions (Western Australia, Queensland or the Northern Territory) for on-lending to project proponents. The NAIF Investment Mandate Direction 2023 additionally allows for provision of financial assistance directly to other entities	Various	Various	Unchanged
WestConnex Stage 2 Concessional Loan	2,333	WCX M5 Finco Pty Ltd	3.36 per cent	November 2015 to July 2034	Unchanged
Rex Airlines	86	Rex Group Entities	Commercial-in-confidence	Various	New
<b>Prime Minister and Cabinet</b>					
Indigenous home ownership, business development and assistance	1,249	Eligible Indigenous persons	6.24 per cent	Up to 32 years	Modified
Voyages Indigenous Tourism Australia Pty Ltd	337	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	Unchanged

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

Portfolio	Loan amount(a) (\$m)	Borrower	Interest rate	Term	Status(b)
<b>Social Services</b>					
Home Equity Access Scheme	563	Eligible older Australians who meet residency requirements and own suitable real estate in Australia to use as security.	3.95 per cent	Various	Unchanged
Student Financial Supplement Scheme	149	Eligible recipients of Youth Allowance (student), Austudy and ABSTUDY recipients	The lower of WPI or CPI growth	Various	Unchanged
Student Start-up Loan	917	Eligible Youth Allowance (student), Austudy and ABSTUDY Living Allowance recipients	The lower of WPI or CPI growth	Various	Unchanged
<b>Treasury</b>					
100,000 homes for first home buyers - loans	0	State and territory governments	0%	3 years (unless negotiated otherwise)	New
Affordable Housing Bond Aggregator	117	Housing Australia	Commonwealth cost of borrowing	Various	Unchanged
Commonwealth-State financing arrangements – housing and specific purpose capital	1,089	State and Northern Territory governments	4.0 per cent – 5.0 per cent	Up to 30 June 2042	Unchanged
International Monetary Fund – Poverty Reduction and Growth Trust	682	International Monetary Fund	IMF SDR interest rate	Tranche 1 (SDR 500m) is approximately 9 years, Tranche 2 (SDR 500m) is approximately 7 years	Modified
International Monetary Fund – Resilience and Sustainability Trust	289	International Monetary Fund	IMF SDR interest rate	Approximately 8 years	Unchanged

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

Portfolio	Loan amount(a) (\$m)	Borrower	Interest rate	Term	Status(b)
<b>Treasury (continued)</b>					
Loan Agreement between the Australian Government and the Government of Indonesia	832	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	271	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	296	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
2024 Loan Agreement between the Australian Government and the Government of Papua New Guinea	359	Government of Papua New Guinea	Commonwealth cost of borrowing	20 years	Unchanged

a) Loan amount is the estimated loan program amounts outstanding as at 30 June 2025 in \$ million.

b) Status of loan items are considered 'unchanged' unless there are modifications to respective interest rates and/or loan term.

## **Agriculture, Fisheries and Forestry**

### **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 2025, 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 2025, 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 6-monthly basis in line with any material changes to the Australian Government 10-year bond rate where a material change is taken to be a movement of more than ten basis points (0.1 per cent). The Government will hold the interest rate at 5.18 per cent until 31 July 2026 to provide financial stability and predictability for RIC clients.

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.

## 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 2025, the fair value of HELP debt outstanding is estimated to be \$51.4 billion. The fair value takes into account the concessionality of HELP loans and makes an allowance for debt not expected to be repaid. The fair value does not include the impacts of the 2024–25 MYEFO measure *Building Australia's Future – a fairer deal for students* which was legislated after 30 June 2025. These impacts will be reflected in the estimated fair value as at 30 June 2026.

There were 2,962,650 HELP debtors as at 30 June 2025. 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 2025, the average time taken to repay HELP debts was 10.2 years.

## Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

### Rex Airlines

The Australian Government has provided a loan of up to \$110.0 million to fund the operations of Regional Express Airlines (Rex) during the voluntary administration and Deed of Company Arrangement (DOCA) periods, and has acquired \$50.0 million of secured debt owed by Rex to become the major secured creditor.

On 4 November 2025, the Australian Government announced it would restructure the loan and secured debt to support the proposal put forward by Air T, Inc. (Air T) to acquire Rex. Air T's proposal has been approved by Rex's creditors and will be administered under a binding DOCA, with the remaining steps to complete the transaction expected to occur by the end of December 2025.

Once the transaction is complete, approximately \$90.0 million of debt would be carried forward and a new commercial loan of \$60.0 million will be provided to Rex. This will supplement \$50.0 million being contributed by Air T towards the recapitalisation of the business. In exchange for financing and to ensure value for taxpayer money, Air T has agreed to a range of commitments aimed at preserving essential regional aviation connectivity and improving Rex's governance arrangements.

## **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 2025, the fair value of outstanding loans for Indigenous home ownership and business development and assistance totals \$1.3 billion.

## **Treasury**

### **100,000 homes for first home buyers – loans**

The Australian Government, through the Treasury, has committed to offer \$8.0 billion in zero-interest loans, primarily to support state and territory governments to deliver up to 100,000 homes. These homes will be reserved for sale to first home buyers consistent with the Government's announcement on 13 April 2025. Arrangements with the states and territories will be negotiated under the Federal Financial Relations System. The program had not commenced as at 30 June 2025.

### **International Monetary Fund – Poverty Reduction and Growth Trust**

The Australian Government has entered into two agreements to make an aggregate line of credit worth Special Drawing Rights (SDR) 1 billion (approximately A\$2.1 billion as at 30 June 2025) 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 value of loans outstanding to Australia was SDR 325.1 million (approximately A\$681.6 million) as at 30 June 2025.

On 11 October 2022, the Government entered into an agreement to lend SDR 1 billion (approximately A\$2.1 billion as at 30 June 2025) to the PRGT Pooled Investments, in order to provide subsidy resources to the PRGT of SDR 36 million (approximately A\$75.5 million as at 30 June 2025). 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\$171.9 million as at 30 June 2025).

On 1 December 2025, SDR 82 million was provided to the IMF subsidy resources and the Government was repaid its PRGT Pooled Investments of SDR 1 billion.





## 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			
		2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Revenue</b>					
Taxation revenue	3	709,980	736,905	761,532	802,369
Sales of goods and services	4	21,987	23,526	24,627	25,590
Interest income	5	10,159	10,568	11,363	12,063
Dividend and distribution income	5	7,591	7,808	8,363	9,168
Other	6	15,876	14,798	14,877	14,904
<b>Total revenue</b>		<b>765,593</b>	<b>793,605</b>	<b>820,762</b>	<b>864,094</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)	7	31,147	29,938	30,159	30,734
Superannuation	7	9,433	8,873	9,205	9,669
Depreciation and amortisation	8	14,154	14,621	14,972	15,499
Supply of goods and services	9	230,174	236,870	246,005	259,193
Other operating expenses(a)	7	14,990	13,755	15,060	16,979
<i>Total gross operating expenses</i>		<i>299,898</i>	<i>304,056</i>	<i>315,401</i>	<i>332,075</i>
Superannuation interest expense	7	14,803	15,720	16,102	16,511
Interest expenses	10	39,245	42,615	48,628	50,465
Current transfers					
Current grants	11	227,136	233,716	241,619	252,402
Subsidy expenses		20,003	19,820	19,942	22,036
Personal benefits	12	170,693	180,060	190,343	201,592
<i>Total current transfers</i>		<i>417,832</i>	<i>433,596</i>	<i>451,904</i>	<i>476,029</i>
Capital transfers	11				
Mutually agreed write-downs		13,294	2,650	2,799	2,948
Other capital grants		24,161	20,333	19,162	19,431
<i>Total capital transfers</i>		<i>37,455</i>	<i>22,982</i>	<i>21,961</i>	<i>22,380</i>
<b>Total expenses</b>		<b>809,232</b>	<b>818,970</b>	<b>853,996</b>	<b>897,459</b>
<b>Net operating balance</b>		<b>-43,639</b>	<b>-25,365</b>	<b>-33,234</b>	<b>-33,365</b>
<b>Other economic flows – included in operating result</b>					
Net write-downs of assets		-12,609	-12,343	-13,235	-12,738
Assets recognised for the first time		388	408	429	449
Actuarial revaluations		1,564	-61	-71	-84
Net foreign exchange gains		97	5	0	0
Net swap interest received		350	14	9	0
Market valuation of debt		3,096	-12,198	-11,335	-10,569
Other gains/(losses)		12,630	10,477	11,920	12,762
<b>Total other economic flows – included in operating result</b>		<b>5,516</b>	<b>-13,698</b>	<b>-12,284</b>	<b>-10,180</b>
<b>Operating result(b)</b>		<b>-38,124</b>	<b>-39,063</b>	<b>-45,517</b>	<b>-43,544</b>

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

	Note	Estimates			
		2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Non-owner movements in equity</b>					
Revaluation of equity investments		-526	0	0	0
Actuarial revaluations		-630	-221	-221	-220
Other economic revaluations		118	160	1,565	172
<b>Total other economic flows - included in equity</b>		<b>-1,038</b>	<b>-61</b>	<b>1,344</b>	<b>-48</b>
<b>Comprehensive result - Total change in net worth</b>		<b>-39,162</b>	<b>-39,124</b>	<b>-44,174</b>	<b>-43,593</b>
<b>Net operating balance</b>		<b>-43,639</b>	<b>-25,365</b>	<b>-33,234</b>	<b>-33,365</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		24,701	24,479	25,582	25,052
<i>less</i> Sales of non-financial assets		440	26	1,414	22
<i>less</i> Depreciation		14,154	14,621	14,972	15,499
<i>plus</i> Change in inventories		1,066	595	783	845
<i>plus</i> Other movements in non-financial assets		0	0	0	0
<b>Total net acquisition of non-financial assets</b>		<b>11,173</b>	<b>10,427</b>	<b>9,980</b>	<b>10,376</b>
<b>Fiscal balance (Net lending/borrowing)(c)</b>		<b>-54,812</b>	<b>-35,792</b>	<b>-43,213</b>	<b>-43,741</b>

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			
		2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Assets</b>					
Financial assets					
Cash and deposits		73,588	75,947	80,268	83,949
Advances paid	13	73,794	87,975	100,801	113,038
Investments, loans and placements	14	260,862	270,215	280,321	291,325
Other receivables	13	93,453	100,915	108,159	115,212
Equity investments					
Investments in other public sector entities		52,886	58,065	60,560	63,906
Equity accounted investments		6,871	6,872	6,854	6,835
Investments - shares		126,891	135,147	144,077	153,581
<i>Total financial assets</i>		<i>688,345</i>	<i>735,136</i>	<i>781,040</i>	<i>827,846</i>
Non-financial assets	15				
Land		15,436	15,609	15,877	16,065
Buildings		54,248	54,978	55,959	55,233
Plant, equipment and infrastructure		124,399	131,526	140,326	150,936
Inventories		13,691	14,003	14,422	14,807
Intangibles		16,171	17,222	17,258	16,726
Investment properties		222	209	177	157
Biological assets		5	5	5	5
Heritage and cultural assets		13,201	13,217	13,237	13,245
Assets held for sale		40	35	35	35
Other non-financial assets		6	6	6	6
<i>Total non-financial assets</i>		<i>237,421</i>	<i>246,810</i>	<i>257,303</i>	<i>267,215</i>
<b>Total assets</b>		<b>925,766</b>	<b>981,946</b>	<b>1,038,343</b>	<b>1,095,061</b>
<b>Liabilities</b>					
Interest bearing liabilities					
Deposits held		416	416	416	416
Government securities		942,518	1,027,847	1,108,193	1,190,511
Loans	16	34,181	35,127	35,797	35,881
Lease liabilities		18,599	17,634	17,388	16,339
<i>Total interest bearing liabilities</i>		<i>995,715</i>	<i>1,081,024</i>	<i>1,161,794</i>	<i>1,243,148</i>

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

	Note	Estimates			
		2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Provisions and payables					
Superannuation liability	17	314,706	323,479	332,259	340,127
Other employee liabilities	17	97,146	99,416	102,347	106,364
Suppliers payables	18	14,185	15,538	17,950	18,807
Personal benefits payables	18	4,845	4,837	4,530	4,925
Subsidies payables	18	635	627	612	612
Grants payables	18	6,876	6,543	7,017	7,134
Other payables	18	6,757	6,312	6,220	6,181
Provisions	18	129,212	127,604	133,223	138,965
<i>Total provisions and payables</i>		<i>574,362</i>	<i>584,356</i>	<i>604,157</i>	<i>623,115</i>
<b>Total liabilities</b>		<b>1,570,077</b>	<b>1,665,381</b>	<b>1,765,951</b>	<b>1,866,262</b>
<b>Net worth(a)</b>		<b>-644,311</b>	<b>-683,435</b>	<b>-727,608</b>	<b>-771,201</b>
<i>Net financial worth(b)</i>		<i>-881,731</i>	<i>-930,245</i>	<i>-984,912</i>	<i>-1,038,416</i>
<i>Net financial liabilities(c)</i>		<i>934,618</i>	<i>988,310</i>	<i>1,045,471</i>	<i>1,102,323</i>
<i>Net debt(d)</i>		<i>587,471</i>	<i>646,888</i>	<i>700,404</i>	<i>754,837</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<sup>(a)</sup>**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Cash receipts from operating activities</b>				
Taxes received	691,142	718,486	742,269	783,601
Receipts from sales of goods and services	21,528	23,025	24,545	25,546
Interest receipts	9,103	9,091	9,478	9,841
Dividends, distributions and income tax equivalents	7,558	7,766	8,323	9,126
Other receipts	20,251	18,601	19,491	18,753
<b>Total operating receipts</b>	<b>749,582</b>	<b>776,968</b>	<b>804,105</b>	<b>846,866</b>
<b>Cash payments for operating activities</b>				
Payments to employees(b)	-50,237	-49,630	-51,164	-52,287
Payments for goods and services	-226,686	-234,786	-243,536	-257,448
Grants and subsidies paid	-274,740	-280,029	-282,760	-293,485
Interest paid	-27,390	-29,383	-36,849	-38,511
Personal benefit payments	-170,745	-180,792	-190,707	-201,730
Other payments(b)	-11,500	-11,527	-11,755	-13,025
<b>Total operating payments</b>	<b>-761,299</b>	<b>-786,146</b>	<b>-816,771</b>	<b>-856,487</b>
<b>Net cash flows from operating activities</b>	<b>-11,716</b>	<b>-9,178</b>	<b>-12,666</b>	<b>-9,621</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	209	61	1,449	57
Purchases of non-financial assets	-22,453	-22,376	-22,205	-23,665
<b>Net cash flows from investments in non-financial assets</b>	<b>-22,244</b>	<b>-22,314</b>	<b>-20,756</b>	<b>-23,608</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-21,796</b>	<b>-28,389</b>	<b>-22,111</b>	<b>-21,532</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-4,289</b>	<b>-4,940</b>	<b>-5,476</b>	<b>-6,227</b>
<b>Cash receipts from financing activities</b>				
Borrowing	498,677	787,812	786,003	801,043
Other financing	6,877	122	68	10
<b>Total cash receipts from financing activities</b>	<b>505,554</b>	<b>787,934</b>	<b>786,072</b>	<b>801,053</b>
<b>Cash payments for financing activities</b>				
Borrowing	-439,322	-716,121	-717,791	-733,341
Other financing	-11,471	-4,633	-2,951	-3,042
<b>Total cash payments for financing activities</b>	<b>-450,793</b>	<b>-720,754</b>	<b>-720,742</b>	<b>-736,383</b>
<b>Net cash flows from financing activities</b>	<b>54,761</b>	<b>67,180</b>	<b>65,330</b>	<b>64,670</b>
<b>Net increase/(decrease) in cash held</b>	<b>-5,284</b>	<b>2,359</b>	<b>4,321</b>	<b>3,681</b>

**Table 7.3: Australian Government general government sector cash flow statement (continued)<sup>(a)</sup>**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>GFS cash surplus(+)/deficit(-)(c)</b>	<b>-33,960</b>	<b>-31,493</b>	<b>-33,422</b>	<b>-33,229</b>
<i>plus</i> Principal payments of lease liabilities(d)	-2,804	-2,810	-2,767	-2,763
<b>Equals underlying cash balance(e)</b>	<b>-36,764</b>	<b>-34,303</b>	<b>-36,189</b>	<b>-35,993</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-21,796	-28,389	-22,111	-21,532
<b>Equals headline cash balance</b>	<b>-58,560</b>	<b>-62,691</b>	<b>-58,300</b>	<b>-57,525</b>

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
	2025-26
	\$m
<b>Revenue</b>	
Grants and subsidies	253
Sales of goods and services	24,038
Interest income	58
Other	84
<b>Total revenue</b>	<b>24,434</b>
<b>Expenses</b>	
Gross operating expenses	
Wages and salaries(a)	5,365
Superannuation	642
Depreciation and amortisation	4,524
Supply of goods and services	11,987
Other operating expenses(a)	969
<i>Total gross operating expenses</i>	<i>23,486</i>
Interest expenses	2,382
Other property expenses	151
Current transfers	
Tax expenses	169
<i>Total current transfers</i>	<i>169</i>
<b>Total expenses</b>	<b>26,187</b>
<b>Net operating balance</b>	<b>-1,754</b>
<b>Other economic flows</b>	<b>-1,133</b>
<b>Comprehensive result - Total change in net worth excluding contribution from owners</b>	<b>-2,886</b>
<b>Net acquisition of non-financial assets</b>	
Purchases of non-financial assets	13,570
<i>less Sales of non-financial assets</i>	<i>446</i>
<i>less Depreciation</i>	<i>4,524</i>
<i>plus Change in inventories</i>	<i>-1</i>
<i>plus Other movements in non-financial assets</i>	<i>20</i>
<b>Total net acquisition of non-financial assets</b>	<b>8,620</b>
<b>Fiscal balance (Net lending/borrowing)(b)</b>	<b>-10,373</b>
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
	2025-26
	\$m
<b>Assets</b>	
Financial assets	
Cash and deposits	2,001
Investments, loans and placements	892
Other receivables	6,692
Equity investments	391
<i>Total financial assets</i>	<i>9,976</i>
Non-financial assets	
Land and other fixed assets	88,277
Other non-financial assets(a)	4,423
<i>Total non-financial assets</i>	<i>92,700</i>
<b>Total assets</b>	<b>102,676</b>
<b>Liabilities</b>	
Interest bearing liabilities	
Deposits held	14
Advances received and loans	43,295
Lease liabilities	14,364
<i>Total interest bearing liabilities</i>	<i>57,673</i>
Provisions and payables	
Superannuation liability	9
Other employee liabilities	2,112
Other payables	6,536
Other provisions(a)	955
<i>Total provisions and payables</i>	<i>9,612</i>
<b>Total liabilities</b>	<b>67,285</b>
<b>Shares and other contributed capital</b>	<b>35,391</b>
<b>Net worth(b)</b>	<b>35,391</b>
<i>Net financial worth(c)</i>	<i>-57,309</i>
<i>Net debt(d)</i>	<i>54,781</i>

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<sup>(a)</sup>**

	Estimates
	2025-26
	\$m
<b>Cash receipts from operating activities</b>	
Receipts from sales of goods and services	26,407
Grants and subsidies received	39
GST input credit receipts	130
Other receipts	63
<b>Total operating receipts</b>	<b>26,638</b>
<b>Cash payments for operating activities</b>	
Payments to employees(b)	-5,917
Payments for goods and services	-14,023
Interest paid	-2,707
GST payments to taxation authority	-452
Distributions paid	-152
Other payments(b)	-1,149
<b>Total operating payments</b>	<b>-24,398</b>
<b>Net cash flows from operating activities</b>	<b>2,240</b>
<b>Cash flows from investments in non-financial assets</b>	
Sales of non-financial assets	229
Purchases of non-financial assets	-12,489
<b>Net cash flows from investments in non-financial assets</b>	<b>-12,259</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-4</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>108</b>
<b>Net cash flows from financing activities</b>	
Borrowing (net)	4,210
Other financing (net)	5,339
<b>Net cash flows from financing activities</b>	<b>9,549</b>
<b>Net increase/(decrease) in cash held</b>	<b>-367</b>
<b>Cash at the beginning of the year</b>	<b>2,368</b>
<b>Cash at the end of the year</b>	<b>2,001</b>
<b>GFS cash surplus(+)/deficit(-)(c)</b>	<b>-10,020</b>
<i>plus</i> Principal payments of lease liabilities(d)	-398
<b>Adjusted GFS cash surplus(+)/deficit(-)(d)</b>	<b>-10,418</b>

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
	2025-26
	\$m
<b>Revenue</b>	
Taxation revenue	709,590
Sales of goods and services	43,728
Interest income	10,147
Dividend and distribution income	7,443
Other	15,950
<b>Total revenue</b>	<b>786,859</b>
<b>Expenses</b>	
Gross operating expenses	
Wages and salaries(a)	36,486
Superannuation	10,074
Depreciation and amortisation	18,678
Supply of goods and services	239,938
Other operating expenses(a)	15,962
<i>Total gross operating expenses</i>	<i>321,138</i>
Superannuation interest expense	14,803
Interest expenses	41,557
Current transfers	
Current grants	227,136
Subsidy expenses	19,787
Personal benefits	170,693
<i>Total current transfers</i>	<i>417,616</i>
Capital transfers	37,250
<b>Total expenses</b>	<b>832,363</b>
<b>Net operating balance</b>	<b>-45,504</b>
<b>Other economic flows</b>	<b>3,533</b>
<b>Comprehensive result - Total change in net worth</b>	<b>-41,971</b>
<b>Net acquisition of non-financial assets</b>	
Purchases of non-financial assets	38,194
<i>less</i> Sales of non-financial assets	<i>885</i>
<i>less</i> Depreciation	<i>18,678</i>
<i>plus</i> Change in inventories	<i>1,065</i>
<i>plus</i> Other movements in non-financial assets	<i>20</i>
<b>Total net acquisition of non-financial assets</b>	<b>19,715</b>
<b>Fiscal balance (Net lending/borrowing)(b)</b>	<b>-65,220</b>

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
	2025-26
	\$m
<b>Assets</b>	
Financial assets	
Cash and deposits	75,589
Advances paid	72,166
Investments, loans and placements	261,714
Other receivables	99,273
Equity investments	137,128
<i>Total financial assets</i>	<i>645,870</i>
Non-financial assets	
Land and other fixed assets	309,134
Other non-financial assets	20,639
<i>Total non-financial assets</i>	<i>329,773</i>
<b>Total assets</b>	<b>975,644</b>
<b>Liabilities</b>	
Interest bearing liabilities	
Deposits held	431
Government securities	942,518
Advances received and loans	75,809
Lease liabilities	32,963
<i>Total interest bearing liabilities</i>	<i>1,051,721</i>
Provisions and payables	
Superannuation liability	314,714
Other employee liabilities	99,258
Other payables	39,421
Other provisions	129,809
<i>Total provisions and payables</i>	<i>583,202</i>
<b>Total liabilities</b>	<b>1,634,923</b>
<b>Net worth(a)</b>	<b>-659,279</b>
<i>Net financial worth(b)</i>	<i>-989,053</i>
<i>Net debt(c)</i>	<i>642,251</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<sup>(a)</sup>**

	Estimates
	2025-26 \$m
<b>Cash receipts from operating activities</b>	
Taxes received	691,030
Receipts from sales of goods and services	43,379
Interest receipts	9,092
Dividends, distributions and income tax equivalents	7,409
Other receipts	20,115
<b>Total operating receipts</b>	<b>771,025</b>
<b>Cash payments for operating activities</b>	
Payments to employees(b)	-56,128
Payments for goods and services	-236,456
Grants and subsidies paid	-274,611
Interest paid	-30,027
Personal benefit payments	-170,745
Other payments(b)	-12,535
<b>Total operating payments</b>	<b>-780,502</b>
<b>Net cash flows from operating activities</b>	<b>-9,477</b>
<b>Cash flows from investments in non-financial assets</b>	
Sales of non-financial assets	438
Purchases of non-financial assets	-34,941
<b>Net cash flows from investments in non-financial assets</b>	<b>-34,503</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-14,548</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-4,182</b>
<b>Net cash flows from financing activities</b>	
Borrowing (net)	62,124
Other financing (net)	-5,067
<b>Net cash flows from financing activities</b>	<b>57,058</b>
<b>Net increase/(decrease) in cash held</b>	<b>-5,651</b>
<b>Cash at the beginning of the year</b>	<b>81,240</b>
<b>Cash at the end of the year</b>	<b>75,589</b>
<b>GFS cash surplus(+)/deficit(-)(c)</b>	<b>-43,980</b>
<i>plus</i> Principal payments of lease liabilities(d)	-3,202
<b>Adjusted GFS cash surplus(+)/deficit(-)(d)</b>	<b>-47,182</b>

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
	2025-26
	\$m
<b>Revenue</b>	
Grants and subsidies	279
Sales of goods and services	1,690
Interest income	9,340
Other	7
<b>Total revenue</b>	<b>11,316</b>
<b>Expenses</b>	
Gross operating expenses	
Wages and salaries(a)	469
Superannuation	49
Depreciation and amortisation	60
Supply of goods and services	1,411
Other operating expenses(a)	102
<i>Total gross operating expenses</i>	<i>2,091</i>
Interest expenses	9,744
Other property expenses	18
Current transfers	
Tax expenses	13
<i>Total current transfers</i>	<i>13</i>
<b>Total expenses</b>	<b>11,867</b>
<b>Net operating balance</b>	<b>-551</b>
<b>Other economic flows</b>	<b>2,712</b>
<b>Comprehensive result - Total change in net worth excluding contribution from owners</b>	<b>2,161</b>
<b>Net acquisition of non-financial assets</b>	
Purchases of non-financial assets	118
<i>less</i> Sales of non-financial assets	0
<i>less</i> Depreciation	60
<i>plus</i> Change in inventories	-103
<i>plus</i> Other movements in non-financial assets	0
<b>Total net acquisition of non-financial assets</b>	<b>-45</b>
<b>Fiscal balance (Net lending/borrowing)(b)</b>	<b>-506</b>
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<sup>(a)</sup>**

	Estimates
	2025-26 \$m
<b>Assets</b>	
Financial assets	
Cash and deposits	1,619
Investments, loans and placements	415,096
Other receivables	372
Equity investments	1,672
<i>Total financial assets</i>	<i>418,758</i>
Non-financial assets	
Land and other fixed assets	798
Other non-financial assets(b)	54
<i>Total non-financial assets</i>	<i>852</i>
<b>Total assets</b>	<b>419,610</b>
<b>Liabilities</b>	
Interest bearing liabilities	
Deposits held	391,701
Borrowing	9,905
<i>Total interest bearing liabilities</i>	<i>401,606</i>
Provisions and payables	
Superannuation liability	0
Other employee liabilities	216
Other payables	13,570
Other provisions(b)	4,834
<i>Total provisions and payables</i>	<i>18,619</i>
<b>Total liabilities</b>	<b>420,225</b>
<b>Shares and other contributed capital</b>	<b>-615</b>
<b>Net worth(c)</b>	<b>-615</b>
<i>Net financial worth(d)</i>	<i>-1,467</i>
<i>Net debt(e)</i>	<i>-15,109</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<sup>(a)</sup>**

	Estimates
	2025-26
	\$m
<b>Cash receipts from operating activities</b>	
Receipts from sales of goods and services	1,843
Grants and subsidies received	279
GST input credit receipts	5
Interest receipts	8,182
Other receipts	160
<b>Total operating receipts</b>	<b>10,470</b>
<b>Cash payments for operating activities</b>	
Payments to employees(b)	-509
Payments for goods and services	-1,253
Interest paid	-10,552
GST payments to taxation authority	0
Distributions paid	-34
Other payments(b)	-102
<b>Total operating payments</b>	<b>-12,449</b>
<b>Net cash flows from operating activities</b>	<b>-1,979</b>
<b>Cash flows from investments in non-financial assets</b>	
Sales of non-financial assets	0
Purchases of non-financial assets	-107
<b>Net cash flows from investments in non-financial assets</b>	<b>-107</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,574</b>
<b>Net cash flows from investments in financial assets for liquidity purposes(c)</b>	<b>4,164</b>
<b>Net cash flows from financing activities</b>	
Borrowing and deposits received(net)(c)	-1,486
Other financing (net)	1,264
<b>Net cash flows from financing activities</b>	<b>-221</b>
<b>Net increase/(decrease) in cash held</b>	<b>282</b>
<b>Cash at the beginning of the year</b>	<b>1,337</b>
<b>Cash at the end of the year</b>	<b>1,619</b>
<b>GFS cash surplus(+)/deficit(-)(d)</b>	<b>-2,086</b>
<i>plus</i> Principal payments of lease liabilities(e)	-7
<b>Adjusted GFS cash surplus(+)/deficit(-)(e)</b>	<b>-2,093</b>

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 2025–26 Budget and 2025 Pre-election Economic and Fiscal Outlook (PEFO) are disclosed in Part 3: *Fiscal strategy and outlook*, with decisions taken since the 2025 PEFO disclosed in Appendix A: *Policy decisions taken since the 2025 PEFO*.

Updates to fiscal risks, contingent liabilities and assets, and government loans since the 2025–26 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	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 used.	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 is 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
<b>Fiscal aggregates differences</b>			
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
<b>Classification differences</b>			
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			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Individuals and other withholding taxes				
Gross income tax withholding	315,800	332,200	351,800	372,100
Gross other individuals	91,600	94,200	97,500	105,600
less: Refunds	40,600	42,400	45,600	47,700
Total individuals and other withholding tax	366,800	384,000	403,700	430,000
Fringe benefits tax	5,560	5,620	5,780	6,090
Company tax	147,800	150,500	150,200	154,100
Superannuation fund taxes	29,880	29,140	28,140	30,340
Petroleum resource rent tax	1,820	1,590	1,180	1,070
<b>Income taxation revenue</b>	<b>551,860</b>	<b>570,850</b>	<b>589,000</b>	<b>621,600</b>
Goods and services tax	101,030	107,240	112,890	120,180
Wine equalisation tax	1,110	1,220	1,280	1,320
Luxury car tax	1,130	1,180	1,240	1,310
Excise and Custom duty				
Petrol	7,320	7,570	7,800	8,030
Diesel	17,660	18,490	19,240	19,790
Other fuel products	1,680	1,710	1,720	1,760
Tobacco	5,450	4,800	4,550	4,350
Beer	2,720	2,780	2,820	2,870
Spirits	3,270	3,280	3,280	3,300
Other alcoholic beverages(a)	1,810	1,860	1,900	1,950
Other customs duty				
Textiles, clothing and footwear	160	160	150	140
Passenger motor vehicles	300	270	220	90
Other imports	1,550	1,640	1,250	890
less: Refunds and drawbacks	1,380	730	730	730
Total excise and customs duty	40,540	41,830	42,200	42,440
Major bank levy	1,900	1,990	2,080	2,190
Agricultural levies	707	697	703	716
Visa application charges	4,576	4,971	5,198	5,438
Other taxes	7,127	6,927	6,941	7,175
Mirror taxes	1,016	1,069	1,124	1,183
less: Transfers to states in relation to mirror tax revenue	1,016	1,069	1,124	1,183
Mirror tax revenue	0	0	0	0
<b>Indirect taxation revenue</b>	<b>158,120</b>	<b>166,055</b>	<b>172,532</b>	<b>180,769</b>
<b>Taxation revenue</b>	<b>709,980</b>	<b>736,905</b>	<b>761,532</b>	<b>802,369</b>
<i>Memorandum:</i>				
Total excise	31,760	33,000	34,090	35,050
Total customs duty	8,780	8,830	8,110	7,390
Capital gains tax(b)	31,500	30,700	31,300	32,600

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			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Taxes on income, profits and capital gains				
Income and capital gains levied on individuals	372,360	389,620	409,480	436,090
Income and capital gains levied on enterprises	179,500	181,230	179,520	185,510
<b>Total taxes on income, profits and capital gains</b>	<b>551,860</b>	<b>570,850</b>	<b>589,000</b>	<b>621,600</b>
Taxes on employers' payroll and labour force	1,935	1,741	1,723	1,811
Taxes on the provision of goods and services				
Sales/goods and services tax	103,270	109,640	115,410	122,810
Excises and levies	32,467	33,697	34,793	35,766
Taxes on international trade	8,780	8,830	8,110	7,390
<b>Total taxes on the provision of goods and services</b>	<b>144,517</b>	<b>152,167</b>	<b>158,313</b>	<b>165,966</b>
Taxes on the use of goods and performance of activities	11,668	12,147	12,496	12,992
<b>Total taxation revenue</b>	<b>709,980</b>	<b>736,905</b>	<b>761,532</b>	<b>802,369</b>

**Note 4: Sales of goods and services revenue**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Sales of goods	1,794	1,756	1,921	1,970
Rendering of services	16,914	18,285	19,376	20,215
Lease rental	422	435	471	507
Fees from regulatory services	2,857	3,050	2,859	2,898
<b>Total sales of goods and services revenue</b>	<b>21,987</b>	<b>23,526</b>	<b>24,627</b>	<b>25,590</b>

**Note 5: Interest and dividend and distribution revenue**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
<b>Interest from other governments</b>				
State and territory debt	10	8	5	4
Housing agreements	57	53	48	43
<b>Total interest from other governments</b>	<b>67</b>	<b>60</b>	<b>52</b>	<b>47</b>
<b>Interest from other sources</b>				
Advances	821	1,229	1,651	1,939
Deposits	2,983	2,714	2,724	2,671
Indexation of HELP receivable and other student loans	1,115	1,322	1,119	1,251
Other	5,173	5,242	5,818	6,154
<b>Total interest from other sources</b>	<b>10,092</b>	<b>10,508</b>	<b>11,311</b>	<b>12,016</b>
<b>Total interest</b>	<b>10,159</b>	<b>10,568</b>	<b>11,363</b>	<b>12,063</b>
<b>Dividends and distributions</b>				
Dividends from other public sector entities	173	124	248	585
Other dividends and distributions	7,418	7,683	8,114	8,583
<b>Total dividends and distributions</b>	<b>7,591</b>	<b>7,808</b>	<b>8,363</b>	<b>9,168</b>
<b>Total interest and dividend and distribution revenue</b>	<b>17,750</b>	<b>18,375</b>	<b>19,726</b>	<b>21,231</b>

**Note 6: Other sources of non-taxation revenue**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
Industry contributions	111	112	122	138
Royalties	703	593	510	397
Seigniorage	48	46	46	46
Other	15,015	14,047	14,199	14,323
<b>Total other sources of non-taxation revenue</b>	<b>15,876</b>	<b>14,798</b>	<b>14,877</b>	<b>14,904</b>

**Note 7: Employee and superannuation expense**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Wages and salaries expenses</b>	<b>31,147</b>	<b>29,938</b>	<b>30,159</b>	<b>30,734</b>
<b>Other operating expenses</b>				
Leave and other entitlements	3,934	3,794	3,864	3,890
Separations and redundancies	111	115	125	87
Workers compensation premiums and claims	7,858	6,751	7,877	9,647
Other	3,087	3,096	3,194	3,355
<b>Total other operating expenses</b>	<b>14,990</b>	<b>13,755</b>	<b>15,060</b>	<b>16,979</b>
<b>Superannuation expenses</b>				
Superannuation	9,433	8,873	9,205	9,669
Superannuation interest cost	14,803	15,720	16,102	16,511
<b>Total superannuation expenses</b>	<b>24,235</b>	<b>24,593</b>	<b>25,306</b>	<b>26,180</b>
<b>Total employee and superannuation expense</b>	<b>70,372</b>	<b>68,286</b>	<b>70,525</b>	<b>73,893</b>

**Note 8: Depreciation and amortisation expense**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Depreciation</b>				
Specialist military equipment	5,389	5,619	5,845	6,064
Buildings	4,398	4,424	4,436	4,454
Other infrastructure, plant and equipment	3,037	3,230	3,400	3,689
Heritage and cultural assets	65	65	64	64
Other	5	5	5	5
<b>Total depreciation(a)</b>	<b>12,894</b>	<b>13,342</b>	<b>13,750</b>	<b>14,276</b>
<b>Total amortisation</b>	<b>1,260</b>	<b>1,278</b>	<b>1,221</b>	<b>1,223</b>
<b>Total depreciation and amortisation expense</b>	<b>14,154</b>	<b>14,621</b>	<b>14,972</b>	<b>15,499</b>
<i>Memorandum:</i>				
<b>Depreciation relating to right of use assets</b>				
Specialist military equipment	39	39	39	39
Buildings	2,554	2,545	2,491	2,454
Other infrastructure, plant and equipment	315	311	300	300
Other	5	5	5	5
<b>Total depreciation of right of use assets</b>	<b>2,914</b>	<b>2,900</b>	<b>2,836</b>	<b>2,799</b>

a) Includes depreciation of right of use (leased) assets, resulting from implementation of AASB 16.



**Note 9: Supply of goods and services expense**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
Supply of goods and services	55,952	52,963	52,568	55,701
Lease expenses	134	142	147	142
Personal benefits – indirect	163,966	173,577	182,992	193,135
Health care payments	7,672	7,773	7,850	7,798
Other	2,450	2,414	2,448	2,416
<b>Total supply of goods and services expense</b>	<b>230,174</b>	<b>236,870</b>	<b>246,005</b>	<b>259,193</b>

**Note 10: Interest expense**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
<b>Interest on debt</b>				
Government securities(a)	27,731	31,760	36,650	41,094
Loans	169	211	231	235
Other	1,247	1,005	1,043	1,067
<b>Total interest on debt</b>	<b>29,147</b>	<b>32,977</b>	<b>37,924</b>	<b>42,396</b>
<b>Interest on lease liabilities</b>	<b>520</b>	<b>504</b>	<b>517</b>	<b>518</b>
<b>Other financing costs</b>	<b>9,578</b>	<b>9,134</b>	<b>10,187</b>	<b>7,551</b>
<b>Total interest expense</b>	<b>39,245</b>	<b>42,615</b>	<b>48,628</b>	<b>50,465</b>

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			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Current grants expense</b>				
State and territory governments	180,856	187,173	195,746	205,598
Private sector	5,941	5,789	5,390	6,000
Overseas	5,662	4,915	5,148	5,410
Non-profit organisations	14,317	14,078	13,430	13,163
Multi-jurisdictional sector	14,136	14,783	15,229	15,879
Other	6,223	6,978	6,677	6,352
<b>Total current grants expense</b>	<b>227,136</b>	<b>233,716</b>	<b>241,619</b>	<b>252,402</b>
<b>Capital grants expense</b>				
Mutually agreed write-downs	13,294	2,650	2,799	2,948
Other capital grants				
State and territory governments	18,058	17,100	15,781	15,261
Local governments	1,105	790	1,127	1,120
Non-profit organisations	1,195	675	494	660
Private sector	178	123	50	388
Multi-jurisdictional sector	4	35	73	38
Overseas	70	0	0	0
Other	3,550	1,610	1,638	1,964
<b>Total capital grants expense</b>	<b>37,455</b>	<b>22,982</b>	<b>21,961</b>	<b>22,380</b>
<b>Total grants expense</b>	<b>264,591</b>	<b>256,699</b>	<b>263,580</b>	<b>274,781</b>

**Note 12: Personal benefits expense**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Social welfare - assistance to the aged	65,208	68,381	71,382	74,182
Assistance to veterans and dependants	4,306	4,182	4,078	4,049
Assistance to people with disabilities	36,861	38,523	40,115	41,720
Assistance to families with children	32,911	34,170	35,039	35,647
Assistance to the unemployed	17,513	17,359	17,124	17,020
Student assistance	2,899	3,064	3,269	3,434
Other welfare programs	854	904	1,446	1,438
Financial and fiscal affairs	1,186	977	908	918
Vocational and industry training	425	372	386	463
Other	8,530	12,127	16,595	22,720
<b>Total personal benefits expense</b>	<b>170,693</b>	<b>180,060</b>	<b>190,343</b>	<b>201,592</b>

**Note 13: Advances paid and other receivables**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
<b>Advances paid</b>				
Loans to state and territory governments	1,262	1,116	945	783
Student loans	46,679	49,199	52,813	56,807
Other	26,933	38,888	48,551	57,075
less Impairment allowance	1,080	1,229	1,508	1,626
<b>Total advances paid</b>	<b>73,794</b>	<b>87,975</b>	<b>100,801</b>	<b>113,038</b>
<b>Other receivables</b>				
Goods and services receivable	1,565	1,572	1,570	1,518
Recoveries of benefit payments	6,950	7,139	7,201	7,228
Taxes receivable	48,346	53,309	58,464	63,043
Prepayments	6,827	7,204	7,598	8,068
Other	34,097	36,074	37,746	39,800
less Impairment allowance	4,331	4,383	4,420	4,444
<b>Total other receivables</b>	<b>93,453</b>	<b>100,915</b>	<b>108,159</b>	<b>115,212</b>

**Note 14: Investments, loans and placements**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
Investments - deposits	10,351	9,619	9,304	9,192
IMF quota and SDR holdings	26,193	26,293	26,382	26,480
Structured finance securities	868	969	1,071	1,074
Collective investment vehicles	135,510	143,803	152,318	161,403
Other interest bearing securities	57,437	58,820	60,315	61,944
Other	30,502	30,711	30,932	31,233
<b>Total investments, loans and placements</b>	<b>260,862</b>	<b>270,215</b>	<b>280,321</b>	<b>291,325</b>

**Note 15: Non-financial assets**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Land and buildings</b>				
Land	15,436	15,609	15,877	16,065
Buildings	54,248	54,978	55,959	55,233
<b>Total land and buildings</b>	<b>69,684</b>	<b>70,587</b>	<b>71,835</b>	<b>71,297</b>
<b>Plant, equipment and infrastructure</b>				
Specialist military equipment	99,080	105,228	112,920	124,184
Other plant, equipment and infrastructure	25,318	26,298	27,406	26,752
<b>Total plant, equipment and infrastructure</b>	<b>124,399</b>	<b>131,526</b>	<b>140,326</b>	<b>150,936</b>
<b>Inventories</b>				
Inventories held for sale	371	422	431	508
Inventories not held for sale	13,320	13,581	13,991	14,299
<b>Total inventories</b>	<b>13,691</b>	<b>14,003</b>	<b>14,422</b>	<b>14,807</b>
<b>Intangibles</b>				
Computer software	7,572	8,022	8,040	7,627
Other	8,599	9,200	9,219	9,099
<b>Total intangibles</b>	<b>16,171</b>	<b>17,222</b>	<b>17,258</b>	<b>16,726</b>
<b>Total investment properties</b>	<b>222</b>	<b>209</b>	<b>177</b>	<b>157</b>
<b>Total biological assets</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Total heritage and cultural assets</b>	<b>13,201</b>	<b>13,217</b>	<b>13,237</b>	<b>13,245</b>
<b>Total assets held for sale</b>	<b>40</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>Total other non-financial assets</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Total non-financial assets(a)</b>	<b>237,421</b>	<b>246,810</b>	<b>257,303</b>	<b>267,215</b>
<i>Memorandum:</i>				
<b>Total relating to right of use assets</b>				
Land	157	153	149	144
Buildings	15,057	14,290	13,700	12,811
Specialist military equipment	143	118	93	68
Other plant, equipment and infrastructure	960	709	1,032	864
<b>Total right of use assets</b>	<b>16,317</b>	<b>15,270</b>	<b>14,973</b>	<b>13,887</b>

a) Includes right of use (leased) assets, resulting from implementation of AASB 16.

**Note 16: Loans**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Promissory notes	10,197	10,197	10,197	10,197
Special drawing rights	19,736	19,744	19,744	19,744
Other	4,249	5,186	5,856	5,940
<b>Total loans</b>	<b>34,181</b>	<b>35,127</b>	<b>35,797</b>	<b>35,881</b>

**Note 17: Employee and superannuation liabilities**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Total superannuation liability(a)</b>	<b>314,706</b>	<b>323,479</b>	<b>332,259</b>	<b>340,127</b>
<b>Other employee liabilities</b>				
Leave and other entitlements	11,418	11,662	11,853	12,075
Accrued salaries and wages	1,204	1,234	839	872
Workers compensation claims	2,044	2,057	2,076	2,161
Military compensation	81,593	83,551	86,657	90,321
Other	886	913	921	935
<b>Total other employee liabilities</b>	<b>97,146</b>	<b>99,416</b>	<b>102,347</b>	<b>106,364</b>
<b>Total employee and superannuation liabilities</b>	<b>411,851</b>	<b>422,895</b>	<b>434,606</b>	<b>446,491</b>

- 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 2024–25 FBO was calculated using the spot rates on long-term government bonds as at 30 June 2025 that best matched each individual scheme's liability duration. These rates were between 3.8 and 5.0 per cent per annum.

**Note 18: Provisions and payables**

	Estimates			
	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m
<b>Suppliers payables</b>				
Trade creditors	8,745	9,154	9,567	10,113
Lease rental payable	11	11	11	11
Personal benefits payables - indirect	3,323	4,263	5,562	5,876
Other creditors	2,106	2,110	2,809	2,806
<b>Total suppliers payables</b>	<b>14,185</b>	<b>15,538</b>	<b>17,950</b>	<b>18,807</b>
<b>Total personal benefits payables - direct</b>	<b>4,845</b>	<b>4,837</b>	<b>4,530</b>	<b>4,925</b>
<b>Total subsidies payable</b>	<b>635</b>	<b>627</b>	<b>612</b>	<b>612</b>
<b>Grants payables</b>				
State and territory governments	981	932	931	923
Non-profit organisations	184	185	188	183
Private sector	307	288	313	395
Overseas	2,018	1,736	2,134	2,178
Local governments	1	1	1	1
Other	3,386	3,401	3,450	3,454
<b>Total grants payables</b>	<b>6,876</b>	<b>6,543</b>	<b>7,017</b>	<b>7,134</b>
<b>Total other payables</b>	<b>6,757</b>	<b>6,312</b>	<b>6,220</b>	<b>6,181</b>
<b>Provisions</b>				
Provisions for tax refunds	1,839	1,834	1,829	1,824
Grants provisions	15,258	9,011	6,461	5,845
Personal benefits provisions - direct	7,223	7,367	8,011	8,194
Personal benefits provisions - indirect	4,433	4,960	5,521	6,121
Provisions for subsidies	7,002	7,149	7,478	8,044
Other	93,458	97,284	103,922	108,937
<b>Total provisions</b>	<b>129,212</b>	<b>127,604</b>	<b>133,223</b>	<b>138,965</b>

**Note 19: Reconciliation of cash**

	Estimates			
	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>Net operating balance (revenues less expenses)</b>	<b>-43,639</b>	<b>-25,365</b>	<b>-33,234</b>	<b>-33,365</b>
<i>less</i> Revenues not providing cash				
Other	2,581	2,958	3,228	3,546
<b>Total revenues not providing cash</b>	<b>2,581</b>	<b>2,958</b>	<b>3,228</b>	<b>3,546</b>
<i>plus</i> Expenses not requiring cash				
Increase/(decrease) in employee entitlements	12,916	10,762	11,418	11,582
Depreciation/amortisation expense	14,154	14,621	14,972	15,499
Mutually agreed write-downs	13,294	2,650	2,799	2,948
Other	9,072	9,456	7,788	7,663
<b>Total expenses not requiring cash</b>	<b>49,436</b>	<b>37,489</b>	<b>36,977</b>	<b>37,692</b>
<i>plus</i> Cash provided/(used) by working capital items				
Decrease/(increase) in inventories	-1,136	-752	-877	-858
Decrease/(increase) in receivables	-15,066	-15,977	-16,632	-15,603
Decrease/(increase) in other financial assets	-1,600	-1,492	-1,380	-1,798
Decrease/(increase) in other non-financial assets	170	-275	-367	-528
Increase/(decrease) in benefits, subsidies and grants payable	-1,170	-4,688	105	1,755
Increase/(decrease) in suppliers' liabilities	-156	364	246	374
Increase/(decrease) in other provisions and payables	4,026	4,476	5,722	6,255
<b>Net cash provided/(used) by working capital</b>	<b>-14,932</b>	<b>-18,344</b>	<b>-13,183</b>	<b>-10,403</b>
<i>equals</i> (Net cash from/(to) operating activities)	-11,716	-9,178	-12,666	-9,621
<i>plus</i> (Net cash from/(to) investing activities)	-48,329	-55,643	-48,343	-51,368
<b>Net cash from operating activities and investment</b>	<b>-60,045</b>	<b>-64,821</b>	<b>-61,009</b>	<b>-60,989</b>
<i>plus</i> (Net cash from/(to) financing activities)	54,761	67,180	65,330	64,670
<b>equals Net increase/(decrease) in cash</b>	<b>-5,284</b>	<b>2,359</b>	<b>4,321</b>	<b>3,681</b>
<b>Cash at the beginning of the year</b>	<b>78,872</b>	<b>73,588</b>	<b>75,947</b>	<b>80,268</b>
Net increase/(decrease) in cash	-5,284	2,359	4,321	3,681
<b>Cash at the end of the year</b>	<b>73,588</b>	<b>75,947</b>	<b>80,268</b>	<b>83,949</b>

## 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*.<sup>3</sup>

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3 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.<sup>4</sup>

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.

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<sup>4</sup> 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.<sup>5</sup>

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.

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5 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
<i>plus</i>
Net cash flows from investments in non-financial assets
<i>equals</i>
ABS GFS cash surplus/deficit
<i>plus</i>
Principal payments of lease liabilities
<i>equals</i>
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

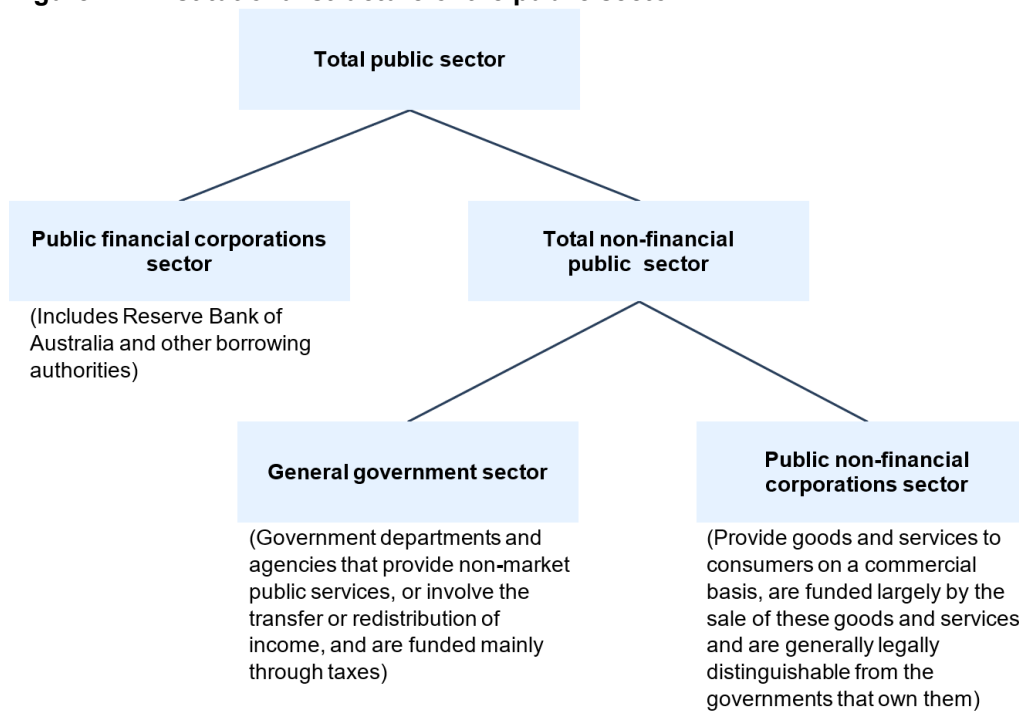
The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes to the underlying cash balance.

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 – 2025–26**

<b>Public financial corporations</b>
<p>Employment and Workplace Relations Portfolio</p> <ul style="list-style-type: none"> <li>• Coal Mining Industry (Long Service Leave Funding) Corporation</li> </ul> <p>Foreign Affairs and Trade Portfolio</p> <ul style="list-style-type: none"> <li>• Export Finance and Insurance Corporation (Export Finance Australia)</li> </ul> <p>Industry, Science and Resources Portfolio</p> <ul style="list-style-type: none"> <li>• CSIRO Coinvestment Fund Pty Ltd</li> <li>• CSIRO FollowOn Services Pty Ltd</li> <li>• CSIRO FollowOn Services 2 Pty Ltd</li> <li>• CSIRO General Partner Pty Ltd</li> <li>• CSIRO General Partner 2 Pty Ltd</li> <li>• CSIROGP Fund 2 Pty Ltd</li> <li>• MS GP Fund 3 Pty Ltd</li> <li>• MS NGS Pty Ltd</li> <li>• MS Opportunity Fund Pty Ltd</li> <li>• MS Parallel Fund Pty Ltd</li> </ul> <p>Treasury Portfolio</p> <ul style="list-style-type: none"> <li>• Australian Reinsurance Pool Corporation</li> <li>• Housing Australia – Australian Housing Bond Aggregator (AHBA)*</li> <li>• Reserve Bank of Australia</li> </ul>

**Table 7.14: Entities outside of the general government sector – 2025–26  
(continued)**

<b>Public non-financial corporations</b>
<p>Climate Change, Energy, the Environment and Water Portfolio</p> <ul style="list-style-type: none"> <li>• Snowy Hydro Limited</li> </ul> <p>Finance Portfolio</p> <ul style="list-style-type: none"> <li>• ASC Pty Ltd</li> <li>• Australian Naval Infrastructure Pty Ltd</li> <li>• CEA Technologies Pty Limited<sup>†</sup></li> </ul> <p>Health, Disability and Ageing Portfolio</p> <ul style="list-style-type: none"> <li>• Australian Hearing Services (Hearing Australia)</li> </ul> <p>Infrastructure, Transport, Regional Development, Communications, Sport and the Arts Portfolio</p> <ul style="list-style-type: none"> <li>• Airservices Australia</li> <li>• Australian Postal Corporation (Australia Post)</li> <li>• Australian Rail Track Corporation Limited</li> <li>• National Intermodal Corporation Limited</li> <li>• NBN Co Limited</li> <li>• WSA Co Ltd</li> </ul> <p>Prime Minister and Cabinet Portfolio</p> <ul style="list-style-type: none"> <li>• Voyages Indigenous Tourism Australia Pty Ltd</li> </ul>
<p>* 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.</p> <p><sup>†</sup> On 28 January 2025, CEA Technologies Pty Limited became a majority owned Commonwealth company.</p>





# Appendix A: Policy decisions taken since the 2025 PEFO

## Receipt Measures

**Table A.1: Receipt measures since the 2025 PEFO<sup>(a)</sup>**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>AGRICULTURE, FISHERIES AND FORESTRY</b>					
<i>Department of Agriculture, Fisheries and Forestry</i>					
Future of the Regional Investment Corporation(b)	-	-4.0	4.7	19.3	38.3
Primary Industries – changes to agricultural levies(b)	-	4.5	4.6	4.7	4.7
Securing the Future of Agricultural Trade(b)	-	-	10.2	22.9	19.9
Supporting Transport Priorities(b)	-	-	0.2	2.8	3.9
<b>Portfolio total</b>	-	<b>0.5</b>	<b>19.7</b>	<b>49.7</b>	<b>66.9</b>
<b>ATTORNEY-GENERAL'S</b>					
<i>Federal Court of Australia</i>					
Competition Reforms(b)	-	3.2	5.8	6.1	6.4
<b>Portfolio total</b>	-	<b>3.2</b>	<b>5.8</b>	<b>6.1</b>	<b>6.4</b>
<b>CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER</b>					
<i>Clean Energy Finance Corporation</i>					
Support for the Net Zero Plan(b)	-	-	-	-	-
<i>Clean Energy Regulator</i>					
Finalising Fixed Delivery Carbon Contract Exit Arrangements(b)	-	nfp	nfp	nfp	nfp
<i>Department of Climate Change, Energy, the Environment and Water</i>					
Support for the Net Zero Plan(b)	-	-	-	0.1	0.2
<b>Portfolio total</b>	-	-	-	<b>0.1</b>	<b>0.2</b>
<b>DEFENCE</b>					
<i>Department of Defence</i>					
Supporting Defence Community Engagement(b)	-	1.7	-	-	-
<b>Portfolio total</b>	-	<b>1.7</b>	-	-	-

**Table A.1: Receipt measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>EDUCATION</b>					
<i>Department of Education</i>					
A Fairer More Efficient Social Security System(b)	-	-1.0	-7.7	-10.1	-11.3
Delivering Election Commitments in the Health, Disability and Ageing Portfolio(b)	-	..	..	..	..
<b>Portfolio total</b>	-	-1.0	-7.7	-10.1	-11.4
<b>EMPLOYMENT AND WORKPLACE RELATIONS</b>					
<i>Department of Employment and Workplace Relations</i>					
Building Australia's Future – delivering priority housing and energy sector training(b)	-	..	..	..	..
<b>Portfolio total</b>	-	..	..	..	..
<b>FOREIGN AFFAIRS AND TRADE</b>					
<i>Export Finance and Insurance Corporation (National Interest component)</i>					
Southeast Asia Investment Financing Facility – equity transactions(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	-	-	-	-	-
<b>HEALTH, DISABILITY AND AGEING</b>					
<i>Department of Health, Disability and Ageing</i>					
Pharmaceutical Benefits Scheme New and Amended Listings(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	-	-	-	-	-
<b>HOME AFFAIRS</b>					
<i>Department of Home Affairs</i>					
Migration – uplift of Visa Application Charge for student visas(b)	-	185.0	195.0	200.0	210.0
Permanent Migration Program – 2025–26 planning levels(b)	-	..	..	..	..
Supporting International Sporting Events(b)	-	..	-	-	-
United States Global Entry Program (Phase Two)(b)	-	4.2	6.3	6.3	6.3
<b>Portfolio total</b>	-	189.2	201.3	206.3	216.3
<b>INDUSTRY, SCIENCE AND RESOURCES</b>					
<i>Department of Industry, Science and Resources</i>					
A Rapidly Transforming Energy System(b)	-	-3.5	-25.3	-18.4	-0.2
Supporting Australia's Heavy Industry Transformation(b)	-	8.8	-	-	-

**Table A.1: Receipt measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>INDUSTRY, SCIENCE AND RESOURCES (continued)</b>					
<i>National Reconstruction Fund Corporation</i>					
Building a Future Made in Australia(b)	-	-7.0	-10.5	-14.9	-20.2
Forestry Growth Fund(b)	-	-	-0.4	-0.7	-1.0
Support for the Net Zero Plan(b)	-	-2.8	-14.0	-22.8	-33.1
<b>Portfolio total</b>	<b>-</b>	<b>-4.5</b>	<b>-50.3</b>	<b>-56.7</b>	<b>-54.4</b>
<b>INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS, SPORT AND THE ARTS</b>					
<i>Australian Communications and Media Authority</i>					
Regional Broadband Scheme(b)	-	-	-34.1	-35.6	-37.1
Supporting Connectivity(b)	-	-	-	2.3	6.7
<i>Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts</i>					
Future of the Northern Australia Infrastructure Facility(b)	-	-	-	0.9	5.0
Rex Airlines(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	<b>-</b>	<b>-</b>	<b>-34.1</b>	<b>-32.4</b>	<b>-25.4</b>
<b>SOCIAL SERVICES</b>					
<i>Department of Social Services</i>					
A Fairer More Efficient Social Security System(b)	-	-11.3	-49.9	-28.3	-28.1
<b>Portfolio total</b>	<b>-</b>	<b>-11.3</b>	<b>-49.9</b>	<b>-28.3</b>	<b>-28.1</b>
<b>TREASURY</b>					
<i>Australian Competition and Consumer Commission</i>					
Supporting Consumers(b)	-	4.0	9.5	10.4	11.1
<i>Australian Securities and Investments Commission</i>					
Treasury Portfolio – additional resourcing(b)	-	-	-	6.4	3.6
<i>Australian Taxation Office</i>					
Indirect Tax Concession Scheme – diplomatic and consular concessions(b)	..	..	..	..	..
International Tax – tax treaties with Ukraine and the Republic of Croatia	-	-1.0	-2.0	-2.0	-2.0
Migration – uplift of Visa Application Charge for student visas(b)	-	-5.0	-10.0	-15.0	-20.0
OECD Crypto Asset Reporting Framework and domestic reporting(b)	-	-	-	50.0	120.0
Permanent Migration Program – 2025–26 planning levels(b)	-	..	..	..	..

**Table A.1: Receipt measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>					
Resetting Social Security Deeming Rates(b)	-	-1.0	-15.0	-29.0	-32.0
Superannuation reforms – Boosting the Low Income Superannuation Tax Offset and practical changes to Better Targeted Superannuation Concessions(b)	-	-300.0	-600.0	-2,200.0	-650.0
Supporting International Sporting Events(b)	-	*	*	*	*
Supporting Philanthropy	-	-	*	-0.1	-0.1
<i>Housing Australia</i>					
Housing Australia Future Fund Round 3(b)	-	10.5	28.0	39.5	48.3
<b>Portfolio total</b>	-	<b>-292.5</b>	<b>-589.6</b>	<b>-2,139.8</b>	<b>-521.1</b>
<b>Decisions taken but not yet announced and not for publication</b>	-	<b>-36.6</b>	<b>402.1</b>	<b>1,186.2</b>	<b>-160.6</b>
<b>Total impact of receipt measures(c)</b>	-	<b>-151.3</b>	<b>-102.6</b>	<b>-818.8</b>	<b>-511.3</b>

\* 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) Measures may not add due to rounding.

## Agriculture, Fisheries and Forestry

### Primary Industries – changes to agricultural levies

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Agriculture, Fisheries and Forestry	-	4.5	4.6	4.7	4.7
<i>Related payments (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	-	4.1	4.2	4.3	4.3

The Government has made changes to the following agricultural levies and associated charges at the request of industry to better reflect the current needs of the sector:

- **Almond levy and charge:** On 1 July 2025, the Government increased the biosecurity response component of the almond levy and charge from 0.10 to 0.37 cents per kilogram for in shell, and from 0.13 to 0.52 cents per kilogram for shelled varieties. The total levy increased from 1.10 to 1.37, 1.60 to 1.87 and 2.13 to 2.52 cents per kilogram, respectively, for in shell other than nonpareil, nonpareil and shelled varieties.
- **Avocados levy and charge:** On 1 July 2025, the Government activated the biosecurity response component of the levy and charge of 0.25 cents per kilogram for fresh avocados. Activation of this component has been offset by an equivalent decrease in the research and development component of the levy and charge, leaving the total levy and charge unchanged at 7.50 cents per kilogram.
- **Honey levy and charge:** On 1 July 2025, the Government increased the biosecurity activity component of the honey levy and charge from 0.10 to 2.80 cents per kilogram and reduced the biosecurity response component from 2.70 to 1.00 cent per kilogram. The total levy and charge increased from 4.60 to 5.60 cents per kilogram.
- **Laying chickens levy:** On 1 July 2025, the Government increased the biosecurity response component of the laying chickens levy from 1.10 to 11.90 cents per laying chicken. The total levy increased from 15.27 to 26.07 cents per laying chicken.
- **Meat chickens levy:** On 1 July 2025, the Government increased the biosecurity response component of the meat chickens levy from 0.0300 to 0.1716 cents per meat chicken. The total levy increased from 0.2644 to 0.4060 cents per meat chicken.

This measure is estimated to increase receipts by \$18.5 million and increase payments by \$16.9 million over five years from 2024–25.

## Climate Change, Energy, the Environment and Water

### Finalising Fixed Delivery Carbon Contract Exit Arrangements

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Clean Energy Regulator	-	nfp	nfp	nfp	nfp
<i>Related payments (\$m)</i>					
<i>Department of Climate Change, Energy, the Environment and Water</i>	-	-	nfp	nfp	nfp

The Government will implement an exit fee discount alongside a partial delivery requirement as part of permanent exit arrangements for fixed delivery carbon abatement contracts under the Australian Carbon Credit Unit Scheme.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities arising from required carbon abatement contract negotiations for the permanent exit window.

The cost of this measure will be met from a reprioritisation of funding from the Powering the Regions Fund.

This measure builds on the 2024–25 Budget measure titled *Improving the Australian Carbon Credit Unit Scheme*.

## Home Affairs

### Migration – uplift of Visa Application Charge for student visas

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	185.0	195.0	200.0	210.0
Australian Taxation Office	-	-5.0	-10.0	-15.0	-20.0
Total – Receipts	-	180.0	185.0	185.0	190.0
<i>Related payments (\$m)</i>					
<i>Department of the Treasury</i>	-	..	-5.0	-5.0	-10.0

The Government increased the Visa Application Charge for primary student and student guardian visa applicants to \$2,000, excluding eligible Pacific Island and Timor-Leste applicants, which took effect on 1 July 2025.

This measure is estimated to increase receipts by \$740.0 million and decrease GST payments to the states and territories by \$20.0 million over five years from 2024–25.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

**Permanent Migration Program – 2025–26 planning levels**

## Receipts (\$m)

	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Taxation Office	-	..	..	..	..
Department of Home Affairs	-	..	..	..	..
<b>Total – Receipts</b>	-	..	..	..	..
<i>Related payments (\$m)</i>					
Department of Home Affairs	-	1.5	0.5	0.6	0.6
Department of Social Services	-	0.6	1.2	1.6	1.8
Services Australia	-	..	..	..	..
Department of Health, Disability and Ageing	-	..	..	..	..
Department of Employment and Workplace Relations	-	-	-	..	..
National Disability Insurance Agency	-	..	..	-0.1	-0.1
Department of Education	-	-0.1	-0.5	-0.5	-0.5
Department of the Treasury	-	..	..	..	..
<b>Total – Payments</b>	-	1.9	1.2	1.6	1.8

The Government has set the 2025–26 permanent Migration Program planning level at 185,000 places and allocated 132,200 places (around 70 per cent) to the skill stream, to improve the productive capacity of the economy and help address Australia’s long-term skill needs. The 2025–26 permanent Migration Program maintains the 2024–25 settings.

This measure is estimated to result in a negligible increase in receipts and increase payments by \$6.6 million over five years from 2024–25.



## Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

### Regional Broadband Scheme

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Communications and Media Authority	-	-	-34.1	-35.6	-37.1
<i>Related payments (\$m)</i>					
<i>Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts</i>	-	-	-34.9	-36.3	-37.9

The Government is reducing the overall Regional Broadband Scheme (RBS) charge from 1 July 2025. The base component charge amount of the RBS will reduce from \$8.45 to \$2.17 (indexed yearly to the CPI) and the administrative component charge amount will increase from \$0.00 to \$0.00665 for 2025–26 to 2029–30.

This adjustment to the RBS charge amount will continue to allow for the costs of providing affordable broadband to regional and remote Australia via NBN Co Limited's (NBN Co) satellite and fixed wireless networks to be appropriately funded.

This measure is estimated to decrease receipts by \$106.8 million and decrease payments by \$109.0 million over five years from 2024–25.

## Treasury

### Indirect Tax Concession Scheme – diplomatic and consular concessions

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Taxation Office	..	..	..	..	..
<i>Related payments (\$m)</i>					
<i>Department of the Treasury</i>	..	..	..	..	..

The Government has extended access to refunds of indirect tax (including GST, fuel and alcohol taxes) under the Indirect Tax Concession Scheme to the diplomatic and consular representations of Angola.

This measure is estimated to result in a negligible decrease in receipts and a negligible decrease in GST payments to the states and territories over five years from 2024–25.

### International Tax – tax treaties with Ukraine and the Republic of Croatia

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Taxation Office	-	-1.0	-2.0	-2.0	-2.0

The Government signed the *Convention between the Government of Australia and the Government of Ukraine for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* on 16 October 2025 and signed the *Agreement between Australia and the Republic of Croatia for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* on 24 November 2025.

These two tax treaties aim to facilitate trade and investment by relieving double taxation, lowering withholding tax rates and improving certainty for taxpayers with dealings in the relevant countries. The tax treaties also give effect to the G20/OECD Base Erosion and Profit Shifting recommendations, in accordance with the Government’s commitment to tax integrity.

The treaty with Ukraine is estimated to decrease receipts by \$7.0 million over five years from 2024–25. The treaty with the Republic of Croatia is estimated to result in a negligible decrease in receipts over five years from 2024–25.

**OECD Crypto Asset Reporting Framework and domestic reporting**

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Taxation Office	-	-	-	50.0	120.0
<i>Related payments (\$m)</i>					
<i>Australian Taxation Office</i>	-	7.0	21.3	17.0	11.8
<i>Department of Finance</i>	-	0.1	0.1	0.1	0.1
<i>Digital Transformation Agency</i>	-	..	..	..	..
<i>Total – Payments</i>	-	7.1	21.4	17.2	11.9

The Government will implement the OECD Crypto Asset Reporting Framework (CARF) for the automatic exchange of tax relevant information on crypto assets, commencing in 2027 with the first exchange of information with foreign tax authorities to take place in 2028. In parallel, the Government will also implement a domestic crypto tax reporting regime to commence in 2027, for information to be reported to the Australian Taxation Office (ATO) in 2028. The CARF and domestic crypto tax reporting regimes will enhance transparency to improve tax compliance.

This measure is estimated to increase receipts by \$170.0 million and increase payments by \$57.6 million over five years from 2024–25.

**Superannuation reforms – Boosting the Low Income Superannuation Tax Offset and practical changes to Better Targeted Superannuation Concessions**

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Taxation Office	-	-300.0	-600.0	-2,200.0	-650.0
<i>Related payments (\$m)</i>					
<i>Digital Transformation Agency</i>	-	0.1	0.1	0.1	0.1
<i>Australian Taxation Office</i>	-	-7.1	16.9	23.3	442.3
<i>Total – Payments</i>	-	-7.0	17.0	23.4	442.4

The Government will deliver more help to low-income workers and build a stronger, fairer and more sustainable superannuation system.

The Government is boosting the Low Income Superannuation Tax Offset (LISTO) from 1 July 2027 to provide additional support for low-income workers building their retirement savings. The LISTO threshold will increase from \$37,000 to \$45,000 to match the top of the second income tax bracket. The maximum payment will also increase to \$810 to account for recent increases in the Superannuation Guarantee rate.

Practical changes will also be made to the design and implementation of the 2023–24 Budget measure *Better Targeted Superannuation Concessions* (BTSC) that brings the headline rate to 30 per cent for earnings corresponding to the proportion of an individual's total superannuation balance that is greater than \$3 million.

The changes include:

- introducing a second threshold at a headline tax rate of 40 per cent for earnings corresponding to the proportion of an individual's total superannuation balance above \$10 million
- indexing the large balance thresholds of \$3 million and \$10 million to maintain relativity with the transfer balance cap
- moving to a realised earnings approach that aligns to existing income tax concepts
- deferring the start date to 1 July 2026.

Commensurate treatment will be applied to defined benefits to ensure equivalent impacts for these members.

This measure is estimated to decrease receipts by \$3.75 billion and increase payments by \$475.8 million over five years from 2024–25. This includes an increase in administered payments of \$435 million from the boost to the LISTO and additional funding of \$40.4 million for the ATO to implement the measure.

In 2028–29, the first full year of receipts collection, the updated policy accounting for these changes will provide a saving to the Budget of around \$1.6 billion in net terms, including the cost of increasing the LISTO.

Further information can be found in the press release of 13 October 2025 issued by the Treasurer.

### Supporting Philanthropy

Receipts (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Taxation Office	-	-	*	-0.1	-0.1

The Government will amend the tax law to specifically list the following organisations as deductible gift recipients (DGRs) for a period of five years, for gifts received after 30 June 2026 and before 1 July 2031:

- Australian Academy of Law
- Cambridge Australia Scholarships Limited
- Ross House Trust
- Tanarra Social Purpose Ltd.

Additional charities affiliated with the peak body Community Foundations Australia (CFA) will be eligible to seek endorsement by the ATO as community charity DGRs, subject to meeting all requirements under the tax law including being named in a ministerial declaration. This builds on the 2023–24 Budget decision in relation to providing DGR status to the 28 organisations affiliated with CFA at the time.

Specific listing of the above four organisations as DGRs is expected to decrease receipts by \$0.2 million over five years from 2024–25. Enabling CFA-affiliated charities to seek DGR endorsement by the ATO is expected to result in a small but unquantifiable decrease in receipts over five years from 2024–25.

## Payment Measures

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup>**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>AGRICULTURE, FISHERIES AND FORESTRY</b>					
<i>Department of Agriculture, Fisheries and Forestry</i>					
Forestry Growth Fund(b)	-	10.0	20.0	50.0	40.0
Future of the Regional Investment Corporation(b)	-	1.0	1.0	0.1	-
Primary Industries – changes to agricultural levies(b)	-	4.1	4.2	4.3	4.3
Rural Financial Counselling Service – additional funding	-	1.0	1.0	-	-
Securing the Future of Agricultural Trade(b)	-	10.5	55.4	51.3	30.3
Supporting Farmsafe Australia	-	0.5	1.0	1.0	-
Supporting Transport Priorities(b)	-	1.9	11.9	13.3	13.4
<i>Regional Investment Corporation</i>					
Future of the Regional Investment Corporation(b)	-	-	6.1	5.6	6.0
<b>Portfolio total</b>	<b>-</b>	<b>29.0</b>	<b>100.6</b>	<b>125.5</b>	<b>94.1</b>
<b>ATTORNEY-GENERAL'S</b>					
<i>Administrative Review Tribunal</i>					
Attorney-General's Portfolio – additional resourcing	-	34.2	34.8	-	-
<i>Attorney-General's Department</i>					
Attorney-General's Portfolio – additional resourcing	-	-	-1.5	-1.0	-
Working With Children Checks Reform	-	0.5	-	-	-
<i>Federal Court of Australia</i>					
Competition Reforms(b)	-	2.2	6.4	6.1	6.2
<i>Office of Parliamentary Counsel</i>					
Attorney-General's Portfolio – additional resourcing	-	2.8	6.4	3.4	3.4
<b>Portfolio total</b>	<b>-</b>	<b>39.8</b>	<b>46.1</b>	<b>8.5</b>	<b>9.6</b>
<b>CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER</b>					
<i>Australian Renewable Energy Agency</i>					
Climate Change, Energy, the Environment and Water – reprioritisation	-	-	-57.8	-154.2	-212.7
Support for the Net Zero Plan(b)	-	-	6.4	5.3	46.6
<i>Bureau of Meteorology</i>					
Weather Radar for Regional Queensland	-	1.5	3.1	5.4	-
<i>Department of Climate Change, Energy, the Environment and Water</i>					
A Rapidly Transforming Energy System(b)	-	15.2	11.2	3.3	3.3
Australian Antarctic Program – continuing funding	-	0.6	16.0	48.6	49.7

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER (continued)</b>					
Australian Energy Regulator Uplift	-	-	-	-	-
Climate Change, Energy, the Environment and Water – continuing regulatory functions	-	6.4	-	-	-
Climate Change, Energy, the Environment and Water – reprioritisation	-	-2.5	-25.3	-36.2	-20.7
Commonwealth Leadership for a Safe Circular Economy – additional funding	-	20.6	-	-	-
Continuing to Streamline and Strengthen our National Environmental Laws	-	14.4	-	-	-
Expanding the Capacity Investment Scheme	-	-	nfp	nfp	nfp
Extending Australia's International Climate Change Engagement	-	13.6	-	-	-
Finalising Fixed Delivery Carbon Contract Exit Arrangements(b)	-	-	nfp	nfp	nfp
Local Environment Projects	-	18.4	25.2	10.9	-
Maintaining Australia's Liquid Fuel Security	-	8.5	3.4	3.5	3.6
Murray-Darling Basin Plan – supporting delivery	-	nfp	nfp	nfp	-
Oceans Leadership Package – Australian Marine Parks	-	3.6	-	-	-
Saving Native Species (Conservation Planning Component) – continuing funding	-	9.1	-	-	-
South Australian Marine Algal Bloom Response	-	-0.3	-	-	-
Support for the Net Zero Plan(b)	-	11.8	60.3	64.5	37.1
Sustaining the Cheaper Home Batteries Program	-	-357.2	-2,035.0	-2,114.9	-2,162.8
<i>Director of National Parks</i>					
Continuing to Support Healthy Oceans	-	3.7	6.9	7.2	7.3
Oceans Leadership Package – Australian Marine Parks	-	6.7	-	-	-
<i>Sydney Harbour Federation Trust</i>					
Local Environment Projects	-	2.0	3.2	5.0	-
<b>Portfolio total</b>	-	<b>-223.7</b>	<b>-1,982.4</b>	<b>-2,151.5</b>	<b>-2,248.6</b>

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>CROSS PORTFOLIO</b>					
<i>Various Agencies</i>					
Artificial Intelligence Plan for the Australian Public Service – implementation	-	23.4	86.5	99.4	15.9
Closing the Gap – further investments	-	6.0	87.8	43.7	23.3
Ending Gender-Based Violence – continued investment	-	35.0	76.3	26.4	-
Further Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses	-	-800.0	-2,000.0	-2,000.0	-2,000.0
Investing in Australia's Critical Minerals	-	nfp	nfp	nfp	nfp
Support for Community Sector Organisations	-	-	41.0	22.4	-
<b>Portfolio total</b>	-	<b>-735.7</b>	<b>-1,708.4</b>	<b>-1,808.1</b>	<b>-1,960.8</b>
<b>DEFENCE</b>					
<i>Australian Submarine Agency</i>					
Nuclear-Powered Submarine Program – further program support	-	-	-	-	-
<i>Australian War Memorial</i>					
Australian War Memorial – financial sustainability and redevelopment completion	-	25.4	34.2	35.2	24.3
<i>Defence and Veterans' Services Commission</i>					
Establishment of the Defence and Veterans' Services Commission	-	10.0	10.4	12.0	12.2
<i>Department of Defence</i>					
Continued Defence Support to Ukraine	-	-	-	-	-
Continuing to Support Veterans and their Families	-	-	-	-	-
Department of Veterans' Affairs – establishing the Agency for Veteran and Family Wellbeing	-	-10.7	-23.8	-22.9	-20.6
Establishment of the Defence and Veterans' Services Commission	-	-10.0	-10.4	-12.0	-12.2
Further Investment in Defence Naval Shipbuilding in Australia	-	nfp	nfp	nfp	nfp
Guardian-class Patrol Boat to the Republic of the Maldives	-	-	-	-	-
Nuclear-Powered Submarine Program – further program support	-	nfp	nfp	nfp	nfp
Papua New Guinea – Australia Mutual Defence Treaty	-	-	-	-	-
Supporting Defence Community Engagement(b)	-	1.7	-	-	-

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>DEFENCE (continued)</b>					
<i>Department of Veterans' Affairs</i>					
A Fairer More Efficient Social Security System(b)	-	0.6	0.3	0.3	0.3
An Effective and Clinically Appropriate Medicare Benefits Schedule	-	..	0.3	0.5	0.7
Continuing to Support Veterans and their Families	-	0.9	38.2	37.9	0.3
Delivering Veterans' Affairs Election Commitments	-	2.6	5.6	2.2	1.1
Department of Veterans' Affairs – additional resourcing to support service delivery	-	32.7	137.2	135.4	93.0
Department of Veterans' Affairs – enhancing the health and wellbeing of veterans and serving members	-	23.8	272.5	235.6	202.4
Department of Veterans' Affairs – establishing the Agency for Veteran and Family Wellbeing	-	10.7	23.8	22.9	20.6
Department of Veterans' Affairs – strengthening program integrity and veterans' advocacy	-	-25.6	-178.6	-206.5	-272.1
Health Workforce	-	-	..	0.1	0.1
More Free Mental Health Services	-	-	..	..	..
Pharmaceutical Benefits Scheme New and Amended Listings(b)	-	5.3	9.0	11.1	13.0
Resetting Social Security Deeming Rates(b)	-	-6.5	-12.3	-11.9	-11.5
<b>Portfolio total</b>	<b>-</b>	<b>60.7</b>	<b>306.4</b>	<b>239.8</b>	<b>51.6</b>
<b>EDUCATION</b>					
<i>Department of Education</i>					
A Fairer More Efficient Social Security System(b)	-	-	0.2	-	-
Delivering Election Commitments in the Health, Disability and Ageing Portfolio(b)	-	-	-	-	-
Developing a Framework of Remuneration Classification Ranges for University Vice-Chancellor Remuneration	-	-	-	-	-
Early Childhood Education and Care Worker Retention Payment – additional support	-	-	-	-	-
Education – reprioritisation	-	-50.5	-120.7	-99.8	-87.7
Funding for Mid-Year Reception in South Australian Non-Government Schools	-	-	-	-	-
Funding for Sikh Grammar School – early education and care service	-	-	-	-	-
Guaranteeing Universal Access to Preschool	-	0.7	2.5	1.2	-
Improving Outcomes in Australian Schools	-	4.5	4.3	1.4	1.4
Inclusion Support Program – supplementary funding	-	-	59.2	-	-



**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>EDUCATION (continued)</b>					
Permanent Migration Program – 2025–26 planning levels(b)	-	-0.1	-0.5	-0.5	-0.5
Strengthening Safety and Quality in the Early Childhood Education and Care Sector	-	57.2	47.1	42.6	38.5
Supporting the Construction of the First Hindu School in Australia	-	3.4	4.0	1.5	-
Tackling Bullying and Harmful Behaviours in Schools	-	4.6	5.4	-5.0	-5.0
Windsor Community Children's Centre	-	4.3	-	-	-
<b>Portfolio total</b>	-	<b>24.1</b>	<b>1.5</b>	<b>-58.6</b>	<b>-53.4</b>
<b>EMPLOYMENT AND WORKPLACE RELATIONS</b>					
<i>Department of Employment and Workplace Relations</i>					
Advancing Gender Equality in Gender Segregated Industries	-	14.2	14.0	0.3	-
Assuring the Integrity of the Employment Services System	-	4.3	19.0	-	-
Building Australia's Future – delivering priority housing and energy sector training(b)	-	1.3	22.5	-22.9	-1.7
Employment and Workplace Relations – reprioritisation	-	-16.4	-11.2	-0.6	-0.6
Permanent Migration Program – 2025–26 planning levels(b)	-	-	-	..	..
Skills and Training – additional supports	-	10.0	-	-	-
Workplace Relations – additional supports	-	2.2	0.6	0.6	0.6
<i>Office of the Fair Work Ombudsman</i>					
Competition Reforms(b)	-	-	-	-	-
<b>Portfolio total</b>	-	<b>15.7</b>	<b>44.9</b>	<b>-22.6</b>	<b>-1.7</b>
<b>FINANCE</b>					
<i>Department of Finance</i>					
A Rapidly Transforming Energy System(b)	-	-	1.1	1.1	1.1
Competition Reforms(b)	-	-	-	-	-
Finance Portfolio – additional resourcing	-	6.8	5.7	-	-
Health Protection	-	-	0.1	-	-
Home Affairs Portfolio – additional resourcing	-	nfp	nfp	nfp	nfp
Ngurra Cultural Precinct	-	0.2	-	-	-
Nuclear-Powered Submarine Program – further program support	-	nfp	nfp	nfp	nfp
OECD Crypto Asset Reporting Framework and domestic reporting(b)	-	0.1	0.1	0.1	0.1
Supporting Australia's Heavy Industry Transformation(b)	-	1.4	-	-	-

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>FINANCE (continued)</b>					
<i>Digital Transformation Agency</i>					
Australian Energy Regulator Uplift	-	..	..	..	..
Department of Veterans' Affairs – additional resourcing to support service delivery	-	..	..	..	-
Home Affairs Portfolio – additional resourcing	-	nfp	nfp	nfp	nfp
OECD Crypto Asset Reporting Framework and domestic reporting(b)	-	..	..	..	..
Superannuation reforms – Boosting the Low Income Superannuation Tax Offset and practical changes to Better Targeted Superannuation Concessions(b)	-	0.1	0.1	0.1	0.1
Treasury Portfolio – additional resourcing(b)	-	..	..	-	-
Working With Children Checks Reform	-	..	..	..	..
<i>Independent Parliamentary Expenses Authority</i>					
Finance Portfolio – additional resourcing	-	1.5	1.5	1.5	1.5
<i>Services Australia</i>					
A Fairer More Efficient Social Security System(b)	-	54.0	38.1	1.8	1.5
An Effective and Clinically Appropriate Medicare Benefits Schedule	-	8.1	3.1	-0.4	0.4
Assuring the Integrity of the Employment Services System	-	3.1	15.5	1.0	1.0
Delivering Election Commitments in the Health, Disability and Ageing Portfolio(b)	-	7.8	4.4	0.3	0.3
Health Research, Systems and Data	-	6.5	12.0	8.8	4.7
Health Workforce	-	-	-	-	-
More Free Mental Health Services	-	-	..	..	..
Permanent Migration Program – 2025–26 planning levels(b)	-	..	..	..	..
Pharmaceutical Benefits Scheme New and Amended Listings(b)	-	0.9	0.1	0.1	0.1
Strengthening Medicare – establishing 1800MEDICARE and Medicare Urgent Care Clinics additional support	-	-	..	..	-
Strengthening Safety and Quality in the Early Childhood Education and Care Sector	-	2.6	0.2	0.2	0.2
Treasury Portfolio – additional resourcing(b)	-	4.6	12.3	24.6	7.4
<b>Portfolio total</b>	-	<b>97.9</b>	<b>94.4</b>	<b>39.3</b>	<b>18.3</b>

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>FOREIGN AFFAIRS AND TRADE</b>					
<i>Australian Trade and Investment Commission</i>					
Supporting Australia's Trade and Tourism Industries	-	32.4	33.2	3.0	-
<i>Department of Foreign Affairs and Trade</i>					
Delivering Consular Services	-	14.2	-	-	-
Extending Australia's International Climate Change Engagement	-	6.3	-	-	-
Investment in Sport	-	-0.5	-	-	-
Memorial Services for the 2005 Bali Bombings – travel assistance payment	-	-	-	-	-
Supporting the Australia New Zealand Leadership Forum	-	-	-	-	-
<i>Export Finance and Insurance Corporation (National Interest component)</i>					
Southeast Asia Investment Financing Facility – equity transactions(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	-	<b>52.4</b>	<b>33.2</b>	<b>3.0</b>	-
<b>HEALTH, DISABILITY AND AGEING</b>					
<i>Aged Care Quality and Safety Commission</i>					
Improving Residential Aged Care	-	2.7	-	-	-
<i>Australian Digital Health Agency</i>					
Health Research, Systems and Data	-	1.1	0.5	-	-
Strengthening Medicare – establishing 1800MEDICARE and Medicare Urgent Care Clinics additional support	-	5.0	-	-	-
<i>Cancer Australia</i>					
Health Research, Systems and Data	-	1.2	1.2	1.2	1.2
<i>Department of Health, Disability and Ageing</i>					
ACT Primary Care and Aged Care Package	-	12.5	6.4	5.4	-
An Effective and Clinically Appropriate Medicare Benefits Schedule	-	-24.6	-20.1	-12.1	-16.9
Delivering Election Commitments in the Health, Disability and Ageing Portfolio(b)	-	24.5	9.7	5.9	1.3
Delivering Funding Certainty for the Drug and Alcohol and Chronic Condition Programs	-	2.5	97.9	93.6	96.6
Department of Veterans' Affairs – enhancing the health and wellbeing of veterans and serving members	-	-	0.7	1.6	2.7
Department of Veterans' Affairs – strengthening program integrity and veterans' advocacy	-	0.8	1.6	1.5	-
Equitable Healthcare for Men, Women and Families	-	..	24.9	20.4	3.9
Health Protection	-	2.3	73.9	68.5	74.2
Health Research, Systems and Data	-	-1.2	5.2	4.6	4.6

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>HEALTH, DISABILITY AND AGEING (continued)</b>					
Health Workforce	-	6.9	69.1	5.8	-26.6
Improving Access and Uptake of Medicines and Vaccines	-	6.0	21.8	-	-
Improving In-Home Aged Care Support	-	494.0	240.5	-20.9	-21.4
Improving Residential Aged Care	-	10.8	16.4	2.7	2.8
Mental Health	-	3.4	72.4	51.6	-10.6
More Free Mental Health Services	-	25.0	228.3	363.0	507.8
Permanent Migration Program – 2025–26 planning levels(b)	-	..	..	..	..
Pharmaceutical Benefits Scheme New and Amended Listings(b)	-	280.9	406.7	509.1	610.3
Preventive Health	-	7.5	26.3	7.5	-
Resetting Social Security Deeming Rates(b)	-	-19.5	-41.1	-43.0	-43.6
Strengthening Medicare – establishing 1800MEDICARE and Medicare Urgent Care Clinics additional support	-	59.3	54.4	44.6	46.5
Support for People with Disability	-	-3.3	2.8	2.9	-
Supporting Medical Research	-	2.5	2.5	2.5	-
Supporting Multicultural Communities	-	-	-	-	-
Telethons	-	4.7	-	-	-
Treasury Portfolio – additional resourcing(b)	-	-	-	-	-1.9
Upgrading Health Infrastructure	-	14.5	14.8	0.7	0.7
<i>National Disability Insurance Agency</i>					
Permanent Migration Program – 2025–26 planning levels(b)	-	..	..	-0.1	-0.1
<i>National Health and Medical Research Council</i>					
Health Research, Systems and Data	-	3.0	-	-	-
<i>NDIS Quality and Safeguards Commission</i>					
Support for People with Disability	-	-	-	-	-
<i>Professional Services Review</i>					
Department of Veterans' Affairs – strengthening program integrity and veterans' advocacy	-	0.1	0.2	0.2	-
<b>Portfolio total</b>	-	<b>922.5</b>	<b>1,316.9</b>	<b>1,117.1</b>	<b>1,231.8</b>
<b>HOME AFFAIRS</b>					
<i>Australian Criminal Intelligence Commission</i>					
Working With Children Checks Reform	-	1.4	11.3	11.2	10.8
<i>Australian Federal Police</i>					
Home Affairs Portfolio – additional resourcing	-	nfp	nfp	nfp	nfp
Nuclear-Powered Submarine Program – further program support	-	73.8	125.2	-	-
Supporting Transport Priorities(b)	-	3.0	7.5	16.6	17.0
<i>Australian Institute of Criminology</i>					
Working With Children Checks Reform	-	0.3	0.9	0.5	-

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>HOME AFFAIRS (continued)</b>					
<i>Department of Home Affairs</i>					
Civil Maritime Security Capabilities	-	nfp	nfp	nfp	nfp
Community Safety Measures in Response to the High Court's decision in NZYQ v Minister for Immigration, Citizenship and Multicultural Affairs & Anor	-	312.5	-53.4	-32.0	-32.0
Home Affairs Portfolio – additional resourcing	-	28.2	-	-	-
Permanent Migration Program – 2025–26 planning levels(b)	-	1.5	0.5	0.6	0.6
Strengthening Community Safety	-	8.3	11.2	2.9	-
Support for Migrant and Refugee Settlement Services	-	-	13.9	-	-
Supporting International Sporting Events(b)	-	1.8	-	-	-
Supporting Multicultural Communities	-	89.9	81.9	20.4	5.0
Supporting Transport Priorities(b)	-	3.9	24.8	20.8	21.2
United States Global Entry Program (Phase Two)(b)	-	1.6	2.7	3.4	4.1
Workplace Relations – additional supports	-	-	-	-	-
<i>National Emergency Management Agency</i>					
Disaster Support	-	23.2	-9.0	-10.0	-
<b>Portfolio total</b>	<b>-</b>	<b>549.4</b>	<b>217.6</b>	<b>34.3</b>	<b>26.7</b>
<b>INDUSTRY, SCIENCE AND RESOURCES</b>					
<i>Australian Nuclear Science and Technology Organisation</i>					
Investing in Science Agencies	-	-	40.8	-	-
<i>Commonwealth Scientific and Industrial Research Organisation</i>					
Investing in Science Agencies	-	121.0	112.0	-	-
South Australian Marine Algal Bloom Response	-	2.0	-	-	-
<i>Department of Industry, Science and Resources</i>					
A Rapidly Transforming Energy System(b)	-	-	-	-	-
Building a Future Made in Australia(b)	-	25.1	1.0	5.0	-
Establishing an Artificial Intelligence Safety Institute	-	3.6	10.5	7.8	8.0
Industry, Science and Resources – reprioritisation	-	-30.9	-41.7	-55.8	-24.0
Supporting Australia's Heavy Industry Transformation(b)	-	7.1	-9.7	-10.5	0.2
<i>National Offshore Petroleum Safety and Environmental Management Authority</i>					
A Rapidly Transforming Energy System(b)	-	-	-	-	-
<i>National Reconstruction Fund Corporation</i>					
Building a Future Made in Australia(b)	-	-	13.1	12.7	-
Forestry Growth Fund(b)	-	-	-	-	-
Support for the Net Zero Plan(b)	-	-	4.7	-	-

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>INDUSTRY, SCIENCE AND RESOURCES (continued)</b>					
<i>Net Zero Economy Authority</i>					
Building a Future Made in Australia(b)	-	-	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>127.8</b>	<b>130.7</b>	<b>-40.8</b>	<b>-15.8</b>
<b>INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS, SPORT AND THE ARTS</b>					
<i>Australian Broadcasting Corporation</i>					
Additional Funding for the Australian Broadcasting Corporation	-	-	16.7	16.7	16.7
<i>Australian Communications and Media Authority</i>					
Supporting Connectivity(b)	-	2.3	6.7	7.2	7.2
<i>Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts</i>					
Building a Better Future Through Considered Infrastructure Investment	-	2.5	-	-	-
Further Commitments Under the National Cultural Policy – Revive	-	8.8	16.5	4.0	-
Investment in Sport	-	-	-	-	-
Major and Local Community Infrastructure	-	7.0	43.5	173.9	240.0
National Cultural Policy – National Collecting Institutions	-	-3.0	-	-	-
Online Safety	-	10.3	2.2	2.0	2.0
Regional Broadband Scheme(b)	-	-	-34.9	-36.3	-37.9
Rex Airlines(b)	-	21.9	0.3	0.3	0.3
Supporting Connectivity(b)	-	-10.7	-	-	-
Supporting International Sporting Events(b)	-	-	-	-	-
Supporting Multicultural Communities	-	1.0	4.0	-	-
Supporting News and Media Diversity	-2.0	2.0	-0.3	-0.2	-
Supporting Transport Priorities(b)	-	4.9	4.6	1.0	-
<i>National Capital Authority</i>					
Major and Local Community Infrastructure	-	2.5	47.0	14.1	-
<i>National Gallery of Australia</i>					
National Cultural Policy – National Collecting Institutions	-	15.1	84.7	55.1	40.8
<i>National Library of Australia</i>					
National Cultural Policy – National Collecting Institutions	-	0.7	3.8	-	-
<i>Northern Australia Infrastructure Facility</i>					
Future of the Northern Australia Infrastructure Facility(b)	-	-	17.2	17.3	17.8
<b>Portfolio total</b>	<b>-2.0</b>	<b>65.3</b>	<b>211.9</b>	<b>255.0</b>	<b>287.0</b>

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
<b>PARLIAMENT</b>					
<i>Department of Parliamentary Services</i>					
Parliamentary Departments – additional resourcing	-	8.5	4.9	5.4	5.8
<i>Department of the House of Representatives</i>					
Parliamentary Departments – additional resourcing	-	1.0	1.5	1.5	1.6
<b>Portfolio total</b>	-	<b>9.5</b>	<b>6.4</b>	<b>6.9</b>	<b>7.4</b>
<b>PRIME MINISTER AND CABINET</b>					
<i>Australian Institute of Aboriginal and Torres Strait Islander Studies</i>					
Ngurra Cultural Precinct	-	1.7	-	-	-
<i>Australian Public Service Commission</i>					
Prime Minister and Cabinet – additional resourcing	-	9.2	-	-	-
<i>Department of the Prime Minister and Cabinet</i>					
Prime Minister and Cabinet – additional resourcing	-	3.6	7.1	7.2	7.3
<i>National Indigenous Australians Agency</i>					
Payments to Support Ongoing Rehabilitation of Ranger Uranium Mine	-	0.8	nfp	nfp	nfp
<i>Office of the Official Secretary to the Governor-General</i>					
Prime Minister and Cabinet – additional resourcing	-	4.6	2.0	-	-
<b>Portfolio total</b>	-	<b>19.7</b>	<b>9.1</b>	<b>7.2</b>	<b>7.3</b>
<b>SOCIAL SERVICES</b>					
<i>Department of Social Services</i>					
A Fairer More Efficient Social Security System(b)	-	6.3	35.5	-	-
Australian Orphanage Museum – additional funding	-	-	0.1	0.1	0.1
Delivering Social Services Election Commitments	-	10.0	-	-	-
Permanent Migration Program – 2025–26 planning levels(b)	-	0.6	1.2	1.6	1.8
Resetting Social Security Deeming Rates(b)	-	-215.2	-462.5	-487.1	-510.5
Support for People with Disability	-	-4.2	-	-	-
Supporting the Safety and Wellbeing of Children, Families and Communities	-	-6.2	8.2	-0.2	-0.2
Targeting Entrenched Community Disadvantage	-	1.7	3.9	-	-
<b>Portfolio total</b>	-	<b>-207.1</b>	<b>-413.6</b>	<b>-485.6</b>	<b>-508.8</b>

**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>TREASURY</b>					
<i>Australian Competition and Consumer Commission</i>					
Australian Energy Regulator Uplift	-	6.4	11.8	11.6	11.2
Supporting Consumers(b)	-	37.3	14.6	16.3	17.2
<i>Australian Securities and Investments Commission</i>					
Treasury Portfolio – additional resourcing(b)	-	-	10.7	6.0	-
<i>Australian Taxation Office</i>					
OECD Crypto Asset Reporting Framework and domestic reporting(b)	-	7.0	21.3	17.0	11.8
Superannuation reforms – Boosting the Low Income Superannuation Tax Offset and practical changes to Better Targeted Superannuation Concessions(b)	-	-7.1	16.9	23.3	442.3
Treasury Portfolio – additional resourcing(b)	-	2.4	10.5	5.9	0.3
<i>Department of the Treasury</i>					
A Rapidly Transforming Energy System(b)	-	96.6	4.4	-	-
Building a Better Future Through Considered Infrastructure Investment	-	147.9	87.5	175.3	160.6
Building a Future Made in Australia(b)	-	4.0	1.0	-	-
Building Australia's Future – delivering priority housing and energy sector training(b)	-	22.0	36.5	24.5	-
Climate Change, Energy, the Environment and Water – reprioritisation	-	-25.1	-	-	-
Competition Reforms(b)	-	0.6	6.3	5.3	3.8
Delivering Place-based Employment Services	-	1.4	1.0	0.2	-
Disaster Support	-	1.9	1.5	0.5	-
Employment and Workplace Relations – reprioritisation	-	-3.0	-	-	-
Funding for Mid-Year Reception in South Australian Non-Government Schools	-	13.3	8.7	-	-
Funding for Sikh Grammar School – early education and care service	-	3.9	1.4	-	-
Further Commitments Under the National Cultural Policy – Revive	-	30.0	25.0	25.0	15.0
Guaranteeing Universal Access to Preschool	-	6.3	5.6	-	-
Health Research, Systems and Data	-	0.4	0.5	0.5	0.5
Housing Australia Future Fund Round 3(b)	-	-	3.0	3.0	-
Indirect Tax Concession Scheme – diplomatic and consular concessions(b)	..	..	..	..	..
Investment in Sport	-	5.1	10.1	0.1	0.1
Local Environment Projects	-	12.5	4.5	1.2	-
Major and Local Community Infrastructure	-	39.0	30.0	21.5	-



**Table A.2: Payment measures since the 2025 PEFO<sup>(a)</sup> (continued)**

	2024-25	2025-26	2026-27	2027-28	2028-29
	\$m	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>					
Migration – uplift of Visa Application Charge for student visas(b)	-	..	-5.0	-5.0	-10.0
National Cultural Policy – National Collecting Institutions	-	-1.5	-	-	-
National Water Grid Fund – responsible investment in First Nations water infrastructure	-	14.2	14.4	11.0	-39.6
Permanent Migration Program – 2025–26 planning levels(b)	-	..	..	..	..
Piloting the Investor Front Door	-	5.8	11.5	-	-
South Australian Marine Algal Bloom Response	-	66.3	-	-	-
Strengthening Medicare – establishing 1800MEDICARE and Medicare Urgent Care Clinics additional support	-	0.2	-	-	-
Support for Homebuyers	-	13.3	124.8	187.8	190.6
Support for People with Disability	842.9	17.6	-	-	-
Supporting Australia's Heavy Industry Transformation(b)	-	253.0	100.0	100.0	50.0
Supporting Consumers(b)	-	6.4	0.1	-	-
Supporting International Sporting Events(b)	-	-184.5	59.4	-19.3	-246.1
Supporting Multicultural Communities	-	1.1	0.9	-	-
Targeting Entrenched Community Disadvantage	-	1.9	-	-	-
Treasury Portfolio – additional resourcing(b)	-	-	1.0	-	-
Upgrading Health Infrastructure	-	10.0	5.0	40.0	30.0
Working With Children Checks Reform	-	nfp	nfp	nfp	-
<i>Housing Australia</i>					
Housing Australia Future Fund Round 3(b)	-	-422.2	-273.6	-203.4	150.6
Support for Homebuyers	-	0.6	0.6	0.7	0.7
<i>Inspector-General of Taxation</i>					
Treasury Portfolio – additional resourcing(b)	-	2.3	2.3	2.3	2.3
<i>National Competition Council</i>					
Competition Reforms(b)	-	-	1.6	1.7	1.8
<b>Portfolio total</b>	<b>842.9</b>	<b>187.1</b>	<b>355.7</b>	<b>452.9</b>	<b>793.0</b>
<b>Decisions taken but not yet announced and not for publication</b>	<b>-</b>	<b>723.3</b>	<b>1,273.2</b>	<b>121.8</b>	<b>-1,136.7</b>
<b>Total impact of payment measures(c)</b>	<b>840.9</b>	<b>1,757.6</b>	<b>44.0</b>	<b>-2,156.0</b>	<b>-3,399.2</b>

\* 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) Measures may not add due to rounding.

## Agriculture, Fisheries and Forestry

### Forestry Growth Fund

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Agriculture, Fisheries and Forestry	-	10.0	20.0	50.0	40.0
National Reconstruction Fund Corporation	-	-	-	-	-
<b>Total – Payments</b>	-	10.0	20.0	50.0	40.0
<i>Related receipts (\$m)</i>					
<i>National Reconstruction Fund Corporation</i>	-	-	-0.4	-0.7	-1.0

The Government will provide \$300.0 million over eight years from 2025–26 to establish a Forestry Growth Fund to support the security and sustainability of Australia’s forestry industry. Funding includes:

- \$150.0 million over six years from 2025–26 for grants to support the forestry industry, including for forestry workforce training and support, engineered wood products innovation and housing construction supply-chain support
- \$150.0 million over seven years from 2026–27 in concessional finance, delivered through the National Reconstruction Fund Corporation within its existing capital, to support the modernisation of processing across the forestry industry and deliver on the Timber Fibre Strategy.

### Future of the Regional Investment Corporation

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Agriculture, Fisheries and Forestry	-	1.0	1.0	0.1	-
Regional Investment Corporation	-	-	6.1	5.6	6.0
<b>Total – Payments</b>	-	1.0	7.1	5.7	6.0
<i>Related receipts (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	-	-4.0	4.7	19.3	38.3

The Government will provide \$1.0 billion over three years from 2026–27 for the Regional Investment Corporation (RIC) to deliver new concessional loans to farm businesses and drought-affected farm-related businesses and a broadened loan scope to include assistance for improving climate resilience, boosting sector productivity and supporting agriculture to be part of Australia’s net zero transition. Funding includes:

- \$1.0 billion in new loan funding for the RIC, which brings total RIC loan funding to over \$5.0 billion, including for:
  - a new Drought Hardship Loan product to assist farmers experiencing cash flow difficulties due to prolonged and severe drought
  - a new loan product to support Australian wild-catch fishing and aquaculture businesses affected by marine-based slow onset significant ecological events
- \$17.7 million over three years from 2026–27 for the RIC to support its continued operations
- \$2.0 million over three years from 2025–26 for the Department of Agriculture, Fisheries and Forestry to support program delivery.

The Government will also hold interest rates for the loans administered by the RIC at 5.18 per cent until 31 July 2026.

The cost of this measure will be partially met through interest levied.

See also the related payment measure titled *South Australian Marine Algal Bloom Response* in the Climate Change, Energy, the Environment and Water portfolio.

### Rural Financial Counselling Service – additional funding

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Agriculture, Fisheries and Forestry	-	1.0	1.0	-	-

The Government will provide an additional \$2.0 million over two years from 2025–26 for the Rural Financial Counselling Service program to increase support for farmers in financial hardship due to drought and natural disasters.

### Securing the Future of Agricultural Trade

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Agriculture, Fisheries and Forestry	-	10.5	55.4	51.3	30.3
<i>Related receipts (\$m)</i>					
Department of Agriculture, Fisheries and Forestry	-	-	10.2	22.9	19.9

The Government will provide \$147.5 million over four years from 2025–26 (and \$32.7 million per year ongoing) for the Department of Agriculture, Fisheries and Forestry (DAFF) to sustain agricultural export regulatory and trade functions. Funding includes:

- \$65.8 million over three years from 2026–27 (and \$25.2 million per year ongoing) to continue export regulatory services for dairy, fish and eggs, grain and plant products, horticulture, and meat

- \$44.3 million over four years from 2025–26 (and \$5.2 million per year ongoing) to maintain live animal export functions and regulatory services
- \$23.7 million over four years from 2025–26 (and an additional \$0.3 million in 2029–30) to continue and reform export regulatory services for agricultural commodities classified as non-prescribed goods and organic products
- \$7.1 million in 2025–26 to continue agricultural trade and market access functions
- \$6.6 million over three years from 2026–27 (and \$2.3 million per year ongoing) to establish an ongoing regulatory efficiency function in DAFF for agricultural export arrangements.

The Government will commence a phased transition to full cost recovery over three years from 2026–27 for most agricultural export cost recovery arrangements, and develop a new cost recovery arrangement for live animal export regulatory services by 2028.

The cost of the measure will be partially met through changes to fees and charges under existing agricultural export arrangements and the introduction of cost recovery for five existing export regulatory services. This is expected to raise revenue of \$53.0 million over three years from 2026–27 and \$34.3 million per year ongoing, and achieve savings of \$10.1 million over three years from 2026–27 and \$6.9 million per year ongoing.

This measure builds on the 2023–24 MYEFO measure titled *Agriculture Trade and Exports – additional funding*.

### Supporting Farmsafe Australia

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Agriculture, Fisheries and Forestry	-	0.5	1.0	1.0	-

The Government will provide \$2.5 million over three years from 2025–26 for Farmsafe Australia to improve farm safety across Australia.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

## Attorney-General's

### Attorney-General's Portfolio – additional resourcing

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Administrative Review Tribunal	-	34.2	34.8	-	-
Office of Parliamentary Counsel	-	2.8	6.4	3.4	3.4
Attorney-General's Department	-	-	-1.5	-1.0	-
Total – Payments	-	37.1	39.7	2.4	3.4

The Government will provide \$85.1 million over four years from 2025–26 (and \$3.5 million per year ongoing) to support the delivery of Government priorities in the Attorney-General's portfolio, including:

- \$69.0 million over two years from 2025–26 to continue addressing the backlog of Administrative Review Tribunal cases
- \$16.1 million over four years from 2025–26 (and \$3.5 million per year ongoing) for the Office of Parliamentary Counsel to increase its legislative drafting capacity.

The Government will achieve savings of \$2.5 million over two years from 2026–27 to partially offset new expenditure in the Attorney-General's portfolio from a temporary reduction in the Expensive Commonwealth Criminal Cases Fund.

Part of this measure extends the 2023–24 Budget measure titled *Institutional Reform to Australia's System of Federal Administrative Review*.

### Working With Children Checks Reform

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Criminal Intelligence Commission	-	1.4	11.3	11.2	10.8
Attorney-General's Department	-	0.5	-	-	-
Australian Institute of Criminology	-	0.3	0.9	0.5	-
Digital Transformation Agency	-	..	..	..	..
Department of the Treasury	-	nfp	nfp	nfp	-
Total – Payments	-	2.3	12.2	11.7	10.8

The Government will provide funding to reform Working with Children Checks with states and territories, including:

- \$34.6 million over four years from 2025–26 (and an additional \$2.4 million in 2029–30) for the Australian Criminal Intelligence Commission to develop, implement and sustain the National Continuous Checking Capability, to enable a national approach to Working with Children Checks screening
- \$1.7 million over three years from 2025–26 for the Australian Institute of Criminology to conduct research into perpetrator behaviour to inform future Working with Children Checks reform
- \$0.5 million in 2025–26 to the Attorney-General's Department to enable the National Office of Child Safety to continue work on national child safety arrangements and implement the National Standards for Working with Children Checks.

Partial funding for this measure will be held in the Contingency Reserve until after jurisdictional onboarding to the National Continuous Checking Capability.

The cost of this measure will be partially met from a reprioritisation of funding from the 2025–26 MYEFO measure titled *Education – reprioritisation*.

The Treasury manages Commonwealth payments to the states and territories.

Some elements of this measure are not for publication (nfp) because it would prejudice Commonwealth negotiations with relevant jurisdictions on funding levels.

This measure extends the 2023–24 MYEFO measure titled *National Strategy for the Care and Support Economy – delivering foundational initiatives*.

## Climate Change, Energy, the Environment and Water

### A Rapidly Transforming Energy System

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	96.6	4.4	-	-
Department of Climate Change, Energy, the Environment and Water	-	15.2	11.2	3.3	3.3
Department of Finance	-	-	1.1	1.1	1.1
Department of Industry, Science and Resources	-	-	-	-	-
National Offshore Petroleum Safety and Environmental Management Authority	-	-	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>111.8</b>	<b>16.7</b>	<b>4.4</b>	<b>4.4</b>
<i>Related receipts (\$m)</i>					
<i>Department of Industry, Science and Resources</i>	<i>-</i>	<i>-3.5</i>	<i>-25.3</i>	<i>-18.4</i>	<i>-0.2</i>

The Government will provide \$487.5 million over five years from 2025–26 (and \$1.9 million per year ongoing) to transform Australia’s energy system by driving innovation and investment in energy markets that deliver reliable and low-cost energy for all Australians. Funding includes:

- \$346.0 million in 2029–30 to assist the Tasmanian Government to defray network costs for consumers and support the North West Transmission Developments
- \$101.0 million over two years from 2025–26 to support augmentations to Victoria’s Renewable Energy Zone developments and the broader energy transition
- \$18.5 million over five years from 2025–26 (and \$1.9 million per year ongoing) to provide oversight and governance to ensure the efficient delivery of the Marinus Link project
- \$15.4 million over two years from 2025–26 for critical retail and consumer reforms to promote investments in firmed, renewable generation and storage capacity
- \$6.5 million in 2025–26 to continue gas market modelling and policy analysis to support market reliability and energy security reforms.

The Government will also adjust cost recovery arrangements to provide temporary financial relief for offshore electricity infrastructure licence holders which will reduce revenue by \$47.4 million over four years from 2025–26.

The cost of this measure will be partially met from savings identified in the 2025–26 MYEFO measure titled *Climate Change, Energy, the Environment and Water – reprioritisation*.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2022–23 October Budget measure titled *Support for Energy Security and Reliability* and the 2024–25 MYEFO measure titled *Enabling a Reliable and Secure Energy Transition*.

### Australian Antarctic Program – continuing funding

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	0.6	16.0	48.6	49.7

The Government will provide \$114.9 million over four years from 2025–26 (and an additional \$93.8 million from 2029–30 to 2031–32) to continue Australian Antarctic program operations and Australia’s international scientific activities. Funding includes:

- \$65.3 million over three years from 2026–27 (and an additional \$27.6 million in 2029–30) to support operations of the RSV *Nuyina* and increase its operational days at sea to enable delivery of additional marine science activities
- \$44.4 million over four years from 2025–26 (and an additional \$66.2 million from 2029–30 to 2031–32) to maintain Australia’s Antarctic aviation capability
- \$5.2 million over three years from 2025–26 in additional funding for the Australian Centre for Excellence in Antarctic Science.

This measure builds on the 2024–25 Budget measure titled *Australian Antarctic Program – additional funding*.

### Australian Energy Regulator Uplift

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Competition and Consumer Commission	-	6.4	11.8	11.6	11.2
Digital Transformation Agency	-	..	..	..	..
Department of Climate Change, Energy, the Environment and Water	-	-	-	-	-
Total – Payments	-	6.4	11.9	11.7	11.2

The Government will provide \$49.6 million over five years from 2025–26 (and \$8.3 million per year ongoing) for the Australian Energy Regulator (AER) to uplift its core data and digital systems and support reforms to deliver better outcomes for consumers. Funding includes:

- \$44.1 million over five years from 2025–26 (and \$7.1 million per year ongoing) to upgrade AER’s data and digital systems and reduce regulatory burden
- \$5.6 million over five years from 2025–26 (and \$1.1 million per year ongoing) to develop and implement reforms to the Default Market Offer.

The cost of this measure will be partially met from savings identified in the 2025–26 MYEFO measure titled *Climate Change, Energy, the Environment and Water – reprioritisation*.

This measure builds on the 2024–25 Budget measure titled *Harnessing the Energy Transition to Benefit Consumers*.



**Climate Change, Energy, the Environment and Water – continuing regulatory functions**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	6.4	-	-	-

The Government will provide additional funding of \$6.4 million in 2025–26 to the Department of Climate Change, Energy, the Environment and Water to support regulatory functions associated with cost recovery arrangements. Funding includes:

- \$6.2 million in 2025–26 to continue administering the Waste Export Licencing scheme under the *Recycling and Waste Reduction Act 2020*
- \$0.2 million in 2025–26 to continue the Commonwealth’s contribution to the Water Efficiency Labelling and Standards scheme.

The Government may consider further funding for these functions pending consideration of the department’s broader cost recovery policies.

This measure extends the 2024–25 Budget measure titled *Climate Change, Energy, the Environment and Water – cost recovery arrangements*.

**Climate Change, Energy, the Environment and Water – reprioritisation**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Renewable Energy Agency	-	-	-57.8	-154.2	-212.7
Department of Climate Change, Energy, the Environment and Water	-	-2.5	-25.3	-36.2	-20.7
Department of the Treasury	-	-25.1	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>-27.6</b>	<b>-83.1</b>	<b>-190.3</b>	<b>-233.4</b>

The Government will reprioritise \$534.4 million over four years from 2025–26 across the Climate Change, Energy, the Environment and Water portfolio to deliver on key Government priorities. This includes:

- \$424.7 million over three years from 2026–27 from reprioritising funding not committed under the 2023–24 Budget measure titled *Hydrogen Headstart*, to support low and zero emissions technology across the economy
- \$47.4 million over four years from 2025–26, by streamlining departmental resourcing and reprioritising uncommitted funding from the Powering the Regions Fund
- \$25.1 million in 2025–26 from reprioritising uncontracted funding under the 2022–23 October Budget measure titled *Powering Australia – Solar Banks*

- \$25.1 million over two years from 2027–28 from the partial reversal of the 2022–23 October Budget measure titled *Next Phase of Natural Heritage Trust Funding*, by reducing funding from the Landcare Rangers program
- \$12.2 million in 2026–27 by reducing uncommitted funding from the National Environmental Science program.

### Commonwealth Leadership for a Safe Circular Economy – additional funding

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	20.6	-	-	-

The Government will provide additional funding of \$20.6 million in 2025–26 to continue delivery of the Government’s circular economy policy, program and legislative functions.

The Government may consider further funding for this function following the consideration of broader circular economy commitments.

This measure extends the 2024–25 Budget measure titled *Commonwealth Leadership for a Safe Circular Economy – continuing delivery*.

### Continuing to Streamline and Strengthen our National Environmental Laws

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	14.4	-	-	-

The Government will provide additional funding of \$14.4 million in 2025–26 to continue strengthening and streamlining national environmental laws to address the recommendations of the second independent review of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The Government may consider future funding to implement reforms related to the package of EPBC Act legislative amendments that were passed by the Parliament in November 2025.

This measure extends the 2023–24 Budget measure titled *Nature Positive Plan – better for the environment, better for business*.

**Continuing to Support Healthy Oceans**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Director of National Parks	-	3.7	6.9	7.2	7.3

The Government will provide \$25.1 million over four years from 2025–26 to continue removing discarded fishing nets and marine debris from Australia’s northern waters and further expand this work to other coastal areas around Western Australia, the Torres Strait, and the Arafura and Timor seas to reduce plastic pollution and support the health and management of Australia’s oceans.

The cost of this measure will be met from savings identified in the 2025–26 MYEFO measure titled *Climate Change, Energy, the Environment and Water – reprioritisation*.

**Expanding the Capacity Investment Scheme**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	-	nfp	nfp	nfp

The Government will expand the Capacity Investment Scheme to underwrite additional investment in clean dispatchable capacity and variable renewable energy generation to ensure energy reliability and affordability. The financial implications of this measure are not for publication (nfp) as disclosure of the expected additional underwriting costs for clean energy projects selected through the tender process would impair the Commonwealth’s position in negotiating these contracts with industry.

The Government will also provide \$17.1 million over three years from 2026–27 for the Department of Climate Change, Energy, the Environment and Water to undertake contract management and payment verification activities to support the continued delivery of the Capacity Investment Scheme.

The cost of this measure will be partially met from savings identified in the 2025–26 MYEFO measure titled *Climate Change, Energy, the Environment and Water – reprioritisation*.

This measure builds on the 2023–24 Budget measure titled *Capacity Investment Scheme* and the 2023–24 MYEFO measure titled *Capacity Investment Scheme – expansion*.

### Extending Australia’s International Climate Change Engagement

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	13.6	-	-	-
Department of Foreign Affairs and Trade	-	6.3	-	-	-
<b>Total – Payments</b>	-	<b>19.9</b>	-	-	-

The Government will provide an additional \$19.9 million in 2025–26 to support Australia’s continued international engagement on climate change and energy transition issues, including through its role in the 31st Conference of the Parties.

This measure extends the 2024–25 Budget measure titled *Australia’s International Climate Change Engagement*.

### Local Environment Projects

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	18.4	25.2	10.9	-
Department of the Treasury	-	12.5	4.5	1.2	-
Sydney Harbour Federation Trust	-	2.0	3.2	5.0	-
<b>Total – Payments</b>	-	<b>32.9</b>	<b>32.9</b>	<b>17.1</b>	-

The Government will provide \$87.5 million over four years from 2025–26 to protect and improve Australia’s environment and heritage. Funding includes:

- \$77.3 million over four years from 2025–26 for the Local Environmental Projects program to support projects that aim to preserve Australia’s threatened species, landscapes and waterways through environment protection and restoration activities
- \$10.2 million over three years from 2025–26 for a new pool at the World Heritage listed Cockatoo Island / Wareamah.

The Department of Climate Change, Energy, the Environment and Water will partially meet the cost of this measure from within existing resources.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

**Maintaining Australia's Liquid Fuel Security**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	8.5	3.4	3.5	3.6

The Government will provide \$19.0 million over four years from 2025–26 (and an additional \$3.8 million in 2029–30) to continue to support Australia's liquid fuel security. Funding includes:

- \$10.5 million over four years from 2025–26 (and an additional \$3.8 million in 2029–30) to extend the Commonwealth-owned stockpile of technical grade urea to maintain the security of Australia's supply of diesel exhaust fluid
- \$8.5 million in 2025–26 to support the continued management of Australia's fuel security framework, including oversight of the minimum stockholding obligation and the Fuel Security Services Payment.

The cost of this measure will be partially met from savings identified in the 2025–26 MYEFO measure titled *Climate Change, Energy, the Environment and Water – reprioritisation*.

This measure builds on the 2022–23 October Budget measure titled *Diesel Exhaust Fluid Market Security*.

**Murray-Darling Basin Plan – supporting delivery**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	nfp	nfp	nfp	-

The Government will provide additional funding to continue implementation of the Murray-Darling Basin Plan (Basin Plan). Funding includes:

- funding for further voluntary water purchases to meet environmental water recovery targets under the Basin Plan
- \$2.9 million in 2025–26 to support operation of a hydrological modelling platform which is critical to water management and water trade.

The Department of Climate Change, Energy, the Environment and Water will partially meet the cost of this measure from within existing resources.

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 – responsible investment in First Nations water infrastructure

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	14.2	14.4	11.0	-39.6

The Government will provide \$60.8 million over four years from 2025–26 to deliver six new First Nations water infrastructure projects across remote Australia. Funding includes:

- \$18.0 million over two years from 2025–26 for the Woorabinda water supply improvement project in Queensland
- \$14.3 million over three years from 2025–26 for the Galiwin'ku network upgrade and water quality planning strategy in the Northern Territory
- \$13.7 million over three years from 2025–26 for the second phase of the Gove Peninsula water supply upgrade – Gunyangara in the Northern Territory
- \$6.0 million over two years from 2025–26 for the Halls Creek water security upgrade in Western Australia
- \$5.1 million over four years from 2025–26 for the revitalisation of water supply on the Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia
- \$3.7 million over four years from 2025–26 to secure critical human water needs for self-supplied remote First Nations communities in South Australia.

The cost of this measure will be met by reallocating funding from within the National Water Grid Fund.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2025–26 Budget measure titled *National Water Grid Fund – responsible investment in water infrastructure*.

**Oceans Leadership Package – Australian Marine Parks**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Director of National Parks	-	6.7	-	-	-
Department of Climate Change, Energy, the Environment and Water	-	3.6	-	-	-
<b>Total – Payments</b>	-	10.3	-	-	-

The Government will provide additional funding of \$10.3 million in 2025–26 for the protection of Australian Marine Parks. Funding includes:

- \$6.7 million in 2025–26 to continue private sector partnerships in ocean discovery and habitat protection
- \$3.6 million in 2025–26 to undertake an additional round of the Our Marine Parks grants program to support marine conservation and protect the long-term health of Australian Marine Parks.

The Government may consider future funding for these functions in a broader ocean priority package.

**Saving Native Species (Conservation Planning Component) – continuing funding**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	9.1	-	-	-

The Government will provide additional funding of \$9.1 million in 2025–26 to support conservation planning to guide the protection and recovery of threatened species and ecological communities.

This measure extends the 2022–23 October Budget measure titled *Saving Native Species*.

**South Australian Marine Algal Bloom Response**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	66.3	-	-	-
Commonwealth Scientific and Industrial Research Organisation	-	2.0	-	-	-
Department of Climate Change, Energy, the Environment and Water	-	-0.3	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>68.0</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Government will provide \$68.5 million in 2025–26 to protect the South Australian coastline from the impacts of the marine algal bloom and support local communities. Funding includes:

- \$48.0 million in 2025–26 towards the Algal Bloom Summer Plan to undertake research and monitoring of the bloom, protect and restore the South Australian marine environment, and support coastal communities and businesses over the summer
- \$14.0 million in 2025–26 to address the immediate impacts of the algal bloom and improve preparedness for future events
- \$4.0 million in 2025–26 for grants to local governments to support coastal infrastructure investment, environmental remediation activities and community support programs
- \$2.0 million in 2025–26 for the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to enhance water quality monitoring and data collection of marine heatwaves
- \$0.3 million in 2025–26 for a bubble curtain system to protect cuttlefish off the coast of Whyalla
- \$0.3 million in 2025–26 for algal bloom related research delivered through the National Environment Science Programs Marine and Coastal Hub.

The cost of this measure will be partially met from savings identified in the Climate Change, Energy, the Environment and Water and the Industry, Science and Resources portfolios.

The Treasury manages Commonwealth payments to the states and territories.

See also the related payment measure titled *Future of the Regional Investment Corporation* in the Agriculture, Fisheries and Forestry portfolio.



**Support for the Net Zero Plan**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	11.8	60.3	64.5	37.1
Australian Renewable Energy Agency	-	-	6.4	5.3	46.6
National Reconstruction Fund Corporation	-	-	4.7	-	-
<b>Total – Payments</b>	<b>-</b>	<b>11.8</b>	<b>71.4</b>	<b>69.7</b>	<b>83.7</b>
<i>Related receipts (\$m)</i>					
<i>Department of Climate Change, Energy, the Environment and Water</i>	-	-	-	0.1	0.2
<i>Clean Energy Finance Corporation</i>	-	-	-	-	-
<i>National Reconstruction Fund Corporation</i>	-	-2.8	-14.0	-22.8	-33.1
<b>Total – Receipts</b>	<b>-</b>	<b>-2.8</b>	<b>-14.0</b>	<b>-22.7</b>	<b>-32.9</b>

The Government will provide \$8.3 billion over 15 years from 2025–26 to support the Net Zero Plan and help meet Australia’s 2035 emissions reduction target by investing in emissions reductions, the clean energy transition and energy efficiency, and supporting communities to share in these benefits. Funding includes:

- \$5.0 billion to establish the Net Zero Fund within the National Reconstruction Fund utilising the National Reconstruction Fund Corporation’s existing capital, to help large industrial facilities to decarbonise and improve energy efficiency, and for the scaling up of domestic manufacturing of renewables and low emissions technologies
- \$2.0 billion for the Clean Energy Finance Corporation to continue to invest in projects that will drive downwards pressure on electricity prices
- \$1.1 billion over 14 years from 2026–27 for the Cleaner Fuels program to support investment in onshore production of low carbon liquid fuels
- \$51.8 million over four years from 2025–26 for an energy performance package to drive cost savings for households and businesses through increased energy efficiency and electrification
- \$50.0 million over five years from 2025–26 to support up to 500 sports clubs to make renewable energy, energy efficiency and climate resilient upgrades to their facilities
- \$40.0 million over four years from 2025–26 to accelerate the roll out of kerbside and fast electric vehicle charging across Australia
- \$32.7 million over four years from 2025–26 to expand the Nationwide House Energy Rating Scheme to cover existing homes.

Partial funding for this measure will be held in the Contingency Reserve until final details for the programs are settled.

The cost of this measure will be partially met from savings identified in the 2025–26 MYEFO measure titled *Climate Change, Energy, the Environment and Water – reprioritisation*.

### Sustaining the Cheaper Home Batteries Program

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Climate Change, Energy, the Environment and Water	-	-357.2	-2,035.0	-2,114.9	-2,162.8
<i>Related payments variations (\$m)</i>					
Department of Climate Change, Energy, the Environment and Water	-	3,369.9	2,800.6	2,770.6	2,677.8
<i>Net impact – payments</i>	-	3,012.7	765.6	655.7	515.0

The Government will increase support for the Cheaper Home Batteries program, while changing policy settings to ensure support is aligned with contemporary battery technologies and household needs. These changes will ensure the Cheaper Home Batteries program remains sustainable, while continuing to deliver cheaper batteries for consumers with benefits for all electricity consumers through the system stability and capacity these batteries provide. The changes take into account the falling price of battery technology and feedback from the Industry Advisory Implementation Committee (IAIC), which will allow increased access to batteries by households, businesses and community organisations. The Government will monitor this important program to ensure it continues to appropriately support consumers, including through engagement with the IAIC.

The Government’s changes to the policy settings will see the expected support for the program cost \$7.2 billion over four years from 2025–26.

This measure builds on the 2025 PEFO measure titled *Cheaper Home Batteries Program*.

### Weather Radar for Regional Queensland

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Bureau of Meteorology	-	1.5	3.1	5.4	-

The Government will provide \$12.1 million over three years from 2025–26 for a new weather radar in regional Queensland to improve flood forecasts and warnings and better equip communities, emergency services and businesses for extreme weather events.

The Bureau of Meteorology will partially meet the cost of this measure from within existing resources.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

## Cross Portfolio

### Artificial Intelligence Plan for the Australian Public Service – implementation

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Various Agencies	-	23.4	86.5	99.4	15.9

The Government will provide \$225.2 million over four years from 2025–26, and \$0.4 million per year ongoing from 2029–30, to deliver the Government’s Artificial Intelligence Plan for the Australian Public Service (APS AI Plan), which will guide the safe, responsible and coordinated adoption of Artificial Intelligence (AI) and accelerate uptake across the Australian Government. Funding includes:

- \$166.4 million over three years from 2025–26 for the Department of Finance and the Digital Transformation Agency to expand the GovAI platform and design, build and pilot a secure, AI assistant (GovAI Chat). Funding includes \$28.5 million over two years from 2025–26 for initial work and assurance, and \$137.9 million over two years from 2026–27 provisioned in the Contingency Reserve pending development of a further business case and mid-pilot assessment report
- \$28.9 million over four years from 2025–26 for the Department of Finance to establish a central AI Delivery and Enablement function to support the delivery of the APS AI Plan
- \$22.1 million over four years from 2025–26 (and \$0.4 million per year ongoing) for the Australian Public Service Commission and the Digital Transformation Agency to deliver foundational AI capability building activities and deliver a coordinated workforce planning initiative to help agencies manage AI-driven changes in job design, skills and mobility
- \$7.7 million over four years from 2025–26 for the Digital Transformation Agency to strengthen its AI functions and establish an AI Review Committee to provide expert advice on high-risk government AI use cases.

### Closing the Gap – further investments

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Various Agencies	-	6.0	87.8	43.7	23.3

The Government will provide \$329.9 million over five years from 2024–25 (and an additional \$3.0 million in 2029–30) to achieve better outcomes for First Nations peoples under the National Agreement on Closing the Gap. Funding includes:

- \$103.1 million over four years from 2025–26 to repurpose funding from the Australian Family Partnership program to a First Nations-led maternal model of care delivered through 15 participating Aboriginal Community Controlled Health Services, following the cessation of the license agreement for the model under which the program is currently delivered

- \$75.0 million over three years from 2026–27 for Prescribed Bodies Corporate, including the development of a new funding and support model for native title holders to take advantage of opportunities arising from their native title rights
- \$31.4 million over three years from 2025–26 to extend the Tailored Assistance Employment Grant program to 31 December 2027 to ensure continuity of a culturally appropriate employment support program for First Nations jobseekers ahead of broader reforms to employment services
- \$27.0 million over three years from 2026–27 (and an additional \$3.0 million in 2029–30) to expand the TAFE Technology Fund to support mobile vocational education and training delivery in remote First Nations communities
- \$19.7 million over two years from 2026–27 to continue to support suicide prevention activities with cultural sensitivity and community empowerment through the Culture Care Connect program
- \$16.5 million over two years from 2025–26 to address rising rates of congenital syphilis in Australia to reduce preventable infant deaths in vulnerable communities, including First Nations communities
- \$8.8 million in 2024–25 to build on the 2022–23 October Budget measure titled *Strengthening First Nations Health* for eight dialysis units to support the Government to meet its commitment to invest in 30 new and upgraded dialysis units by June 2026 to improve the health of First Nations peoples with end-stage kidney disease
- \$7.8 million over two years from 2026–27 to support culturally appropriate social and emotional wellbeing and prevention programs in the Northern Territory through the Red Dust program
- \$6.4 million over three years from 2025–26 to expand the Goanna Academy, delivering culturally safe First Nations social and emotional wellbeing programs nationally
- \$6.4 million in 2026–27 to extend the 2023–24 Budget measure titled *Better, Safer Future for Central Australia Plan* to support the continuation of the Child & Youth Assessment & Therapeutic Service for early detection of and intervention for neurodevelopmental disorders
- \$5.3 million over two years from 2026–27 to continue to support the Social and Emotional Wellbeing Policy Partnership as part of the National Agreement on Closing the Gap
- \$5.0 million over four years from 2025–26 for Good to Great Schools Australia to help build the capacity of teaching assistants and teachers in regional and remote Australia, explore the development of new qualifications to upskill teaching assistants, and increase the number of qualified First Nations educators
- \$4.5 million over two years from 2027–28 to increase support under the Remote Australia Employment Service through an additional Employment Placement Support payment when participants stay employed for 52 weeks
- \$3.6 million in 2026–27 to extend the Deadly Choices program to support the uptake of First Nations Australians' health assessments

- \$2.3 million over two years from 2025–26 to extend the Secretariat of National Aboriginal and Islander Child Care – National Voice of our Children’s Early Years Support program for 12 months to December 2026. The extension will continue support for Aboriginal Community Controlled Organisations delivering early years services to help First Nations children and families participate in culturally safe, inclusive, and quality early childhood education and care
- \$2.0 million over two years from 2025–26 to continue to support cultural safety across mental health services with appropriate referral pathways for First Nations peoples
- \$1.4 million in 2026–27 for the Flinders University International Centre for Point of Care Testing to continue delivery of the Quality Assurance for Aboriginal and Torres Strait Islander Medical Services program that provides quick access to diabetes related pathology tests in remote areas
- \$1.3 million over two years from 2026–27 to continue support for the delivery of mental health services in Cape York
- \$1.1 million in 2025–26 to Cape and Torres Health Commissioning Ltd to address poor health outcomes by improving access to culturally appropriate health care services and coordinating care across providers to improve life expectancy in line with Closing the Gap targets for First Nations peoples in Far North Queensland
- \$0.9 million in 2025–26 to support Children’s Ground to continue delivery of culturally safe health and wellbeing services for children and their families in First Nations communities
- \$0.3 million in 2025–26 to the Waminda Midwifery Group Practice at the Waminda Birthing on Country Centre for two additional midwifery positions to meet the growing perinatal needs of the First Nations families in the Illawarra Shoalhaven Local Health District.

The Government will also extend support for the Australian Indigenous Education Foundation for two years from 2025–26 to improve First Nations students’ access to quality education; and extend the 2022–23 October Budget measure titled *Strengthening First Nations Health* by one year to 30 June 2027 to enable the completion of health infrastructure projects.

The cost of this measure will be partially met from a reprioritisation of funding from the 2024–25 MYEFO measure titled *New Remote Employment Service*, savings identified in the 2025–26 MYEFO measure titled *Education – reprioritisation*, and the existing resources of the Department of Health, Disability and Ageing and the National Indigenous Australians Agency’s Indigenous Advancement Strategy.

The funding for the Goanna Academy and the Good to Great Schools Australia delivers on the Government’s election commitment made during the 2025 federal election.

**Ending Gender-Based Violence – continued investment**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Various Agencies	-	35.0	76.3	26.4	-

The Government will provide \$149.6 million over four years from 2025–26 (and \$0.2 million per year ongoing) to further support women and children leaving violent relationships, to hold perpetrators of gender-based violence to account, and to improve safety of Commonwealth systems. Funding includes:

- \$41.8 million over two years from 2025–26 to 1800RESPECT to meet increasing demand for the service and ensure quality service provision is maintained
- \$33.8 million over two years from 2026–27 for the continuation of the Lighthouse Project pilot and culturally responsive support for First Nations Australians
- \$22.7 million over two years from 2026–27 to continue the Supporting Primary Care Response to Family, Domestic and Sexual Violence (FDSV) pilot to train primary health care workers to recognise, respond and refer patients to local FDSV services
- \$20.4 million over four years from 2025–26 for the construction of a Women’s and Children’s Trauma Recovery Centre in East Gosford, New South Wales, which will provide crisis accommodation and on-site support services for women and children experiencing domestic violence
- \$9.1 million in 2025–26 for the continued operation of the Family Violence and Cross Examination of Parties Scheme to support victims of family violence in family law proceedings
- \$8.6 million over two years from 2025–26 in additional funding to states and territories to boost innovative responses to high-risk perpetrators, intensive behaviour change programs and specialist early interventions for young people at risk of using violence
- \$3.9 million in 2026–27 to enable No to Violence to continue national coverage for the Men’s Referral Service and the National Directory of Services
- \$3.4 million over two years from 2025–26 to extend the Support for Trafficked People Program Additional Referral Pathway pilot enabling victim-survivors to access continued support
- \$3.0 million over three years from 2025–26 for Survivor’s R Us to support the service and establish a permanent site in Cardiff, New South Wales, to continue to provide services to people experiencing domestic violence, homelessness or unemployment
- \$2.3 million over two years from 2025–26 to continue addressing financial abuse through Government systems, including legislation to mitigate financial abuse through coerced directorships, consultation on options to stop perpetrators of domestic and family violence receiving victim’s superannuation after their death and consultation on mechanisms to make perpetrators liable for social security and tax debts incurred by a victim-survivor due to coercion or financial abuse

- \$0.6 million over four years from 2025–26 (and \$0.2 million per year ongoing from 2029–30) to establish a new Domestic, Family and Sexual Violence Advisory Council to provide advice on the implementation of the National Plan to End Violence Against Women and Children 2022–2032.

The Department of Social Services, Services Australia and the Treasury will partially meet the cost of this measure from within existing resources. The cost of this measure will also be partially met from savings identified in the Attorney-General's portfolio.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the more than \$4 billion invested by the Government to date in ending gender-based violence and supports the implementation of the National Plan to End Violence against Women and Children 2022–32 and Working for Women: A Strategy for Gender Equality.

Parts of this measure deliver on the Government's election commitments made during the 2025 federal election.

#### **Further Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Various Agencies	-	-800.0	-2,000.0	-2,000.0	-2,000.0

The Government will achieve savings of \$6.8 billion over four years from 2025–26 by further reducing spending on external labour and other non-wage expenses like travel, hospitality, and property. Savings include:

- \$6.4 billion over four years from 2025–26 to deliver on the Government's election commitment made during the 2025 federal election
- an additional \$400.0 million in 2026–27.

To support the Australian Public Service to reduce its reliance on external consultants, the Government will expand and make permanent Australian Government Consulting in the Department of the Prime Minister and Cabinet, with the in-house public service consultancy to grow to up to 150 people over the next four years. Australian Government Consulting will transition to a full cost-recovery basis from 2026–27.

This measure builds on previous Budget measures reducing spending on external labour and non-wage expenses, bringing the total savings from reducing spending on external labour and non-wage expenses to \$12.1 billion since 2022–23.

This measure delivers on the Government's election commitment made during the 2025 federal election.



### Investing in Australia's Critical Minerals

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Various Agencies	-	nfp	nfp	nfp	nfp

The Government will provide approximately AUD160.9 million to support the development of Australia's critical minerals industry to produce and benefit from resources that are essential to Australia's national interest. Funding includes:

- USD100.0 million (approximately AUD154.1 million) in equity financing to Arafura Rare Earths for the Nolans Rare Earths project in the Northern Territory. This builds on existing Government support provided to the Nolans Rare Earths project including USD325.0 million (approximately AUD493.0 million) in debt financing on the Critical Minerals Facility, up to USD130.0 million (approximately AUD200.0 million) through the Northern Australia Infrastructure Facility, USD75.0 million (approximately AUD115.0 million) on Export Finance Australia's Commercial Account, AUD200.0 million cornerstone investment through the National Reconstruction Fund Corporation, and AUD30.0 million provided through the Modern Manufacturing Initiative
- AUD6.8 million in 2025–26 to the Department of Foreign Affairs and Trade, the Department of Industry, Science and Resources, and the Department of the Prime Minister and Cabinet to support the establishment of the Critical Minerals Strategic Reserve.

The Australian Government will also provide equity financing to Alcoa of Australia for the Alcoa-Sojitz Gallium Recovery Project in Wagerup, Western Australia. The Australian Government will invest alongside the US Government and Alcoa of Australia in a joint venture with the Japan Organization for Metals and Energy Security and Sojitz Corporation.

The Government has also increased the size of the Critical Minerals Facility on the National Interest Account from AUD4.0 billion to AUD5.0 billion to support the delivery of the Critical Minerals Strategic Reserve and further development of Australian critical minerals projects.

The financial implications for some elements of this measure are not for publication (nfp) as details would disclose individual financing arrangements with third parties.

This measure builds on the 2024–25 Budget measure titled *Future Made in Australia – Making Australia a Renewable Energy Superpower* and the 2023–24 MYEFO measure titled *Working with the Australian Critical Minerals Industry to Unlock Investment in Enabling Infrastructure*.

Parts of this measure deliver on the Government's election commitments made during the 2025 federal election.



Support for Community Sector Organisations

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Various Agencies	-	-	41.0	22.4	-

The Government will provide additional funding of \$63.4 million over two years from 2026–27 to extend support for Community Sector Organisations (CSOs). This measure maintains funding levels for CSOs pending the effect of the Government’s reforms to the indexation framework.

This measure extends the 2022–23 October Budget measure titled *Support for Community Sector Organisations*.

## Defence

### Australian War Memorial – financial sustainability and redevelopment completion

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian War Memorial	-	25.4	34.2	35.2	24.3

The Government will provide additional funding of \$119.2 million over four years from 2025–26 (and \$24.7 million per year ongoing) to support the financial sustainability of the Australian War Memorial and the completion of its redevelopment in 2026, including to operate the newly expanded memorial building.

Partial funding for this measure will be held in the Contingency Reserve until the Australian War Memorial has completed its redevelopment project.

The cost of this measure will be met from savings identified in the Veterans' Affairs portfolio.

### Continued Defence Support to Ukraine

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Defence	-	-	-	-	-

The Government will provide \$95.5 million in 2025–26 to continue to support the Government of Ukraine including through the provision of critical Australian Defence Force military equipment.

The measure includes a \$50.0 million contribution to the Prioritised Ukraine Requirements List, a joint initiative between the United States (US) and NATO, to supply critical US military equipment to Ukraine.

Since February 2022, Australia has committed over \$1.7 billion in support for Ukraine, including through the provision of humanitarian assistance, vital equipment for the battlefield and the training of Ukrainian forces and related support under *Operation KUDU*.

The Department of Defence will meet the cost of this measure from within existing resources.

This measure builds on the 2025–26 Budget measure titled *Continued Defence Support to Ukraine*.

### Continuing to Support Veterans and their Families

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Veterans' Affairs	-	0.9	38.2	37.9	0.3
Department of Defence	-	-	-	-	-
Total – Payments	-	0.9	38.2	37.9	0.3

The Government will provide \$80.2 million over four years from 2025–26 (and \$1.1 million per year ongoing) to continue to support veterans and their families. Funding includes:

- \$35.2 million over three years from 2026–27 to extend the Ensuring the Sustainability of Veterans' Care and Support programs for two years to 30 June 2028
- \$34.5 million over two years from 2026–27 to extend the Sustaining a Care and Support Workforce for the Veterans' Community: A Viability Supplement program for two years to 30 June 2028
- \$3.5 million over three years from 2025–26 to extend the Military and Veterans Psychiatry Training program for two years to 30 June 2028
- \$3.0 million over three years from 2026–27 (and \$1.1 million per year ongoing) to continue recognition of prior learning and training undertaken by Australian Defence Force personnel to improve employment opportunities as they transition to civilian life
- \$2.1 million over two years from 2026–27 to extend the Volunteer Training in Suicide Recognition and Intervention program for two years to 30 June 2028
- \$2.0 million over two years from 2026–27 to extend the Veterans' Chaplaincy Pilot program for two years to 30 June 2028.

The Government will continue to provide funding for new and amended listings on the Repatriation Pharmaceutical Benefits Scheme as recommended by the Repatriation Pharmaceutical Reference Committee.

The Department of Defence will partially meet the cost of this measure from within existing resources. The cost of this measure will also be partially met from savings identified in the Veterans' Affairs portfolio.

This measure builds on the 2025–26 Budget measure titled *Continuing to Support Veterans and their Families* and the 2022–23 October Budget measure titled *Veterans' Wellbeing Package*.

### Delivering Veterans' Affairs Election Commitments

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Veterans' Affairs	-	2.6	5.6	2.2	1.1

The Government will provide \$11.5 million over five years from 2025–26 to support veterans and their families. Funding includes:

- \$5.4 million over four years from 2025–26 for the design and construction of the Bendigo Veterans’ and Families Hub to support veterans, their families, current Australian Defence Force members, and reservists across Bendigo and central Victoria
- \$3.0 million over four years from 2025–26 to establish a fit-for-purpose Ballarat Veterans Assistance Centre to support veterans and families
- \$1.6 million over three years from 2025–26 to support the Doreen RSL Sub-Branch to be located at the Brookwood Community Centre, with upgrades for veterans and families
- \$0.8 million over three years from 2025–26 to support the relocation of the Blackwood and District RSL to a new facility alongside the Blackwood Bowling Club
- \$0.7 million over four years from 2026–27 to extend funding for the Kokoda Track Memorial Walkway.

This measure delivers on the Government’s election commitments made during the 2025 federal election.

#### **Department of Veterans’ Affairs – additional resourcing to support service delivery**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Veterans’ Affairs	-	32.7	137.2	135.4	93.0
Digital Transformation Agency	-	..	..	..	-
Total – Payments	-	32.7	137.2	135.4	93.0

The Government will provide \$408.8 million over four years from 2025–26 (and \$94.4 million per year ongoing) to sustain sufficient staffing and core services for veterans and their families, such as claims processing and downstream service delivery, and modernising the digital capability of the Department of Veterans’ Affairs. Funding includes:

- \$271.4 million over three years from 2026–27 (and \$94.4 million per year ongoing) to maintain core services for veterans and their families
- \$137.3 million over three years from 2025–26 to deliver essential ICT, digital and data enhancements.

The Department of Veterans’ Affairs will partially meet the cost of this measure from within existing resources. The cost of this measure will also be partially met from savings identified in the Veterans’ Affairs portfolio.

This measure builds on the 2025–26 Budget measure titled *Department of Veterans’ Affairs – additional resourcing to support service delivery*.

### Department of Veterans' Affairs – enhancing the health and wellbeing of veterans and serving members

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Veterans' Affairs	-	23.8	272.5	235.6	202.4
Department of Health, Disability and Ageing	-	-	0.7	1.6	2.7
<b>Total – Payments</b>	<b>-</b>	<b>23.8</b>	<b>273.2</b>	<b>237.2</b>	<b>205.0</b>

The Government will provide \$739.2 million over four years from 2025–26 (and \$130.2 million in 2029–30 and \$159.3 million per year ongoing from 2030–31) to prioritise prevention, treatment and rehabilitation services to achieve better long-term health and wellbeing outcomes for veterans, including:

- \$590.5 million over three years from 2026–27 (and \$85.7 million in 2029–30 and \$125.1 million per year ongoing from 2030–31) to implement a treatment first approach for veterans to access modern prevention, treatment and rehabilitation services
- \$58.3 million over three years from 2026–27 (and \$21.0 million per year ongoing) to strengthen mental health support for veterans across the continuum of care, including expanded access to Mental Health Treatment Plans
- \$40.3 million over four years from 2025–26 (and \$3.5 million per year ongoing) to implement a streamlined and transparent claims process for veterans and their advocates through MyService
- \$26.5 million over three years from 2026–27 (and \$27.6 million over two years from 2029–30) for a national study exploring innovative mental health treatments for post-traumatic stress disorder, anxiety and depression.

### Department of Veterans' Affairs – establishing the Agency for Veteran and Family Wellbeing

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Veterans' Affairs	-	10.7	23.8	22.9	20.6
Department of Defence	-	-10.7	-23.8	-22.9	-20.6
<b>Total – Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Government will provide \$78.0 million over four years from 2025–26 (and \$7.5 million per year ongoing) to establish a new executive agency from 1 July 2026 focused on veteran wellbeing to deliver more integrated and connected support for veterans and families, including:

- \$38.9 million over three years from 2026–27 for the Veterans' and Families' Hubs program
- \$2.9 million over three years from 2026–27 (and \$1.1 million per year ongoing) for a cultural transition program to support veterans transition from military to civilian life.

The cost of this measure will be met from savings identified in the Defence portfolio.

This measure supports the *Australian Government Response to the Final Report of the Royal Commission into Defence and Veteran Suicide*.

**Department of Veterans' Affairs – strengthening program integrity and veterans' advocacy**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	0.8	1.6	1.5	-
Professional Services Review	-	0.1	0.2	0.2	-
Department of Veterans' Affairs	-	-25.6	-178.6	-206.5	-272.1
Total – Payments	-	-24.7	-176.9	-204.8	-272.1

The Government will provide \$203.1 million over four years from 2025–26 to strengthen the Veterans' Affairs portfolio's program integrity capability by improving the prevention, detection and response to service provider and advocate fraud across veterans' benefits and services, and expanding support of professionalised advocacy services for veterans and their families. Funding includes:

- \$151.0 million over four years from 2025–26 (and \$52.0 million in 2029–30 and \$45.2 million per year ongoing from 2030–31) to improve program integrity capability at the Department of Veterans' Affairs
- \$44.7 million over three years from 2026–27 (and \$21.0 million per year ongoing) to increase funding for free-to-the-veteran advocacy services through the Building Excellence in Support and Training (BEST) grants program
- \$4.4 million over three years from 2025–26 for the Department of Health, Disability and Ageing and the Professional Services Review to investigate options to respond to inappropriate practices relating to veterans' health services
- \$3.0 million over four years from 2025–26 to support the operations of the Institute of Veterans Advocacy.

Through this measure, the Government will achieve savings of \$881.6 million over four years from 2025–26 (and \$382.7 million per year ongoing) by strengthening program integrity across the Veterans' Affairs portfolio. Savings include:

- \$685.9 million over four years from 2025–26 (and \$313.6 million per year ongoing) by reducing service provider and advocate non-compliance and fraud across veterans' benefits services
- \$130.0 million over three years from 2026–27 (and \$45.9 million per year ongoing) by making regulatory improvements to the Department of Veterans' Affairs Medicinal Cannabis Framework
- \$65.7 million over three years from 2026–27 (and \$23.2 million per year ongoing) by reforming and regulating the commercial veterans' advocacy industry.

The savings from this measure will partially fund other Government policy priorities in the Veterans' Affairs portfolio.

### Establishment of the Defence and Veterans' Services Commission

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Defence and Veterans' Services Commission	-	10.0	10.4	12.0	12.2
Department of Defence	-	-10.0	-10.4	-12.0	-12.2
Total – Payments	-	-	-	-	-

The Government will provide \$44.5 million over four years from 2025–26 (and \$12.2 million per year ongoing) to establish and sustain the Defence and Veterans' Services Commission (the Commission). The Commission will provide independent oversight and evidence-based advice to government on reforms to improve suicide prevention and wellbeing outcomes for serving and ex-serving Australian Defence Force members.

The Department of Defence will meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measure titled *Royal Commission into Defence and Veteran Suicide – initial steps*.

### Further Investment in Defence Naval Shipbuilding in Australia

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Defence	-	nfp	nfp	nfp	nfp

The Government will provide funding to support initial infrastructure needs at the Henderson Defence Precinct in Western Australia. The Henderson Defence Precinct will support continuous naval shipbuilding and the Nuclear-Powered Submarine program.

This is part of the Government's \$12 billion investment over the decade towards delivering the Henderson Defence Precinct.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities which would impair the Commonwealth's position in negotiating contracts to support these investments.

The measure builds on the 2024–25 MYEFO measure titled *Investing in Defence Naval Shipbuilding in Australia*.

### Guardian-class Patrol Boat to the Republic of the Maldives

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Defence	-	-	-	-	-

The Government has provided \$31.7 million over five years from 2024–25 (and \$1.7 million per year for 21 years from 2029–30) to build and sustain an Australian-built Guardian-class Patrol Boat as a gift to Maldives, enhancing its sovereign capabilities and contributing to maritime security in the Indian Ocean.

The Department of Defence will meet the cost of this measure from within existing resources.

### Nuclear-Powered Submarine Program – further program support

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Federal Police	-	73.8	125.2	-	-
Australian Submarine Agency	-	-	-	-	-
Department of Finance	-	nfp	nfp	nfp	nfp
Department of Defence	-	nfp	nfp	nfp	nfp
Total – Payments	-	73.8	125.2	-	-

The Government will provide \$262.3 million over four years from 2025–26 (and an additional \$10.4 million in 2029–30) for continued support to the Nuclear-Powered Submarine program. Funding includes:

- \$199.1 million over two years from 2025–26 for the Australian Federal Police to continue to develop capabilities to provide protective security for Submarine Rotational Force-West at *HMAS Stirling*
- \$61.2 million over four years from 2025–26 (and an additional \$10.4 million in 2029–30) to support housing and related services for personnel deployed to Submarine Rotational Force-West, to be delivered through Defence Housing Australia
- \$2.0 million in 2025–26 for the Australian Submarine Agency to support community engagement and awareness activities.

The Government will also provide an equity injection for Australian Naval Infrastructure Pty Ltd over four years from 2025–26 to continue early construction and design works for a submarine construction yard in South Australia. The financial implications of this component of the measure are not for publication (nfp) due to commercial sensitivities.

The Department of Defence and the Australian Submarine Agency will meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measures titled *Nuclear-Powered Submarine Program – security and industry growth* and *Nuclear-Powered Submarine Program – infrastructure and capacity investment*.



**Papua New Guinea – Australia Mutual Defence Treaty**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Defence	-	-	-	-	-

The Government will provide \$60.0 million over four years from 2025–26 to support the Papua New Guinea – Australia Mutual Defence Treaty, including:

- Australian-made combat rifles and armoury upgrades to the Papua New Guinea Defence Force
- infrastructure upgrades at the Goldie River Training Depot
- initial designs for a company barracks in Hela Province.

The Department of Defence will meet the cost of this measure from within existing resources.

**Supporting Defence Community Engagement**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Defence	-	1.7	-	-	-
<i>Related receipts (\$m)</i>					
<i>Department of Defence</i>	-	1.7	-	-	-

The Government will provide \$4.3 million in 2025–26 to support Defence community engagement, tourism and the local economy. Funding includes:

- \$2.3 million in 2025–26 to support the Royal Australian Air Force (RAAF) Richmond Airshow, commemorating the 100th anniversary of the RAAF Base Richmond
- \$2.0 million in 2025–26 to install a new full-sized replica helicopter to replace the ‘chopper on a stick’ in Nowra, New South Wales.

The Department of Defence will meet the cost of this measure from within existing resources and through cost recovery.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

## Education

### Developing a Framework of Remuneration Classification Ranges for University Vice-Chancellor Remuneration

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	-	-	-	-

The Australian Government, with the Commonwealth Remuneration Tribunal, will develop a national, publicly available framework to guide the settings of Vice-Chancellor remuneration at Australia's public universities. The framework will better align Vice-Chancellor remuneration with community expectations, while maintaining flexibility for universities to attract and retain high quality leaders.

The Department of Education will meet the cost of this measure from within existing resources.

### Early Childhood Education and Care Worker Retention Payment – additional support

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	-	-	-	-

The Government will provide \$157.0 million over two years from 2025–26 to change eligibility to the Worker Retention Payment to allow participation in the program in cases where services limit fee growth for early childhood education and care services to no more than 8.6 per cent over a two-year period from 8 August 2024 to 7 August 2026. Previously, services exceeding 4.4 per cent fee growth in the first year (between 8 August 2024 and 7 August 2025) were ineligible for the program in the second year.

The Government has extended the backdating provision by three months from 30 June 2025 to 30 September 2025 to help more providers meet the program's eligibility criteria and timeframe for processing applications. This extension is expected to capture an additional 2.1 per cent of eligible services and will provide backdated funding to December 2024 for eligible providers.

The Department of Education will meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measure titled *Building Australia's Future – delivering pay rises for early educators*.

**Education – reprioritisation**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	-50.5	-120.7	-99.8	-87.7

The Government will achieve savings of \$358.7 million over four years from 2025–26 (and \$87.9 million per year ongoing) within the Education portfolio. Savings include:

- \$285.6 million over four years from 2025–26 (and \$87.9 million per year ongoing) through additional integrity activities to strengthen the Child Care Subsidy program, including by implementing new regulatory powers under the *Early Childhood Education and Care (Strengthening Regulation of Early Education) Act 2025*
- \$73.1 million over three years from 2025–26 by redirecting unallocated funding from Australia’s Economic Accelerator program.

The Government is also redirecting funding from the pilot Practicum Exchange Network program to the Workforce Measures Professional Development grant subsidy.

Savings from this measure will partially fund the 2025–26 MYEFO measures titled *Strengthening Safety and Quality in the Early Childhood Education and Care Sector, Inclusion Support Program – supplementary funding, Improving Outcomes in Australian Schools, Working With Children Check Reform* and *Closing the Gap – further investments in the Attorney-General’s, Education and Cross portfolios*.

**Funding for Mid-Year Reception in South Australian Non-Government Schools**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	13.3	8.7	-	-
Department of Education	-	-	-	-	-
Total – Payments	-	13.3	8.7	-	-

The Government will provide \$22.0 million over two years from 2025–26 to support the delivery of mid-year reception programs in South Australian non-government schools in 2025 and 2026.

The Treasury manages Commonwealth payments to the states and territories.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Funding for Sikh Grammar School – early education and care service

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	3.9	1.4	-	-
Department of Education	-	-	-	-	-
Total – Payments	-	3.9	1.4	-	-

The Government will provide \$5.3 million over two years from 2025–26 to support the construction of a new early childhood education and care service in Sydney, led by Sikh Grammar School Australia.

The Treasury manages Commonwealth payments to the states and territories.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Guaranteeing Universal Access to Preschool

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	6.3	5.6	-	-
Department of Education	-	0.7	2.5	1.2	-
Total – Payments	-	7.0	8.1	1.2	-

The Government will extend the Preschool Reform Agreement by two calendar years to the end of 2027. The Preschool Reform Agreement will provide \$1.1 billion over three years from 2025–26 to states and territories to continue to support children to have universal access to at least 15 hours of preschool each week (600 hours per year) for children in the year before they start school. Funding for the Preschool Reform Agreement in 2026 and 2027 has previously been allocated by the Government.

The Government will also provide \$16.3 million over three years from 2025–26 to design and deliver stage one of the Preschool Outcomes Measure through a two-year pilot. The pilot will enable teachers and educators to complete at least four assessments per school year, supporting the measurement of children’s learning and development and informing evidence-based decisions on pre-school learning pathways.

### Improving Outcomes in Australian Schools

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	4.5	4.3	1.4	1.4

The Government will provide \$11.5 million over four years from 2025–26 (and \$1.4 million per year ongoing) to support measures which will contribute to improving educational outcomes in Australian schools. Funding includes:

- \$5.8 million over two years from 2025–26 to extend the Parliament and Civics Education Rebate Pilot program for the 2026 and 2027 calendar years, supporting student visits to national democratic, historical and cultural institutions in Canberra, with additional rebates for regional, remote, and very remote schools, and those in socio-economically disadvantaged areas
- \$3.9 million over three years from 2026–27 (and \$1.3 million per year ongoing) to extend the GENERATION Survey of Post-School Destinations longitudinal study of students transitioning to life after school
- \$1.6 million in 2025–26 to support delivery of Early Learning Science, Technology, Engineering and Mathematics (STEM) Australia’s Foundation to Year 2 program in 2026 to ensure the program can continue to build children’s engagement and skills in the early years of school learning
- \$0.2 million over three years from 2026–27 (and \$0.1 million per year ongoing) to extend delivery of the Dorothea Mackellar Poetry Awards, supporting creative writing education and promoting literacy among young people.

The cost of this measure will be met from savings identified from the 2025–26 MYEFO measure titled *Education – reprioritisation*.

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

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	-	59.2	-	-

The Government will provide \$59.2 million in 2026–27 to help early childhood education and care services increase their capacity to support the inclusion of children with additional needs, through tailored support and funding to services.

The cost of this measure will be met from savings identified in the 2025–26 MYEFO measure titled *Education – reprioritisation*.

This measure builds on the 2024–25 MYEFO measure titled *Supplementary Funding for the Inclusion Support Program*.

### Strengthening Safety and Quality in the Early Childhood Education and Care Sector

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	57.2	47.1	42.6	38.5
Services Australia	-	2.6	0.2	0.2	0.2
Total – Payments	-	59.7	47.3	42.7	38.7

The Government will provide \$188.5 million over four years from 2025–26 (and \$26.8 million per year ongoing) to strengthen safety and quality in early childhood education and care (ECEC) settings. Funding includes:

- \$73.5 million over four years from 2025–26 (and \$17.5 million per year ongoing) to the Department of Education for authorised officers to conduct unannounced spot checks and take targeted regulatory action against providers with a poor track record of safety and quality
- Funding over four years from 2025–26 to deliver joint national actions to strengthen safety and quality in the ECEC sector, including:
  - \$44.6 million over four years from 2025–26 (and \$8.8 million per year ongoing) for the Australian Children’s Education and Care Quality Authority to develop and implement a National Educator Register to record and share information about early childhood education and care workers to support improved child safety. Partial funding for this measure will be held in the Contingency Reserve until later phases of the National Educator Register are designed and have been agreed by the Commonwealth and state and territory governments
  - \$22.0 million over four years from 2025–26 (and \$0.5 million per year ongoing) to increase joint regulatory action through an expansion of the Joint Compliance and Monitoring program, and to improve data exchange between the Commonwealth and states and territories
  - \$21.0 million over four years from 2025–26 in additional funding for the Professional Development Subsidy which, from 2026–27 will help eligible ECEC providers cover the wage costs for ECEC workers undertaking mandatory national child safety training. This includes an extension of the Professional Development Subsidy to support the backfilling of staff, or paying allowances to educators if training is undertaken outside of regular work hours. ECEC centres will also be able to close from 5:00pm a few times a year while remaining eligible to claim the Child Care Subsidy
  - \$20.5 million over two years from 2025–26 to the Department of Education to undertake a nationwide assessment of closed-circuit television in ECEC services
  - \$6.9 million over three years from 2025–26 to upgrade the Starting Blocks website to improve transparency for parents about ECEC services’ compliance with quality and safety standards.

The cost of this measure will be met from savings identified in the 2025–26 MYEFO measure titled *Education – reprioritisation*.

This measure extends the 2023–24 Budget measure *Early Childhood Education and Care Workforce* and the 2024–25 Budget measure *Child Care Subsidy Reform – further measures for strong and sustainable foundations*.

### Supporting the Construction of the First Hindu School in Australia

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	3.4	4.0	1.5	-

The Government will provide \$8.9 million over three years from 2025–26 to support the establishment and construction of the Sanatana Hindu Independent primary school in Oakville, Western Sydney. Funding will enable the development of school facilities for students from Kindergarten to Year 2, with teaching anticipated to commence in 2027.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Tackling Bullying and Harmful Behaviours in Schools

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	4.6	5.4	-5.0	-5.0

The Government will provide \$10.0 million over two years from 2025–26 to support a new national plan to address bullying in Australian schools, as recommended by the Anti-Bullying Rapid Review. Funding includes:

- \$5.0 million over two years from 2025–26 for a national awareness campaign
- \$5.0 million over two years from 2025–26 to develop new resources for teachers, students and parents.

The cost of this measure will be met from a reprioritisation of funding in the Education portfolio.

**Windsor Community Children’s Centre**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Education	-	4.3	-	-	-

The Government will provide \$4.3 million in 2025–26 to support the viability of the Windsor Community Children’s Centre.

Funding for this measure will be held in the Contingency Reserve until required.

This measure delivers on the Government’s election commitment made during the 2025 federal election.



## Employment and Workplace Relations

### Advancing Gender Equality in Gender Segregated Industries

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Employment and Workplace Relations	-	14.2	14.0	0.3	-

The Government will provide \$28.5 million over three years from 2025–26 to extend the Advancing Gender Equality in Gender Segregated Industries grant opportunity for an additional two years to 2028. This will support state and territory Trades and Labour Councils and peak employer organisations to continue to deliver initiatives to improve gender equality in gender segregated industries.

The cost of this measure will be met from savings identified in the Department of Employment and Workplace Relations.

This measure builds on the 2024–25 MYEFO measure titled *Workplace Relations – additional supports*.

### Assuring the Integrity of the Employment Services System

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Employment and Workplace Relations	-	4.3	19.0	-	-
Services Australia	-	3.1	15.5	1.0	1.0
<b>Total – Payments</b>	<b>-</b>	<b>7.5</b>	<b>34.5</b>	<b>1.0</b>	<b>1.0</b>

The Government will provide \$43.9 million over four years from 2025–26 (and \$1.0 million per year ongoing) to further assure the integrity of processes supporting mutual obligation requirements, support returning the Targeted Compliance Framework to lawful administration and provide targeted compensation through the Scheme for Compensation for Detriment caused by Defective Administration to people impacted by payment cancellation decisions which were not aligned with social security law.

This measure builds on the 2024–25 MYEFO measure titled *Employment Services Reform – additional supports*.

### Building Australia's Future – delivering priority housing and energy sector training

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	22.0	36.5	24.5	-
Department of Employment and Workplace Relations	-	1.3	22.5	-22.9	-1.7
<b>Total – Payments</b>	<b>-</b>	<b>23.3</b>	<b>59.0</b>	<b>1.6</b>	<b>-1.7</b>
<i>Related receipts (\$m)</i>					
<i>Department of Employment and Workplace Relations</i>	-	..	..	..	..

The Government will provide \$98.0 million over three years from 2025–26 to provide further support for training of skilled workers in the priority housing and new energy sectors in partnership with state and territory governments. Funding includes:

- \$78.0 million over three years from 2025–26 to establish a national Advanced Entry Trades Training program to fast track qualifications of experienced trades people to help build more homes across Australia
- \$20.0 million over three years from 2025–26 to establish a National Training Centre in New Energy Skills to deliver specialised training to trades people and apprentices in priority new energy occupations, which will be partially offset by redirecting \$15.0 million of uncommitted funding from the Clean Energy Capital Investment Fund.

The Government will also adjust the Australian Apprenticeships Incentive System to target support to apprenticeships in Key Apprenticeship program occupations including new energy and housing construction. This will achieve savings of \$0.8 million over four years from 2025–26, which will be redirected to partially offset other Government priorities in the Employment and Workplace Relations portfolio.

The Treasury manages Commonwealth payments to the states and territories.

Parts of this measure deliver on the Government's election commitments made during the 2025 federal election, and build on the 2025–26 Budget measure titled *Building Australia's Future – Increased Support for Apprentices*.

### Delivering Place-based Employment Services

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	1.4	1.0	0.2	-

The Government will provide \$2.5 million over three years from 2025–26 for the delivery of employment hubs in Victoria to connect local employers, job seekers and communities.

Funding includes:

- \$1.5 million over three years from 2025–26 to establish an employment hub in Dandenong

- \$1.0 million over two years from 2025–26 to extend the Thrive Employment Hubs in Broadmeadows and Frankston, to be delivered as a joint initiative with the Victorian Government.

The Treasury manages Commonwealth payments to the states and territories.

This measure delivers on the Government’s election commitment made during the 2025 federal election and builds on the 2024–25 MYEFO measure titled *Employment Services Reform – additional supports*.

### Employment and Workplace Relations – reprioritisation

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	-3.0	-	-	-
Department of Employment and Workplace Relations	-	-16.4	-11.2	-0.6	-0.6
<b>Total – Payments</b>	<b>-</b>	<b>-19.4</b>	<b>-11.2</b>	<b>-0.6</b>	<b>-0.6</b>

The Government will achieve savings of \$31.7 million over four years from 2025–26 (and \$0.6 million per year ongoing) from within the Employment and Workplace Relations portfolio. Savings include:

- \$25.5 million over two years from 2025–26 by rescaling the Launch into Work program to prioritise small scale projects
- \$3.0 million in 2025–26 from National Skills Agreement policy initiatives’ uncommitted funding by states and territories
- \$2.4 million over four years from 2025–26 (and \$0.6 million per year ongoing) by better aligning the Protected Action Ballot scheme with demand
- \$0.8 million in 2026–27 by temporarily reducing funding for the Performance Information for VET initiative under the National Training System Commonwealth Own Purpose Expenditure program.

The Treasury manages Commonwealth payments to the states and territories.

The savings from this measure will be redirected to other Government priorities in the Employment and Workplace Relations portfolio.

### Skills and Training – additional supports

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Employment and Workplace Relations	-	10.0	-	-	-

The Government will provide funding of \$10.0 million in 2025–26 to extend support for skills and training priorities. Funding includes:

- \$8.7 million in 2025–26 for Jobs and Skills Australia to continue to provide advice on Australia’s labour market, skills and training needs
- \$1.3 million in 2025–26 to continue work with states and territories on the National Skills Agreement.

This measure extends the 2024–25 Budget measure titled *Further Support for the Vocational Education and Training System*.

### Workplace Relations – additional supports

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Employment and Workplace Relations	-	2.2	0.6	0.6	0.6
Department of Home Affairs	-	-	-	-	-
Total – Payments	-	2.2	0.6	0.6	0.6

The Government will provide \$4.5 million over four years from 2025–26 (and \$0.6 million per year ongoing) to progress the Government’s workplace relations agenda. Funding includes:

- \$2.1 million over four years from 2025–26 (and \$0.6 million per year ongoing) to the Department of Employment and Workplace Relations to support implementation of the National Construction Industry Forum’s Blueprint for the Future
- \$1.9 million in 2025–26 to the Department of Employment and Workplace Relations for costs incurred for the administration of the Construction and General Division of the Construction, Forestry and Maritime Employees Union
- \$0.5 million over two years from 2025–26 to the Department of Home Affairs to support the Scarlet Alliance in providing information about migration-related workplace rights and obligations to people working in the sex industry.

The cost of this measure will be partially met from savings identified in the Department of Employment and Workplace Relations and from within the Department of Home Affairs’ existing resources.

This measure builds on the 2024–25 MYEFO measure titled *Workplace Relations – additional supports*.

Finance

Finance Portfolio – additional resourcing

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Finance	-	6.8	5.7	-	-
Independent Parliamentary Expenses Authority	-	1.5	1.5	1.5	1.5
Total – Payments	-	8.3	7.2	1.5	1.5

The Government will provide \$18.5 million over four years from 2025–26 (and \$1.5 million per year ongoing) to support the delivery of Government priorities in the Finance portfolio. Funding includes:

- \$7.5 million over two years from 2025–26 for the Department of Finance to support a review of the parliamentary ecosystem and for specialist expertise to advise on improved security arrangements at electorate, ministerial, and Commonwealth Parliament Offices
- \$6.0 million over four years from 2025–26 (and \$1.5 million per year ongoing) for the Independent Parliamentary Expenses Authority to meet its service delivery functions, ensuring parliamentary work expenses represent an ethical, effective and justifiable use of public sector resources
- \$5.0 million in 2025–26 for the Department of Finance to continue supporting entities with acting on climate change in government operations.

This measure extends the 2024–25 Budget measure titled *Finance Portfolio – additional resourcing* and the 2023–24 MYEFO measure titled *Climate Action in Government Operations*.

## Foreign Affairs and Trade

### Delivering Consular Services

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Foreign Affairs and Trade	-	14.2	-	-	-

The Government will provide \$14.2 million in 2025–26 to maintain consular capability and deliver ongoing Smartraveller awareness campaigns.

### Memorial Services for the 2005 Bali Bombings – travel assistance payment

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Foreign Affairs and Trade	-	-	-	-	-

The Government has provided funding in 2025–26 to assist survivors, families and first responders to travel to Newcastle or Bali for memorial services commemorating the 20th anniversary of the 2005 Bali bombings.

The Department of Foreign Affairs and Trade has met the cost of this measure from within existing resources.

### Southeast Asia Investment Financing Facility – equity transactions

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
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 provide AUD252.0 million through the Southeast Asia Investment Financing Facility on the National Interest Account as equity investments to support the Government's efforts to deepen Australia's investment ties with Southeast Asia. Funding includes:

- AUD175.0 million for IFM Investors' Asia-Pacific Debt Fund to support the Fund's expansion into Southeast Asia, targeting investments in key sectors including energy, telecommunications and logistics

- USD50.0 million (approximately AUD77.0 million) for Plenary’s Southeast Asia Public Private Partnership investment fund to enable it to finance essential public infrastructure projects across Southeast Asia.

The financial implications of this measure are not for publication (nfp) as it would disclose individual loan/financing arrangements with third parties.

**Supporting Australia’s Trade and Tourism Industries**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Trade and Investment Commission	-	32.4	33.2	3.0	-

The Government will provide \$68.5 million over three years from 2025–26 to support Australia’s trade and tourism sectors. Funding includes:

- \$50.0 million over two years from 2025–26 to deliver the Accessing New Markets Initiative to support Australian export businesses impacted by changing global trade to expand into new markets
- \$10.0 million over three years from 2025–26 to promote visits to the Great Barrier Reef and support tourism operators through the establishment of the Reef Educational Experience Fund
- \$8.5 million over two years from 2025–26 for the Central Australia Package to attract visitors and assist tourism operators in and around Alice Springs.

This measure delivers on the Government’s election commitments made during the 2025 federal election.

**Supporting the Australia New Zealand Leadership Forum**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Foreign Affairs and Trade	-	-	-	-	-

The Government will provide \$0.4 million over four years from 2025–26 to support the operations of the Australia New Zealand Leadership Forum which brings together business and government organisations to foster economic and strategic collaboration between Australia and New Zealand.

The Department of Foreign Affairs and Trade will meet the cost of this measure from within existing resources.

## Health, Disability and Ageing

### ACT Primary Care and Aged Care Package

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	12.5	6.4	5.4	-

The Government will provide \$24.4 million over four years from 2025–26 to deliver a health and aged care package for the Australian Capital Territory (ACT). Funding includes:

- \$10.5 million over three years from 2025–26 to deliver three new fully bulk billed general practice clinics to provide greater access to bulk billing in the ACT
- \$10.1 million over four years from 2025–26 in new capital infrastructure to increase the availability of respite care in the ACT
- \$3.8 million over three years from 2025–26 to support a private provider to operate the Interchange Health Co-op in Tuggeranong and maintain bulk billing.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### An Effective and Clinically Appropriate Medicare Benefits Schedule

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Services Australia	-	8.1	3.1	-0.4	0.4
Department of Veterans’ Affairs	-	..	0.3	0.5	0.7
Department of Health, Disability and Ageing	-	-24.6	-20.1	-12.1	-16.9
Total – Payments	-	-16.4	-16.7	-12.0	-15.8

The Government will provide \$118.1 million over four years from 2025–26 (and \$40.5 million per year ongoing) to ensure the Medicare Benefits Schedule (MBS) remains clinically appropriate and reflects modern medical practices, including:

- \$24.0 million over four years from 2025–26 (and \$8.1 million per year ongoing) to amend the descriptions of selected electrocardiogram MBS items to more appropriately reflect the responsibility and clinical duty of medical practitioners who perform the service
- \$23.3 million over two years from 2026–27 to extend the MBS Continuous Review program to ensure the MBS remains clinically appropriate



- \$16.6 million over four years from 2025–26 (and \$15.9 million per year ongoing) for a Xeomin® injection for the treatment of chronic sialorrhea associated with neurological or neurodevelopmental disorders
- \$14.6 million over four years from 2025–26 (and \$0.2 million per year ongoing) to support implementation of changes to the *Health Insurance Act 1973* to modernise and simplify the assignment of Medicare benefits
- \$9.3 million over four years from 2025–26 (and \$2.8 million per year ongoing) to introduce patient end support MBS items for eligible Medicare providers who are providing in-person support to a MyMedicare registered patient during a GP video consultation.

The Government will also achieve efficiencies of \$179.1 million over four years from 2025–26 (and \$47.8 million per year ongoing), including:

- \$175.8 million over four years from 2025–26 (and \$46.7 million per year ongoing) by not proceeding with the Frequent Hospital Users program with funding to be reinvested in new or expanded health services
- \$1.9 million over three years from 2026–27 (and \$0.6 million per year ongoing) through removing the requirement for two separate hepatitis C virus enzyme immunoassay tests to be performed prior to HCV ribonucleic acid testing
- \$1.1 million over three years from 2026–27 (and \$0.4 million per year ongoing) through an amendment to MBS item 55133 to allow repeat echocardiograms required to monitor patients prescribed cardiac medications with possible cardiotoxic effects.

This measure builds on the 2022–23 October Budget measure titled *Medicare Benefits Schedule – new and amended listings*, the 2023–24 Budget measure titled *A Modern and Clinically Appropriate Medicare Benefits Schedule*, the 2023–24 MYEFO measure titled *An Effective and Clinically Appropriate Medicare*, the 2024–25 Budget measure titled *Strengthening Medicare – an effective and clinically appropriate Medicare Benefits Schedule (MBS)*, the 2024–25 MYEFO measure titled *An Effective and Clinically Appropriate Medicare Benefits Schedule* and the 2025–26 Budget measure titled *Strengthening Medicare*.

### Delivering Election Commitments in the Health, Disability and Ageing Portfolio

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	24.5	9.7	5.9	1.3
Services Australia	-	7.8	4.4	0.3	0.3
Department of Education	-	-	-	-	-
Total – Payments	-	32.3	14.1	6.1	1.6
<i>Related receipts (\$m)</i>					
<i>Department of Education</i>	-	..	..	..	..

The Government will provide \$141.3 million over four years from 2025–26 (and \$0.3 million per year ongoing) to deliver on its election commitments to improve health and aged care support. Funding includes:

- \$60.0 million over four years from 2025–26 to construct a new residential aged care home in Darwin
- \$32.7 million over four years from 2025–26 to support men’s health and reduce stigma around seeking support
- \$12.7 million over four years from 2025–26 (and an additional \$0.2 million in 2029–30) to make IT changes enabling designated registered nurses to prescribe Pharmaceutical Benefits Scheme medicines in partnership with authorised health practitioners with an active prescribing agreement
- \$10.1 million over three years from 2025–26 for a primary healthcare training and accreditation program to deliver a national network of LGBTIQ+ safe accredited primary care providers
- \$10.1 million in 2025–26 to increase CareFlight’s capacity to deliver aeromedical services in the Northern Territory
- \$9.7 million in 2025–26 for a communication campaign to raise consumer awareness that patient co-contributions for Pharmaceutical Benefits Scheme medicines will cost no more than \$25 from 1 January 2026
- \$3.6 million over four years from 2025–26 (and \$0.1 million per year ongoing) to develop a National Midwifery Workforce Strategy, appoint a Commonwealth Chief Midwife and amend the *National Health Act 1953* to recognise registered nurses as prescribers and enable registered nurses to prescribe Pharmaceutical Benefits Scheme medicines
- \$2.0 million in 2025–26 to strengthen preventive health and health promotion activities for communities in Cairns and Far North Queensland, including cancer screening and skin cancer checks
- \$0.4 million over two years from 2025–26 to improve food for culturally and linguistically diverse aged care residents.

The Government will also fund 20 new medical student places, each year from 2026, at the University of Tasmania’s Launceston campus.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measure titled *10-Year National Action Plan for the Health and Wellbeing of LGBTIQ+ People* and the 2024–25 Budget measure titled *Preventive Health*.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Delivering Funding Certainty for the Drug and Alcohol and Chronic Condition Programs

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	2.5	97.9	93.6	96.6

The Government will provide \$292.7 million over four years from 2025–26 (and \$97.0 million per year ongoing) to provide funding certainty for Community Sector Organisations supporting people with chronic conditions and working to reduce the harms of alcohol and other drugs. Funding includes:

- \$172.9 million over three years from 2026–27 (and \$59.7 million in 2029–30 and \$58.6 million per year ongoing) to consolidate the existing Drug and Alcohol program into an ongoing and competitive grant program supporting prevention, harm reduction, withdrawal, treatment and recovery services. Existing grants will be extended for one year in 2026–27 prior to the consolidated program commencing
- \$119.8 million over four years from 2025–26 (and \$38.7 million in 2029–30 and \$38.3 million per year ongoing) to establish an ongoing, competitive grant program to improve health outcomes and quality of life for Australians with chronic conditions. The existing 31 grants associated with the prevention and management of chronic conditions will be extended in 2026–27 prior to the consolidated program commencing.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure extends the 2024–25 MYEFO measure titled *Preventive Health* and the 2025–26 Budget measure titled *Preventive Health, Wellbeing and Sport*.

### Equitable Healthcare for Men, Women and Families

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	..	24.9	20.4	3.9

The Government will provide \$49.9 million over four years from 2025–26 (and \$4.1 million per year ongoing) to continue essential health supports for men, women and families.

Funding includes:

- \$8.9 million over four years from 2025–26 (and \$2.7 million per year ongoing) for the National Breastfeeding Helpline and Livechat service to support parents to breastfeed
- \$8.8 million over two years from 2026–27 to support Jean Hailes for Women’s Health to undertake research and education on the prevention, early detection and management of diseases affecting women and girls
- \$8.0 million over two years from 2026–27 to lower the rate of preterm and early birth by continuing the Preventing Preterm Birth program and monitoring and evaluation of the National Stillbirth Action and Implementation Plan
- \$6.2 million over two years from 2026–27 to continue the delivery of Australian Red Cross Lifeblood donor human milk banks for vulnerable preterm infants
- \$4.1 million over three years from 2026–27 (and \$1.3 million per year ongoing) to provide in-person and virtual bereavement care and support for people impacted by stillbirth and neonatal loss
- \$3.5 million over two years from 2026–27 to increase awareness about key health issues for Australian men, including mental health, chronic conditions and sexual and reproductive health
- \$3.5 million in 2026–27 to extend support for Royal Far West’s National Paediatric Telecare Service to support children with developmental delays in rural and remote regions of Australia
- \$2.7 million over two years from 2026–27 to deliver competitive grants to provide education, resources and support for women and families impacted by stillbirth and miscarriage
- \$2.0 million over two years from 2026–27 to continue Movember’s training and resource hub to support health professionals to provide targeted care and support to men
- \$1.6 million over two years from 2026–27 for regional coordinators to support Men’s Sheds to host and participate in health and mental health related events
- \$0.7 million over two years from 2026–27 to support health professionals to provide essential women’s health care, including long-acting reversible contraception and affordable medical termination of pregnancy.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2023–24 Budget measure titled *Support for Children and New and Expecting Parents*, the 2023–24 MYEFO measure titled *Achieving Better Health Outcomes*, the 2024–25 Budget measures titled *Women’s Health* and *Preventive Health*, and the 2024–25 MYEFO measures titled *Preventive Health* and *Strengthening Medicare*.

### Health Protection

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	2.3	73.9	68.5	74.2
Department of Finance	-	-	0.1	-	-
Total – Payments	-	2.3	74.0	68.5	74.2

The Government will provide \$220.5 million over four years from 2025–26 (and \$25.7 million per year ongoing) for health protection initiatives. Funding includes:

- \$116.8 million over four years from 2025–26 (and \$25.7 million per year ongoing) to continue funding for programs that address blood borne viruses and sexually transmitted infections in priority populations
- \$51.7 million over three years from 2026–27 to expand viral hepatitis testing, treatment, prevention, and harm reduction services for at risk populations
- \$41.9 million over three years from 2026–27 to continue funding to reduce HIV transmission in priority populations and to progress the goal of achieving virtual elimination of HIV transmission by 2030
- \$10.0 million over two years from 2025–26 to develop a proof of concept for the National Public Health Surveillance System for the Australian Centre for Disease Control.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measure titled *Establishment of the Australian Centre for Disease Control*, and the 2024–25 Budget measures titled *Response to HIV Taskforce Recommendations – eliminating HIV in Australia* and *National Strategies for Bloodborne Viruses and Sexually Transmissible Infections – continuation and expansion*.

## Health Research, Systems and Data

Payments (\$m)

	2024-25	2025-26	2026-27	2027-28	2028-29
Services Australia	-	6.5	12.0	8.8	4.7
National Health and Medical Research Council	-	3.0	-	-	-
Cancer Australia	-	1.2	1.2	1.2	1.2
Australian Digital Health Agency	-	1.1	0.5	-	-
Department of the Treasury	-	0.4	0.5	0.5	0.5
Department of Health, Disability and Ageing	-	-1.2	5.2	4.6	4.6
Total – Payments	-	11.0	19.3	15.1	10.9

The Government will provide \$79.4 million over five years from 2025–26 (and \$7.0 million per year ongoing) to support medical research, continue longitudinal health data collection and maintain health IT infrastructure and systems, including:

- \$36.4 million over four years from 2025–26 to extend funding arrangements for the National Authentication Service for Health to support healthcare providers to authenticate and securely access digital health services
- \$16.0 million over four years from 2026–27 (and \$4.5 million per year ongoing) for the Australian Longitudinal Study on Male Health (Ten to Men) to continue data gathering and reporting on the health needs of Australian men and boys
- \$5.4 million over three years from 2026–27 (and \$2.0 million per year ongoing) for the Australian Burden of Disease Study to continue data gathering and reporting to inform health service planning
- \$4.7 million over four years from 2025–26 (and an additional \$1.2 million in 2029–30) for Chris O’Brien Lifehouse to establish the Richard Scolyer Chair in Brain Cancer Research to accelerate research, expand clinical trials and transform outcomes for brain cancer patients
- \$4.4 million over two years from 2025–26 to establish a national medicines record for patients to provide a comprehensive, real-time view of all prescribed and dispensed medicines to support safer clinical care and reduce medication errors
- \$3.4 million over four years from 2025–26 to continue supporting national laboratory capacity and capability
- \$3.0 million in 2025–26 to provide an uplift in operating resources for the National Health and Medical Research Council to continue to fund high quality health and medical research and build research capacity
- \$1.8 million over four years from 2025–26 (and \$0.5 million per year ongoing) to maintain the National Coronial Information System data repository
- \$0.6 million in 2026–27 for the Australian Health Biobank to maintain infrastructure and sample storage.

The Department of Health, Disability and Ageing and the Australian Digital Health Agency will partially meet the cost of this measure from within existing resources.

The Treasury manages Commonwealth payments to the states and territories.

This measure extends the 2023–24 Budget measure titled *Preventive Health Reform*, the 2024–25 MYEFO measure titled *Preventive Health* and the 2025–26 Budget measure titled *Medical Research and Clinical Trials*.

### Health Workforce

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	6.9	69.1	5.8	-26.6
Department of Veterans' Affairs	-	-	..	0.1	0.1
Services Australia	-	-	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>6.9</b>	<b>69.2</b>	<b>5.8</b>	<b>-26.5</b>

The Government will provide \$87.9 million over four years from 2025–26 (and \$2.1 million in 2029–30) to strengthen and support Australia's health workforce. Funding includes:

- \$18.7 million over two years from 2026–27 to extend the Pre-Fellowship program to 30 October 2027 to continue to support non-vocationally registered doctors to gain general practice experience and increase access to primary care in areas of need
- \$17.1 million in 2026–27 to extend the Rural Locum Assistance program for Aged Care and the Northern Territory Locum program to continue service delivery for rural and remote aged care services and health services in the Northern Territory
- \$17.0 million in 2026–27 to extend the Workforce Incentive Program Rural Advanced Skills Stream to continue to provide financial incentives to doctors providing emergency and advanced skills in regional, rural and remote areas
- \$14.5 million in 2025–26 to deliver an additional 306 new general practitioner training places in 2026 through the Australian General Practice Training program
- \$8.8 million in 2026–27 to extend the Workforce Incentive Program Practice Stream to allow continued rural loadings and additional eligible allied health practitioners service delivery by general practices
- \$6.0 million over three years from 2026–27 (and \$2.1 million in 2029–30) 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
- \$4.4 million in 2026–27 to extend funding to Heart of Australia to continue to provide specialist medical support in regional and remote Queensland

- \$1.4 million over two years from 2025–26 to extend the Obstetrics and Gynaecology Education and Training program to 28 February 2027 to provide training for a range of medical professionals who assist in the provision of maternity or maternity-related services in rural and remote communities.

The Government will also extend the current Specialist Training program grant agreements with specialist medical colleges by one year from February 2026.

The Government will also achieve efficiencies of \$18.0 million over four years from 2025–26 (and \$0.5 million per year ongoing). Savings include:

- \$15.9 million over three years from 2025–26 by ceasing outsourcing arrangements for the provision of independent advice on the distribution and allocation of training places under the Australian General Practice Training program, with workforce planning and prioritisation assessments to be undertaken by the Department of Health, Disability and Ageing
- \$2.1 million over four years from 2025–26 (and \$0.5 million per year ongoing) by consolidating the Murray-Darling Medical Schools Network and two Rural Health Multidisciplinary Training sub-programs into a single revitalised Rural Multidisciplinary Training program to improve program delivery and reduce the administrative burden and reporting requirements of participating universities.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measure titled *Strengthening Medicare*.

### Improving Access and Uptake of Medicines and Vaccines

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	6.0	21.8	-	-

The Government will provide \$34.0 million over two years from 2025–26 to fund vaccination programs and improve medicines policies. Funding includes:

- \$21.3 million in 2026–27 to transition the National COVID-19 Vaccination Program to the National Immunisation Program (NIP)
- \$7.0 million in 2025–26 to continue communications activities to address the decline in childhood immunisation rates
- \$5.3 million over two years from 2025–26 to implement initial reform actions of the Health Technology Assessment Policy and Methods Review, including consultation with stakeholders regarding future cost recovery arrangements
- \$0.5 million in 2026–27 to continue the expansion of the NIP Vaccinations in Pharmacy program, which allows pharmacists to administer vaccines in residential aged care homes and residential disability services.



The Government will also ensure that long-standing NIP vaccines remain accessible to Australians.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure extends the 2023–24 Budget measure titled *Support for Children and New and Expecting Parents* and the 2024–25 Budget measure titled *Supporting Ongoing Access to Vaccines*.

### Improving In-Home Aged Care Support

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	494.0	240.5	-20.9	-21.4

The Government will provide \$956.6 million over three years from 2025–26 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. Funding includes:

- \$947.8 million over two years from 2025–26 to release 20,000 additional Home Care Packages by 31 October 2025 and bring forward the release of a further 63,000 Support at Home program places by 30 June 2026
- \$8.9 million over three years from 2025–26 to Aged Care Research and Industry Innovation Australia to continue to improve sector innovation.

The Government will achieve savings of \$255.7 million over four years from 2025–26 (and \$21.9 million per year ongoing) through more targeted and streamlined aged care funding. Savings will be reinvested into new or expanded aged care programs and include:

- \$112.8 million in 2025–26 through reprioritising unspent funds from the Support at Home program thin markets grants to other aged care services, with the Support at Home program thin markets grants to continue to have a demand-driven selection process
- \$80.0 million over two years from 2025–26 through reprioritising unspent funds in the Commonwealth Home Support program growth funding grant opportunity to other aged care services
- \$62.8 million over three years from 2026–27 (and \$21.9 million per year ongoing) by consolidating the Aged Care Program Support Fund into the Dementia and Aged Care Support Fund.

The Government has expanded the eligibility of the Market Adjustment program to include home care providers.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measures titled *Improving Aged Care Support* and *Ensuring the Viability and Quality of Aged Care*.

### Improving Residential Aged Care

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	10.8	16.4	2.7	2.8
Aged Care Quality and Safety Commission	-	2.7	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>13.5</b>	<b>16.4</b>	<b>2.7</b>	<b>2.8</b>

The Government will provide \$46.5 million over four years from 2025–26 (and \$5.8 million per year ongoing) to deliver additional support for residential aged care. Funding includes:

- \$18.3 million over four years from 2025–26 (and \$5.4 million per year ongoing) to incorporate outbreak management funding into the Transition Care program and Multi-Purpose Services program
- \$9.4 million in 2026–27 to extend the Dementia Training program to improve the capability of the health and aged care workforce to support dementia diagnosis and care
- \$6.4 million over two years from 2025–26 to extend support for younger people to move to age-appropriate accommodation and supports through the Younger People in Residential Aged Care program
- \$5.8 million over two years from 2025–26 to extend the Australian National Aged Care Classification transition fund to support aged care providers in thin markets
- \$4.6 million in 2025–26 to continue improving food and nutrition in aged care
- \$2.0 million over four years from 2025–26 (and \$0.4 million per year ongoing) to implement changes to the Independent Health and Aged Care Pricing Authority’s quality assurance function and pricing advice.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2024–25 MYEFO measures titled *Improving Aged Care Support* and *Ensuring the Viability and Quality of Aged Care*, the 2024–25 Budget measure titled *Improving Aged Care Support*, the 2023–24 Budget measure titled *Younger People in Residential Aged Care* and the 2022–23 October Budget measure titled *Fixing the Aged Care Crisis*.

### Mental Health

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	3.4	72.4	51.6	-10.6

The Government will provide \$158.0 million over three years from 2025–26 to continue to strengthen Australia’s mental health and suicide prevention system. Funding includes:

- \$65.1 million over three years from 2025–26 to continue delivery of mental health supports, treatment and services for Australians, including:
  - \$35.5 million over two years from 2026–27 to extend a pilot on a model of care for improved coordination and access to specialised trauma-informed mental health recovery care for victim-survivors of family, domestic and sexual violence
  - \$13.5 million in 2025–26 of additional funding to deliver the Medicare Mental Health Check In, a new free digital mental health service
  - \$4.7 million over two years from 2026–27 to support continued operation of the Government’s Medicare Mental Health website and navigation services
  - \$3.2 million over two years from 2026–27 in reprofiled funding for co-design work and delivery of culturally appropriate multidisciplinary services for people with severe and complex mental health needs in the Northern Territory
  - \$2.8 million over two years from 2026–27 to continue supporting culturally and linguistically diverse communities and service providers by providing access to resources, services and information through an online accessible platform
  - \$2.7 million over two years from 2026–27 to continue the Translating and Interpreting Service to support the mental health needs of multicultural communities
  - \$1.6 million in 2026–27 to continue mental health supports and services for Australians impacted by the conflict in the Middle East
  - \$0.7 million over two years from 2025–26 to improve the physical health of people with mental illness
  - \$0.4 million in 2026–27 to continue delivering mental health services to young people in remote communities
- \$30.1 million over three years from 2025–26 to support Australians through prevention and early intervention activities, including:
  - \$22.2 million over two years from 2026–27 to continue supporting child mental health and social and emotional wellbeing through universal access to evidence-based parenting education
  - \$7.2 million in 2025–26 to promote and raise awareness of Medicare Mental Health services through a national communication campaign
  - \$0.6 million in 2026–27 to continue supporting perinatal mental health screening across public antenatal and postnatal care settings
- \$26.6 million over three years from 2025–26 to strengthen and support the mental health workforce, including:
  - \$9.4 million over two years from 2026–27 to continue enhancing mental health capabilities of the broader health workforce through training, resources and professional development materials
  - \$5.3 million over two years from 2026–27 to raise awareness and the knowledge of health practitioners about digital mental health services, and support a digital-first mental health solution for Australian healthcare workers through e-Mental Health in Practice

- \$2.9 million over two years from 2025–26 to continue supporting two independent national mental health lived experience peak bodies to advise on mental health policies and programs and to support lived experience research
- \$2.4 million in 2026–27 to continue supporting general practitioners (GP) to link with psychiatrists who provide telehealth consultations through the national GP Psychiatry Support Line
- \$2.4 million over two years from 2025–26 to Mental Health Australia to continue its activities as the mental health peak body
- \$2.0 million over two years from 2026–27 to continue supporting a digital-first mental health solution for Australian healthcare professionals through The Essential Network
- \$0.6 million over two years from 2026–27 to continue delivery of confidential mental health support services for doctors and medical students in Australia through Drs4Drs
- \$0.6 million over two years from 2026–27 to continue supporting confidential peer support for health professionals from peers in similar disciplines
- \$0.5 million in 2026–27 to continue supporting lived experience capacity building and research through mental health consumer and carer advocacy activities
- \$0.4 million over two years from 2026–27 to continue supporting the annual mental health services conference
- \$26.0 million over three years from 2025–26 to support the needs of people with eating disorders and their carers, including:
  - \$13.1 million over two years from 2026–27 to extend a pilot program to identify innovative and evidence-based models of care to best address the needs of people with eating disorders in community-based settings
  - \$9.3 million over two years from 2026–27 to continue upskilling the mental health workforce in evidence-based eating disorder interventions, and support the Australian Eating Disorders Research and Translation Centre
  - \$2.2 million over two years from 2026–27 to the National Eating Disorders Collaboration to continue supporting a national platform which brings together information and resources that establish standards for the prevention and treatment of eating disorders
  - \$0.8 million over two years from 2025–26 to enable the Australia & New Zealand Academy for Eating Disorders to deliver the eating disorder credentialing system and a targeted public awareness campaign
  - \$0.4 million over two years from 2026–27 to continue supporting school-led programs to support positive body image in Australian primary schools
  - \$0.4 million over two years from 2026–27 to continue in-person, phone and online services for unpaid carers of people with eating disorders across Australia

- \$10.2 million over two years from 2026–27 to support the delivery of suicide prevention services, including:
  - \$6.4 million over two years from 2026–27 to continue supporting workplace-based suicide prevention programs for ‘Fly In Fly Out’ and ‘Drive In Drive Out’ workers
  - \$2.4 million in 2026–27 to continue suicide prevention activities in schools
  - \$0.8 million in 2026–27 to expand an existing suicide prevention pilot program to include more non-clinical, early intervention and suicide prevention services
  - \$0.6 million over two years from 2026–27 to continue supporting workplace-based mental health suicide prevention programs for people in the manufacturing industry.

The Government will achieve savings of \$21.0 million over two years from 2027–28 (and \$10.8 million per year ongoing) from efficiencies in delivering mental health support through the Primary Health Networks program. The savings from this measure will be redirected to other Government policy priorities in the Health, Disability and Ageing portfolio.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2023–24 Budget measure titled *Mental Health*, the 2024–25 Budget measure titled *Mental Health*, the 2024–25 MYEFO measure titled *Strengthening Medicare* and the 2025–26 Budget measure titled *Supporting Australian Communities Affected by the Hamas-Israel Conflict*.

### More Free Mental Health Services

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	25.0	228.3	363.0	507.8
Department of Veterans' Affairs	-	-	..	..	..
Services Australia	-	-	..	..	..
<b>Total – Payments</b>	<b>-</b>	<b>25.0</b>	<b>228.3</b>	<b>363.0</b>	<b>507.9</b>

The Government will provide \$1.1 billion over four years from 2025–26 to provide more free mental health services and to grow the mental health workforce. Funding includes:

- \$490.3 million over four years from 2025–26 (and \$296.9 million per year ongoing) for 20 new and upgraded Youth Specialist Care Centres to provide ongoing and intensive care services, outside a hospital, for young people with complex mental health illness
- \$267.3 million over four years from 2025–26 (and \$132.0 million per year ongoing) to establish 32 new and upgraded Medicare Mental Health Centres to expand access to free mental health support for all Australians

- \$225.3 million over four years from 2025–26 (and \$24.6 million per year ongoing) to establish 58 new, upgraded or expanded headspace services to provide community-based services for young people who have, or are at risk of, mental illness
- \$83.9 million over four years from 2025–26 to provide additional training places for mental health professionals and peer workers, including internships for eligible provisional psychologists, placements for peer work students in mental health and suicide prevention services, scholarships for the Certificate of Postgraduate Training in Clinical Psychiatry, and psychiatry training places
- \$43.3 million over four years from 2025–26 to continue support for the National Centre of Excellence in Youth Mental Health and for an evaluation
- \$13.0 million over four years from 2025–26 (and \$5.1 million per year ongoing) to establish eight new Perinatal Mental Health Centres across Australia to provide psychological counselling services to new and expectant parents
- \$3.7 million over two years from 2025–26 for the Embrace Kids program to reduce the prevalence of eating disorders in young people.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure builds on the 2022–23 October Budget measure titled *Mental Health* and the 2023–24 Budget measure titled *Mental Health*.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Pharmaceutical Benefits Scheme New and Amended Listings

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	280.9	406.7	509.1	610.3
Department of Veterans' Affairs	-	5.3	9.0	11.1	13.0
Services Australia	-	0.9	0.1	0.1	0.1
Total – Payments	-	287.1	415.7	520.3	623.4
<i>Related receipts (\$m)</i>					
<i>Department of Health, Disability and Ageing</i>	-	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>

The Government will provide \$1.8 billion over four years from 2025–26 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and Life Saving Drugs program. Examples of new and amended PBS listings since the 2025–26 Budget include:

- nivolumab (Opdivo®) and ipilimumab (Yervoy®), from 1 August 2025, for the treatment of patients with Stage III melanoma
- palovarotene (Sohonos®), from 1 September 2025, for the treatment of fibrodysplasia ossificans progressiva

- daratumumab (Darzalex®), from 1 November 2025, for the treatment of patients with newly diagnosed multiple myeloma who are ineligible for autologous stem cell transplant
- brentuximab vedotin (Adcetris®), from 1 November 2025, for the first line treatment of advanced Hodgkin lymphoma in combination with chemotherapy
- brexpiprazole (Rexulti®), from 1 November 2025, for the treatment of patients with schizophrenia
- durvalumab (Imfinzi®) combination with tremelimumab (Imjudo®), from 1 November 2025, for the treatment of patients with advanced (unresectable) Stage B Barcelona Clinic Liver Cancer or Stage C hepatocellular carcinoma
- iptacopan (Fabhalta®), from 1 November 2025, for the treatment of patients with paroxysmal nocturnal haemoglobinuria
- empagliflozin (Jardiance®), from 1 November 2025, for the treatment of adult patients with chronic kidney disease
- etonogestrel with ethinylestradiol (NuvaRing®), from 1 November 2025, for contraception.

The financial implications of 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)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	7.5	26.3	7.5	-

The Government will provide \$41.7 million over three years from 2025–26 to continue preventive health initiatives. Funding includes:

- \$15.3 million over two years from 2025–26 for the Australian Stroke Alliance to continue the delivery of the Stroke Golden Hour program, which provides stroke support services, a national digital telestroke platform and prehospital clinical training
- \$14.6 million over two years from 2026–27 to continue funding for the National Allergy Centre of Excellence and the National Allergy Council to deliver allergy research and public health programs
- \$8.0 million in 2026–27 to continue funding for programs that improve mental and physical health, including the Heart Foundation National Physical Activity and Walking Initiative, The Big Issue Community Street Soccer program and the Reclink national program
- \$1.5 million in 2026–27 for Cancer Council Victoria to operate the Quit Centre to provide health professionals with the latest information on smoking and vaping cessation

- \$0.8 million in 2026–27 for the Healthy Food Partnership, which contributes to implementation of the National Preventive Health Strategy and National Obesity Strategy
- \$0.8 million in 2026–27 to continue the Commonwealth Government’s support for the Health Star Rating system to help consumers judge the nutritional profile of packaged foods
- \$0.5 million in 2026–27 for the Australian Prevention Partnership Centre to contribute to research and research translation in Australia for the prevention of chronic conditions.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure extends the 2023–24 Budget measures titled *Preventive Health Reform* and *Investment in Sport*, the 2024–25 Budget measure titled *Preventive Health*, the 2024–25 MYEFO measure titled *Investment in Sports*, and the 2025–26 Budget measure titled *Preventive Health, Wellbeing and Sport*.

### Strengthening Medicare – establishing 1800MEDICARE and Medicare Urgent Care Clinics additional support

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	59.3	54.4	44.6	46.5
Australian Digital Health Agency	-	5.0	-	-	-
Department of the Treasury	-	0.2	-	-	-
Services Australia	-	-	..	..	-
<b>Total – Payments</b>	<b>-</b>	<b>64.5</b>	<b>54.4</b>	<b>44.6</b>	<b>46.5</b>

The Government will provide \$246.5 million over four years from 2025–26 (and \$48.7 million per year ongoing) to provide better access and more affordable care. Funding includes:

- \$219.8 million over four years from 2025–26 (and \$48.7 million per year ongoing) to implement 1800MEDICARE, a free, nationwide 24/7 health advice line and afterhours general practitioner telehealth service
- \$12.8 million over three years from 2025–26 to support existing Medicare Urgent Care Clinics to reduce pressure on hospital emergency departments and improve access for urgent, but not life-threatening, care
- \$8.4 million in 2025–26 in additional funding for Medicare Urgent Care Clinics with high patient throughput to boost the capacity of the clinics to treat even more patients
- \$5.5 million in 2025–26 to continue communications to raise awareness of Medicare Urgent Care Clinics.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.



The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2022–23 October Budget measure titled *Urgent Care Clinics*, the 2023–24 Budget measure titled *Medicare Urgent Care Clinics – additional funding*, the 2023–24 MYEFO measure titled *Urgent Care Clinics and Services*, the 2024–25 Budget measure titled *Strengthening Medicare – Medicare Urgent Care Clinics – additional funding*, and the 2025–26 Budget measure titled *Strengthening Medicare – Expanding Medicare Urgent Care Clinics*.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.

### Support for People with Disability

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	842.9	17.6	-	-	-
NDIS Quality and Safeguards Commission	-	-	-	-	-
Department of Health, Disability and Ageing	-	-3.3	2.8	2.9	-
Department of Social Services	-	-4.2	-	-	-
Total – Payments	842.9	10.1	2.8	2.9	-

The Government will provide \$880.0 million over four years from 2024–25 to support people with disability. Funding includes:

- \$842.9 million in 2024–25 to Western Australia to finalise the DisabilityCare Australia Fund
- \$17.6 million in 2025–26 to support National Disability Insurance Scheme (NDIS) participants and supported employees during the sale and restructure of Bedford Group
- \$10.1 million in 2025–26 to the Department of Health, Disability and Ageing to continue the development and implementation of NDIS legislative reforms
- \$5.7 million over two years from 2026–27 to continue increased support for disability systemic advocacy
- \$3.8 million over two years from 2026–27 to extend the Primary Care Enhancement program for people with intellectual disability.

The NDIS Quality and Safeguards Commission will also expand NDIS provider registration with mandatory registration of supported independent living and digital platform providers from 1 July 2026.

The Department of Health, Disability and Ageing and the Department of Social Services will partially meet the cost of this measure from within existing resources.

The Treasury manages Commonwealth payments to the states and territories.

This measure extends the 2022–23 October Budget measure titled *Better Support for People Living with Disability*, the 2023–24 MYEFO measure titled *Support for the National Disability Insurance Scheme*, and the 2024–25 MYEFO measure titled *Government Response to the Disability Royal Commission*.

**Supporting Medical Research**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	2.5	2.5	2.5	-

The Government will provide \$8.1 million over three years from 2025–26 to support medical research into rare diseases. Funding includes:

- \$4.8 million over three years from 2025–26 to support FightMND to expand its efforts to raise awareness and to support research and care projects for people living with motor neurone disease
- \$3.3 million over three years from 2025–26 to support Maddie Riewoldt’s Vision to deliver research, advocacy and support for Australians with bone marrow failure syndrome and their families.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

**Telethons**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	4.7	-	-	-

The Government will provide \$4.7 million in 2025–26 for Commonwealth contributions to telethons supporting medical research.

The Department of Health, Disability and Ageing will meet the cost of grant delivery for this measure from within existing resources.

This measure extends the 2023–24 MYEFO measure titled *Channel 7 Perth Telethon* and the 2024–25 MYEFO measure titled *Telethons*.

**Upgrading Health Infrastructure**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Health, Disability and Ageing	-	14.5	14.8	0.7	0.7
Department of the Treasury	-	10.0	5.0	40.0	30.0
<b>Total – Payments</b>	<b>-</b>	<b>24.5</b>	<b>19.8</b>	<b>40.7</b>	<b>30.7</b>

The Government will provide \$119.8 million over four years from 2025–26 to contribute towards the expansion and upgrades of hospital and local primary care infrastructure. This will improve the suitability of existing facilities, deliver new capacity and strengthen health service delivery. Funding includes:

- \$80.0 million over four years from 2025–26 to the New South Wales (NSW) Government for the expansion of the Fairfield Hospital emergency department
- \$34.8 million over four years from 2025–26 to support local primary care infrastructure, including:
  - \$14.0 million over two years from 2025–26 to support the establishment of a new Health and Housing Clinic which will provide free healthcare to people most in need in Brisbane’s West End
  - \$10.1 million over two years from 2025–26 to deliver a new health hub for Smithton, Tasmania to support the relocation of OCHRE Health services from the current premises into one that can accommodate a larger, more comprehensive health service
  - \$8.1 million over two years from 2025–26 to contribute to the building of a new multidisciplinary healthcare centre in Burnie, Tasmania
  - \$2.6 million over four years from 2025–26 to provide Street Side Medics additional funding to continue delivering mobile medical services in NSW and Victoria
- \$5.0 million in 2025–26 to the Victorian Government to upgrade the intensive care unit at Dandenong Hospital.

The Department of Health, Disability and Ageing will partially meet the cost of this measure from within existing resources.

The Treasury manages Commonwealth payments to the states and territories.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

## Home Affairs

### Civil Maritime Security Capabilities

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	nfp	nfp	nfp	nfp

The Government will provide additional funding over four years from 2025–26 to support Australia’s civil maritime security capabilities, including:

- funding over four years from 2025–26 for new Australian Border Force patrol vessels
- funding over three years from 2026–27 to replace end-of-life radar capability on the Christmas and Cocos (Keeling) Islands.

The financial implications 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 MYEFO measure titled *Civil Maritime Security Capabilities*.

### Community Safety Measures in Response to the High Court’s decision in *NZYQ v Minister for Immigration, Citizenship and Multicultural Affairs & Anor*

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	312.5	-53.4	-32.0	-32.0

The Government will provide \$633.6 million over four years from 2025–26 (and up to an additional \$73.0 million per year for the remainder of the 30-year measure) to support community safety as part of the ongoing response to the High Court’s decision in *NZYQ v Minister for Immigration, Citizenship and Multicultural Affairs & Anor*. Funding includes:

- \$605.6 million over four years from 2025–26 (and up to an additional \$73.0 million per year for the remainder of the 30-year measure) to support resettlement in Nauru of non-citizens released from immigration detention who do not have the right to remain in Australia
- \$28.0 million in 2025–26 to support continued risk mitigation activities in Australia including compliance, investigation and support programs.

This measure will be partially offset by redirecting funding from the Department of Home Affairs.

This measure builds on the 2023–24 MYEFO measure titled *Community Safety Measures in Response to the High Court’s Decision in NZYQ v Minister for Immigration, Citizenship and Multicultural Affairs & Anor* and the 2025–26 Budget measure titled *Supporting Community Safety*.

**Disaster Support**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
National Emergency Management Agency	-	23.2	-9.0	-10.0	-
Department of the Treasury	-	1.9	1.5	0.5	-
Total – Payments	-	25.1	-7.5	-9.5	-

The Government will provide \$30.6 million over three years from 2025–26 to improve Australia’s resilience to natural hazards and preparedness to respond to disasters. Funding includes:

- \$19.0 million in 2025–26 to deliver a new national cell broadcast messaging system to improve emergency warning communications and support public awareness of the new system
- \$7.0 million over two years from 2025–26 for the National Bushfire Intelligence Capability and North Australia and Rangelands Fire Information web service for continued availability of bushfire data and information
- \$3.9 million over three years from 2025–26 to upgrade infrastructure at fire stations across Chidlow, Darlington, Glen Forrest, Mt Helena, Parkerville and Wooroloo in Perth, Western Australia
- \$0.7 million in 2025–26 for the National Resource Sharing Centre to enhance disaster response coordination and facilitate shared resources between jurisdictions to prepare and respond to disasters of national significance.

The support outlined in this measure is in addition to 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 significant natural disasters, and the provision of urgent financial assistance to disaster-affected individuals.

The Disaster Ready Fund will partially contribute to delivery of the national cell broadcast messaging system and bushfire data capabilities.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2023–24 Budget measure titled *Disaster Support* and the 2025–26 Budget measure titled *Disaster Support*.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.

### Home Affairs Portfolio – additional resourcing

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	28.2	-	-	-
Australian Federal Police	-	nfp	nfp	nfp	nfp
Department of Finance	-	nfp	nfp	nfp	nfp
Digital Transformation Agency	-	nfp	nfp	nfp	nfp
Total – Payments	-	28.2	-	-	-

The Government will provide additional resourcing to support the delivery of priorities in the Home Affairs portfolio, including:

- \$28.2 million in 2025–26 to the Department of Home Affairs to sustain its protection visa processing capacity and legal assistance to protection visa applicants
- funding over five years from 2025–26 for the Australian Federal Police (AFP) to strengthen its Information and Communication Technology (ICT) capabilities.

Partial funding for this measure will be held in the Contingency Reserve pending the completion of assurance reviews for the AFP’s ICT capabilities. The AFP will partially meet the cost of this measure from within existing resources.

The financial implications of elements of this measure are not for publication (nfp) due to national security sensitivities.

Part of this measure builds on the 2023–24 MYEFO measure titled *Migration System Integrity*.

### Strengthening Community Safety

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	8.3	11.2	2.9	-

The Government will provide \$22.4 million over three years from 2025–26 to support community safety. Funding includes:

- \$17.3 million to local government areas to upgrade community security infrastructure
- \$5.1 million to Crime Stoppers Australia to support its works for community safety.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Support for Migrant and Refugee Settlement Services

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	-	13.9	-	-

The Government will provide \$13.9 million in 2026–27 to extend programs that promote better economic and social outcomes for refugees and migrants. Funding includes:

- \$9.8 million in 2026–27 for Youth Transition Support services to assist refugee and migrant youth to access education, employment and government services
- \$3.6 million in 2026–27 for the Settlement Engagement and Transition Support program to provide specialised support for refugee and migrant women experiencing domestic and family violence
- \$0.5 million in 2026–27 to continue settlement support for Afghan humanitarian entrants.

This measure builds on the 2024–25 Budget measure titled *Reforms to Migrant and Refugee Settlement Services*.

### Supporting Multicultural Communities

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	89.9	81.9	20.4	5.0
Department of the Treasury	-	1.1	0.9	-	-
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	1.0	4.0	-	-
Department of Health, Disability and Ageing	-	-	-	-	-
Total – Payments	-	92.0	86.8	20.4	5.0

The Government will provide \$220.6 million over four years from 2025–26 to support multiculturalism in Australia. Funding includes:

- \$171.3 million over three years from 2025–26 to support multicultural community organisations in delivering 164 priority infrastructure, amenities, and events initiatives
- \$25.6 million over four years from 2025–26 to support over 600 community language schools across Australia to help more than 90,000 students learn community languages
- \$10.2 million over four years from 2025–26 to help deliver services that are culturally appropriate at Aman Aged Care in Sydney and Maurice Zeffert Home in Perth
- \$6.5 million over three years from 2025–26 to establish 25 new Community Hubs across Australia to support humanitarian and migrant families

- \$5.0 million over two years from 2025–26 for the Royal Life Saving Society Australia to deliver a Multicultural Communities Swimming and Water Safety program, targeting multicultural communities that lack access to essential water safety education
- \$2.0 million over two years from 2025–26 to Jewish House Bondi to expand its crisis accommodation services for people experiencing homelessness or domestic violence.

The cost of this measure will be partially met from a reprioritisation of funding from the 2025 PEFO measure titled *Supporting Social Cohesion* and within existing resources of the Department of Health, Disability and Ageing.

This measure delivers on the Government’s election commitments made during the 2025 federal election.

**United States Global Entry Program (Phase Two)**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	1.6	2.7	3.4	4.1
<i>Related receipts (\$m)</i>					
Department of Home Affairs	-	4.2	6.3	6.3	6.3

The Government will provide \$11.8 million over four years from 2025–26 (and \$4.8 million per year ongoing) for Phase Two of the United States Global Entry program to offer Australian travellers pre-approved, expedited clearance to enter the United States for a period of five years.

Under Phase Two, Australian participation in the United States Global Entry program will expand to an uncapped fee-for-service program and is estimated to increase receipts by \$23.1 million over four years from 2025–26 and \$6.3 million per year ongoing.

This measure builds on the 2024–25 MYEFO measure titled *United States Global Entry Program*.



## Industry, Science and Resources

### Building a Future Made in Australia

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Industry, Science and Resources	-	25.1	1.0	5.0	-
Department of the Treasury	-	4.0	1.0	-	-
National Reconstruction Fund Corporation	-	-	13.1	12.7	-
Net Zero Economy Authority	-	-	-	-	-
Total – Payments	-	29.1	15.1	17.7	-
<i>Related receipts (\$m)</i>					
National Reconstruction Fund Corporation	-	-7.0	-10.5	-14.9	-20.2

The Government will provide \$1.1 billion over five years from 2025–26 to deliver the Government’s commitments to protect and support Australian industry. Funding includes:

- \$1.0 billion over five years from 2025–26 in investments delivered through the National Reconstruction Fund Corporation within its existing capital to establish the Economic Resilience program to provide zero interest loans to support Australian manufacturing businesses to diversify and expand their export markets and build industrial capabilities in the national interest
- \$25.9 million over two years from 2026–27 in operational funding for the National Reconstruction Fund Corporation to support delivery of the Economic Resilience program
- \$24.0 million over three years from 2025–26 to stabilise operations, support the transition to renewable energy, and diversify production for the Boyer Paper Mill
- \$5.0 million in 2025–26 for the Anti-Dumping Commission to expand its monitoring activities and investigation of claims of dumped imports into Australia
- \$5.0 million over two years from 2025–26 towards the development of master plans for re-zoned mine sites in the Hunter region to attract new investment and facilitate the net zero transition
- \$1.0 million in 2025–26 to support the development of a roadmap to boost Australian content in renewable energy infrastructure, specifically locally made steel
- \$1.0 million in 2026–27 to support Australia’s textile, clothing and footwear industry.

The cost of this measure will be partially met from savings identified in the 2025–26 MYEFO measure titled *Industry, Science and Resources – reprioritisation*.

The Treasury manages Commonwealth payments to the states and territories.

Parts of this measure deliver on the Government’s election commitments made during the 2025 federal election.

**Establishing an Artificial Intelligence Safety Institute**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Industry, Science and Resources	-	3.6	10.5	7.8	8.0

The Government will provide \$29.8 million over four years from 2025–26 (and \$7.9 million per year ongoing from 2029–30) to establish an Artificial Intelligence (AI) Safety Institute within the Department of Industry, Science and Resources to provide the capability within government to monitor and respond to the risks of AI over time, supporting agencies and regulators to ensure fit-for-purpose protections for Australians.

This measure builds on the 2024–25 Budget measure titled *Supporting Safe and Responsible AI*.

**Industry, Science and Resources – reprioritisation**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Industry, Science and Resources	-	-30.9	-41.7	-55.8	-24.0

The Government will achieve savings of \$147.6 million over five years from 2025–26 (and an additional \$1.1 million over seven years from 2030–31) by redirecting funding across the Industry, Science and Resources portfolio. Savings include:

- \$102.0 million over five years from 2025–26 by reducing uncommitted funding available under the Industry Growth program
- \$31.3 million over three years from 2025–26 by reducing uncommitted funding from the Modern Manufacturing Initiative
- \$12.3 million over five years from 2025–26 (and an additional \$1.1 million over seven years from 2030–31) by reducing funding for the Global Science and Technology Diplomacy Fund, elements of the Inspiring All Australians in STEM program and the Entrepreneurs programme
- \$2.0 million in 2027–28 by reducing uncommitted funding for the Australian Radioactive Waste Agency.

The savings from this measure will be redirected to other Government policy priorities in the Industry, Science and Resources portfolio.

**Investing in Science Agencies**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Commonwealth Scientific and Industrial Research Organisation	-	121.0	112.0	-	-
Australian Nuclear Science and Technology Organisation	-	-	40.8	-	-
<b>Total – Payments</b>	<b>-</b>	<b>121.0</b>	<b>152.8</b>	<b>-</b>	<b>-</b>

The Government will provide \$273.8 million over two years from 2025–26 to support the sustainability of Australia’s science agencies. Funding includes:

- \$233.0 million over two years from 2025–26 for the Commonwealth Scientific and Industrial Research Organisation to maintain research capability and undertake property consolidation planning
- \$40.8 million in 2026–27 for the Australian Nuclear Science and Technology Organisation to continue production of affordable nuclear medicines and support the ongoing operations transferred from the now wound-up subsidiary ANSTO Nuclear Medicine (ANM) Pty Ltd.

This measure builds on the 2025–26 Budget measure titled *Investing in the Future of Science*, the 2024–25 Budget measure titled *Investing in the Future of Industry and Science*, and the 2023–24 Budget measure titled *Securing a Responsive Nuclear Medicine and Science Capability for Australia*.

The Government will consider future funding for *Investing in Science Agencies* pending further consideration of broader policy priorities.

### Supporting Australia’s Heavy Industry Transformation

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	253.0	100.0	100.0	50.0
Department of Industry, Science and Resources	-	7.1	-9.7	-10.5	0.2
Department of Finance	-	1.4	-	-	-
Total – Payments	-	261.5	90.3	89.5	50.2
<i>Related receipts (\$m)</i>					
<i>Department of Industry, Science and Resources</i>	-	8.8	-	-	-

The Government will provide \$522.2 million over four years from 2025–26 to support Australia’s heavy industry. Funding includes:

- \$301.3 million over four years from 2025–26 to maintain the operation of Glencore’s Mount Isa copper smelter and Townsville copper refinery, to support the surrounding communities and workforce, with:
  - \$300.0 million over four years from 2025–26 as the Commonwealth’s co-contribution to Queensland to prevent the imminent closure of Glencore
  - \$1.3 million over four years from 2025–26 for independent legal, commercial and probity advice and to facilitate negotiations with the Queensland Government and Glencore Australia
- \$163.3 million in 2025–26 to continue providing support and stabilisation to the Whyalla steelworks during administration. Funding includes:
  - \$145.5 million in 2025–26 as the Commonwealth’s co-contribution to South Australia for the administration costs of the Whyalla steelworks
  - \$17.8 million in 2025–26 to continue the joint taskforce with the South Australian Government through the provision of independent legal, commercial and probity advice and to facilitate negotiations with potential buyers of the Whyalla steelworks
- \$57.5 million in 2025–26 as the Commonwealth’s contribution to a support package for Nyrstar Australia’s Hobart and Port Pirie facilities.

Partial funding for this measure will be held in the Contingency Reserve pending the outcomes of a review of market conditions for Glencore’s Mount Isa copper smelter and Townsville copper refinery.

The cost of this measure will be partially met from a reprioritisation of funding from the 2022–23 October Budget measure titled *Supporting Australian Industry*.

The Treasury manages Commonwealth payments to the states and territories.

## Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

### Additional Funding for the Australian Broadcasting Corporation

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Broadcasting Corporation	-	-	16.7	16.7	16.7

The Government will provide \$50.0 million over three years from 2026–27 to the Australian Broadcasting Corporation to support the production of Australian children’s and drama content.

This measure builds on the 2023–24 Budget measure titled *Revive – National Cultural Policy and Location Incentive*.

### Building a Better Future Through Considered Infrastructure Investment

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	147.9	87.5	175.3	160.6
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	2.5	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>150.4</b>	<b>87.5</b>	<b>175.3</b>	<b>160.6</b>

The Government will provide \$1.1 billion over seven years from 2025–26 for road and rail infrastructure priorities to support productivity and jobs. Funding includes:

- \$656.3 million over seven years from 2025–26 for existing Infrastructure Investment Program (IIP) projects, including:
  - \$237.0 million for Stage 1 of the Coomera Connector (Coomera to Nerang) and \$37.7 million for Peninsula Developmental Road in Queensland
  - \$105.0 million for Stage 1 of the High Productivity Vehicle Network in South Australia
  - \$54.4 million for the Pacific Highway – Wyong Town Centre and \$38.9 million for the Medlow Bath Upgrade in New South Wales
  - \$48.8 million for the Toodyay Road Upgrade – Dryandra to Toodyay and \$40.0 million for the Tonkin Highway Interchanges in Western Australia
  - \$3.4 million for the Ballan Road Intersection Upgrade, Wyndham Vale in Victoria
  - \$2.0 million for Carpentaria Highway strengthening and widening in the Northern Territory

- \$487.5 million over six years from 2025–26 for new IIP projects. Funding includes:
  - \$200.0 million to upgrade Windsor Road and \$20.0 million to plan future upgrades along Old Windsor Road in New South Wales
  - \$200.0 million for the Amberley Road Upgrade on the Cunningham Highway in Queensland
  - \$60.0 million to expand the Swan River ferry network in Western Australia
  - \$5.0 million for Avalon Airport Road Upgrades planning in Victoria
  - \$2.5 million for the Australian Rail Track Corporation to undertake a feasibility study on the Western Australia Freight Rail network.

The cost of this measure will be partially met from existing funding for the IIP.

The Treasury manages Commonwealth payments to the states and territories.

This measure builds on the 2025–26 Budget measure titled *Building a Better Future Through Considered Infrastructure Investment*.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.

#### Further Commitments Under the National Cultural Policy – Revive

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	30.0	25.0	25.0	15.0
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	8.8	16.5	4.0	-
<b>Total – Payments</b>	<b>-</b>	<b>38.8</b>	<b>41.5</b>	<b>29.0</b>	<b>15.0</b>

The Government will provide \$124.3 million over four years from 2025–26 to support Australia’s arts sector. Funding includes:

- \$95.0 million over four years from 2025–26 to support the delivery of The Fox: National Gallery of Victoria Contemporary building
- \$16.4 million over two years from 2025–26 to extend the Revive Live program to support Australian live music venues and festivals showcasing Australian bands and artists and improve participation and accessibility at live music performances
- \$12.5 million over three years from 2025–26 to the Australian National Academy of Music to redevelop its South Melbourne Town Hall premises
- \$0.4 million in 2025–26 to the Hellenic Museum to deliver cultural exhibitions and upgrade its Pavilion space.

Partial funding for this measure will be held in the Contingency Reserve until final project details are settled.

The Treasury manages Commonwealth payments to the states and territories.

This measure extends the 2025–26 Budget measure titled *Revive – National Cultural Policy*.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Future of the Northern Australia Infrastructure Facility

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Northern Australia Infrastructure Facility	-	-	17.2	17.3	17.8
<i>Related receipts (\$m)</i>					
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	-	-	0.9	5.0

The Government will provide \$52.3 million over three years from 2026–27 (and an additional \$145.3 million from 2029–30 to 2035–36) to extend the Northern Australia Infrastructure Facility investment period by 10 years from 30 June 2026 to 30 June 2036.

The cost of this measure will be met through fees and interest levied on recipients of financial assistance.

### Investment in Sport

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	5.1	10.1	0.1	0.1
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	-	-	-	-
Department of Foreign Affairs and Trade	-	-0.5	-	-	-
Total – Payments	-	4.6	10.1	0.1	0.1

The Government will provide \$15.5 million over four years from 2025–26 to support high-performance sport. Funding includes:

- \$15.0 million over two years from 2025–26 to support the construction of the North Queensland Cowboys Community, Development and High-Performance Centre at West Barlow Park, Cairns to support women and girls’ participation in the Rugby League
- \$0.5 million over four years from 2025–26 to Hockey Victoria to establish the Melbourne Cobras hockey franchise.

The cost of this measure will be partially met from a reprioritisation of funding from the 2022–23 March Budget measure titled *Comprehensive Strategic Partnership with India – new initiatives*.

The Treasury manages Commonwealth payments to the states and territories.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

### Major and Local Community Infrastructure

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	39.0	30.0	21.5	-
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	7.0	43.5	173.9	240.0
National Capital Authority	-	2.5	47.0	14.1	-
Total – Payments	-	48.5	120.5	209.5	240.0

The Government will provide \$625.5 million over four years from 2025–26 to support economic growth and development across Australia. Funding includes:

- \$464.5 million over four years from 2025–26 for the Major and Local Community Infrastructure program to support community infrastructure projects across Australia
- \$60.0 million over three years from 2025–26 to support the renewal of the St Patrick’s Cathedral Precinct in Melbourne
- \$53.6 million over two years from 2026–27 in additional funding for the Commonwealth Avenue Bridge Upgrade and Scrivener Dam Dissipator Strengthening works in the Australian Capital Territory
- \$27.5 million over three years from 2025–26 for the construction of a new health and engineering wing at the Central Queensland University – Cairns Campus
- \$10.0 million over two years from 2025–26 to improve the safety and useability of public spaces around Lake Burley Griffin in the Australian Capital Territory
- \$3.0 million in 2025–26 to support the Warburton Mountain Bike Destination Project in Victoria
- \$6.9 million in 2025–26 to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts to support the delivery of the Government’s election commitments.

The cost of this measure will be partially met from savings identified in the 2025 PEFO measure titled *Priority Community Infrastructure Program*.

The Treasury manages Commonwealth payments to the states and territories.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.



**National Cultural Policy – National Collecting Institutions**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
National Gallery of Australia	-	15.1	84.7	55.1	40.8
National Library of Australia	-	0.7	3.8	-	-
Department of the Treasury	-	-1.5	-	-	-
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	-3.0	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>11.3</b>	<b>88.5</b>	<b>55.1</b>	<b>40.8</b>

The Government will provide \$201.7 million over four years from 2025–26 (and an additional \$24.0 million in 2029–30) to support three National Collecting Institutions to deliver urgent capital works. Funding includes:

- \$195.7 million over four years from 2025–26 (and an additional \$24.0 million in 2029–30) to fix the roof of the National Gallery of Australia, support ongoing operations during the repairs and develop an initial business case to inform future capital works
- \$4.5 million over two years from 2025–26 for the National Library of Australia to complete the replacement of heritage windows, doors and façade
- \$1.5 million in 2025–26 for the Bundanon Trust to upgrade roads and car parks on the Bundanon Homestead site.

Partial funding for the National Collecting Institutions will be held in the Contingency Reserve until final project details are settled.

The cost of this measure will be partially met by redirecting existing funding from the Infrastructure Investment Program (IIP), the 2020–21 Budget measure titled *COVID-19 Response Package – communications, cyber safety and the arts* and the 2009–10 Budget measure titled *Australian Government international exhibitions insurance program – establishment*.

**Online Safety**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	10.3	2.2	2.0	2.0

The Government will provide \$16.5 million over four years from 2025–26 to support online safety. Funding includes:

- \$10.0 million in 2025–26 to extend the Social Media Minimum Age advertising campaign until April 2026 to help parents, carers, young people, educators and the community to understand and transition to a social media minimum age

- \$6.0 million over three years from 2026–27 for the Alannah and Madeline Foundation to improve digital literacy and online safety awareness among primary and secondary school students
- \$0.5 million over two years from 2025–26 for SmackTalk to deliver youth sexual extortion education.

This measure builds on the 2024–25 MYEFO measure *Social Media Age Limits*.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.

### Rex Airlines

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	21.9	0.3	0.3	0.3
<i>Related receipts (\$m)</i>					
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	nfp	nfp	nfp	nfp

The Government will provide \$13.8 million over eight years from 2025–26 to support the successful sale of Regional Express Airlines (Rex) and preserve regional aviation connectivity. Funding includes:

- \$8.5 million over eight years from 2025–26 for the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts to complete the sale process and administer the support package for Rex
- \$5.3 million in 2025–26 to support local governments and regional and remote airports that were owed funds by Rex when it entered voluntary administration.

The Government also provided additional financing of up to \$30.0 million in 2025–26 to support Rex during the remaining administration period.

The Government’s loan to Rex will be restructured on completion of the sale to Air T, Inc., with approximately \$90.0 million to be carried forward. The Government will also make a new loan of up to \$60.0 million available to Rex for capital expenditure and operational requirements.

Some elements of this measure are not for publication (nfp) because they would disclose individual financing arrangements with third parties.

This measure builds on the 2024–25 MYEFO measure titled *Supporting Aviation Priorities*.

**Supporting Connectivity**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Communications and Media Authority	-	2.3	6.7	7.2	7.2
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	-10.7	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>-8.4</b>	<b>6.7</b>	<b>7.2</b>	<b>7.2</b>
<i>Related receipts (\$m)</i>					
<i>Australian Communications and Media Authority</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.3</i>	<i>6.7</i>

The Government will provide \$24.6 million over four years from 2025–26 (and \$7.2 million per year ongoing) to continue to support telecommunications connectivity. Funding includes:

- \$23.4 million over four years from 2025–26 (and \$7.2 million ongoing) for the Australian Communications and Media Authority to undertake regulatory oversight and compliance activities to improve the Triple Zero emergency call service and support the Triple Zero Custodian
- \$1.2 million over two years from 2026–27 to strengthen the resilience of mobile telecommunications towers in the Perth Hills, Western Australia.

The cost of this 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*, the 2021–22 Budget measure titled *Our North, Our Future – Next Five Year Plan for Northern Australia* and revenue from an increase to the Annual Carrier Licence Charge.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.

### Supporting International Sporting Events

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Home Affairs	-	1.8	-	-	-
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	-	-	-	-
Department of the Treasury	-	-184.5	59.4	-19.3	-246.1
<b>Total – Payments</b>	<b>-</b>	<b>-182.8</b>	<b>59.4</b>	<b>-19.3</b>	<b>-246.1</b>
<i>Related receipts (\$m)</i>					
<i>Department of Home Affairs</i>	-	..	-	-	-
<i>Australian Taxation Office</i>	-	*	*	*	*
<b>Total – Receipts</b>	<b>-</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

The Government will provide \$2.5 million in 2025–26 to support the delivery of major international sporting events. Funding includes:

- \$1.8 million in 2025–26 to the Department of Home Affairs to undertake security checks as part of the event accreditation process for the Asian Football Confederation Women’s Asian Cup 2026
- \$0.8 million in 2025–26 to support Softball Australia to host the 2027 Women’s Softball World Cup in Brisbane.

The Government will support the Asian Football Confederation Women’s Asian Cup by providing:

- an income tax exemption for the Asian Football Confederation applying from 1 July 2025 to 31 December 2028 and an exemption from interest, dividend and royalty withholding tax liabilities from commencement to 31 December 2028
- an exemption from customs duty for goods imported in connection with the event and a nil Visa Application Charge for accredited international participants.

The Government:

- has waived the Visa Application Charge for international teams, officials and official carers participating in the 2025 VIRTUS Athletics World Championships
- will re-profile and re-prioritise \$390.5 million for projects within the Games Venues Infrastructure program to beyond the forward estimates, to better align funding with revised delivery timeframes for the Brisbane 2032 Olympic and Paralympic Games.

The cost of this measure will be partially met from a reprioritisation of funding from the 2019–20 MYEFO measure titled *Election Commitment – Sport and Physical Activity in Australia Grants*.

**Supporting News and Media Diversity**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-2.0	2.0	-0.3	-0.2	-

The Government will provide \$2.3 million in 2025–26 to support media sustainability and diversity in Australia. Funding includes:

- \$2.0 million in 2025–26 to support the financial sustainability of the Local and Independent News Association
- \$0.3 million in 2025–26 to support LGBTIQ+ media organisations to promote connection, participation and belonging for LGBTIQ+ communities.

The cost of this measure will be partially met from a reprioritisation of funding from the 2024–25 MYEFO measure titled *Supporting News and Media Diversity*.

This measure delivers on the Government’s election commitment made during the 2025 federal election.

**Supporting Transport Priorities**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	-	4.9	4.6	1.0	-
Department of Home Affairs	-	3.9	24.8	20.8	21.2
Australian Federal Police	-	3.0	7.5	16.6	17.0
Department of Agriculture, Fisheries and Forestry	-	1.9	11.9	13.3	13.4
<b>Total – Payments</b>	<b>-</b>	<b>13.7</b>	<b>48.9</b>	<b>51.7</b>	<b>51.6</b>
<i>Related receipts (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	-	-	0.2	2.8	3.9

The Government will provide \$272.3 million over six years from 2025–26 (and \$42.7 million per year ongoing) to support transport priorities. Funding includes:

- \$261.8 million over six years from 2025–26 (and \$42.7 million per year ongoing) to support border services and law enforcement operations at Western Sydney International (Nancy-Bird Walton) Airport
- \$7.6 million over three years from 2025–26 to develop road user charging arrangements
- \$1.9 million in 2025–26 to continue to capture, standardise and provide accessible freight data to improve productivity in the freight sector
- \$1.0 million in 2025–26 to continue the development of the Maritime Single Window digital reporting platform.

The cost of this measure will be partially met through existing cost recovery arrangements for biosecurity activities.

This measure extends the 2024–25 Budget measures titled *Enabling Western Sydney International Airport* and *Supporting Transport Priorities*.

# Parliament

## Parliamentary Departments – additional resourcing

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Parliamentary Services	-	8.5	4.9	5.4	5.8
Department of the House of Representatives	-	1.0	1.5	1.5	1.6
Total – Payments	-	9.5	6.4	6.9	7.4

The Government will provide \$30.2 million over four years from 2025–26 (and \$7.9 million per year ongoing) to support the operations of Parliamentary Departments. Funding includes:

- \$24.6 million over four years from 2025–26 (and \$6.3 million per year ongoing) to support the financial sustainability and effective operations of the Department of Parliamentary Services
- \$5.6 million over four years from 2025–26 (and \$1.6 million per year ongoing) for the Department of the House of Representatives to establish the Parliamentary Joint Committee on Defence. Funding for the establishment of the Joint Committee will be held in the Contingency Reserve pending the passage of legislation to establish the new committee.

## Prime Minister and Cabinet

### Ngurra Cultural Precinct

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Institute of Aboriginal and Torres Strait Islander Studies	-	1.7	-	-	-
Department of Finance	-	0.2	-	-	-
Total – Payments	-	1.9	-	-	-

The Government will provide \$17.0 million in 2025–26 (including \$14.6 million in capital funding) to continue to progress the development of Ngurra: The National Aboriginal and Torres Strait Islander Cultural Precinct. Funding includes:

- \$16.7 million in 2025–26 to the Australian Institute of Aboriginal and Torres Strait Islander Studies to finalise the design process
- \$0.2 million in 2025–26 to the Department of Finance to support delivery of the precinct.

The cost of this measure will be met from a reprioritisation of funding from the 2022–23 March Budget measure titled *Ngurra Cultural Precinct*.

This measure builds on the 2024–25 Budget measure titled *Further Investment to Closing the Gap*.

### Payments to Support Ongoing Rehabilitation of Ranger Uranium Mine

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
National Indigenous Australians Agency	-	0.8	nfp	nfp	nfp

The Government will provide \$2.0 million in 2025–26 and funding for a 50-year agreement until 2074–75 under the *Aboriginal Land Rights (Northern Territory) Act 1976* to continue rehabilitation work of the Ranger Uranium Mine located in Kakadu National Park.

The cost of this measure will be partially met from the *Aboriginal Land Rights (Northern Territory) Act 1976* – Ranger Agreement special appropriation held by the National Indigenous Australians Agency and savings identified in the 2025–26 MYEFO measure titled *Industry, Science and Resources – reprioritisation*.

The financial implications of this measure from 2026–27 are not for publication (nfp) because they would impair the Commonwealth’s position in negotiating rehabilitation arrangements.



**Prime Minister and Cabinet – additional resourcing**

## Payments (\$m)

	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Public Service Commission	-	9.2	-	-	-
Office of the Official Secretary to the Governor-General	-	4.6	2.0	-	-
Department of the Prime Minister and Cabinet	-	3.6	7.1	7.2	7.3
<b>Total – Payments</b>	<b>-</b>	<b>17.3</b>	<b>9.1</b>	<b>7.2</b>	<b>7.3</b>

The Government will provide \$40.8 million over four years from 2025–26 (and \$7.4 million per year ongoing) to support the delivery of Government priorities in the Prime Minister and Cabinet portfolio. Funding includes:

- \$25.1 million over four years from 2025–26 (and \$7.4 million per year ongoing) for the Department of the Prime Minister and Cabinet to support national security priorities
- \$9.2 million in 2025–26 for the Australian Public Service Commission to continue implementing APS Reform to strengthen the capability of the Australian Public Service
- \$6.5 million over two years from 2025–26 to the Office of the Official Secretary to the Governor-General to support its effective operation.

## Social Services

### A Fairer More Efficient Social Security System

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Services Australia	-	54.0	38.1	1.8	1.5
Department of Social Services	-	6.3	35.5	-	-
Department of Veterans' Affairs	-	0.6	0.3	0.3	0.3
Department of Education	-	-	0.2	-	-
Total – Payments	-	60.9	74.0	2.1	1.7
<i>Related receipts (\$m)</i>					
Department of Education	-	-1.0	-7.7	-10.1	-11.3
Department of Social Services	-	-11.3	-49.9	-28.3	-28.1
Total – Receipts	-	-12.4	-57.6	-38.4	-39.5

The Government will provide \$138.7 million over four years from 2025–26 (and \$1.1 million per year ongoing) to address historical social security debts affected by income apportionment and invest in structural reform to provide a more efficient and targeted approach to debt recovery processes. Funding includes:

- \$97.2 million over two years from 2025–26 to establish a resolution scheme for those impacted by the historical debt calculation method known as income apportionment. People with historical debts affected by income apportionment from 2003 to 2020 will be eligible to apply for a resolution payment of up to \$600 under the scheme
- \$21.7 million over four years from 2025–26 (and \$1.0 million per year ongoing) to increase the small debt waiver threshold to \$250 and expand eligibility for the special circumstances debt waiver, including in cases of domestic, family and sexual violence
- \$19.8 million over four years from 2025–26 (and \$0.1 million per year ongoing) in implementation costs for the validated income apportionment payment calculation method.

The measure is estimated to decrease receipts by \$147.8 million over four years from 2025–26 (and \$40.8 million per year ongoing).

**Australian Orphanage Museum – additional funding**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Social Services	-	-	0.1	0.1	0.1

The Government will provide additional funding of \$0.4 million over three years from 2026–27 (and an additional \$0.1 million in 2029–30) to support the operations of the Australian Orphanage Museum.

This measure extends the 2024–25 Budget measure titled *Australian Orphanage Museum – additional funding*.

**Delivering Social Services Election Commitments**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Social Services	-	10.0	-	-	-

The Government will provide \$11.3 million over two years from 2025–26 to deliver election commitments in the Social Services portfolio. Funding includes:

- \$10.0 million in 2025–26 to the Reverend Bill Crews Foundation to support vulnerable Australians experiencing financial hardship through services such as food relief, literacy support and accessible healthcare through to 2028–29
- \$1.3 million over two years from 2025–26 to undertake an independent investigation into the historical South Korea-Australia Intercountry Adoption program and assess its impact on Korean-Australian adoptees and their families.

The Department of Social Services will partially meet the cost of this measure from within existing resources.

This measure delivers on the Government’s election commitments made during the 2025 federal election.

**Resetting Social Security Deeming Rates**

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Veterans' Affairs	-	-6.5	-12.3	-11.9	-11.5
Department of Health, Disability and Ageing	-	-19.5	-41.1	-43.0	-43.6
Department of Social Services	-	-215.2	-462.5	-487.1	-510.5
Total – Payments	-	-241.3	-515.9	-542.0	-565.6
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-1.0	-15.0	-29.0	-32.0

The Government will achieve savings of \$1.8 billion over four years from 2025–26 (and \$553.8 million per year ongoing) by returning to the practice of updating the social security deeming rates on financial assets to reflect market returns.

From 20 September 2025, a deeming rate of 0.75 per cent will apply to financial assets under \$64,200 for singles and \$106,200 for couples. Assets over this amount will be deemed at a rate of 2.75 per cent.

The Government will provide \$0.8 million over four years from 2025–26 (and \$0.2 million per year ongoing) for the Australian Government Actuary to review market returns on financial assets twice a year, from March 2026, and provide a recommendation to the Government on the deeming rate, guided by the returns that pensioners and other payment recipients with deemed financial assets can reasonably access on their investments.

The savings from this measure will be redirected to fund other government policy priorities.

### Supporting the Safety and Wellbeing of Children, Families and Communities

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of Social Services	-	-6.2	8.2	-0.2	-0.2

The Government will provide \$8.9 million over two years from 2025–26 to continue delivery of services and programs that support the safety and wellbeing of children, families and communities. Funding includes:

- \$7.3 million over two years from 2025–26 to continue programs for children and families and support for national peak bodies for the community sector while the Government consults on reforms to the Families and Children Activity
- \$1.6 million in 2026–27 to provide support for organisations to reduce the rates of child abuse and neglect and to improve child safety, including providing continued secretariat support to the National Coalition on Child Safety and Wellbeing and the Safe and Supported Aboriginal and Torres Strait Islander Leadership Group, and support for the National Centre for Action on Child Sexual Abuse.

Parts of this measure support the implementation of Safe and Supported: The National Framework for Protecting Australia's Children 2021–2031.

The cost of this measure will be partially met from savings identified in the Department of Social Services.

This measure builds on the 2024–25 MYEFO measure titled *Partnering with Communities for Change*.

### Targeting Entrenched Community Disadvantage

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	1.9	-	-	-
Department of Social Services	-	1.7	3.9	-	-
Total – Payments	-	3.6	3.9	-	-

The Government will provide \$7.5 million over two years from 2025–26 to address entrenched community disadvantage. Funding includes:

- \$3.9 million in 2026–27 to extend the Social Enterprise Development Initiative to provide grants, online education and mentoring to eligible organisations to build their capability to access capital and better participate in the social impact investing market to support improved social outcomes
- \$3.6 million in 2025–26 to continue work on a whole-of-government Framework to Address Community Disadvantage that will identify strategic objectives to guide how the Commonwealth will work in partnership with communities to build capability to address cycles of disadvantage.

This measure builds on the 2023–24 Budget measure titled *Targeting Entrenched Community Disadvantage*.

## Treasury

### Competition Reforms

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Federal Court of Australia	-	2.2	6.4	6.1	6.2
Department of the Treasury	-	0.6	6.3	5.3	3.8
National Competition Council	-	-	1.6	1.7	1.8
Department of Finance	-	-	-	-	-
Office of the Fair Work Ombudsman	-	-	-	-	-
Total – Payments	-	2.8	14.3	13.1	11.8
<i>Related receipts (\$m)</i>					
<i>Federal Court of Australia</i>	-	3.2	5.8	6.1	6.4

The Government will provide \$42.0 million over four years from 2025–26 to develop and implement competition reforms. Additional National Competition Policy reforms for development include:

- expanding right to repair to certain types of agricultural machinery
- undertaking occupational licencing reforms to support a single national market for workers
- delivering a single market for goods, with a focus on building and construction, waste and recycled products, household electrical consumer products and food standards
- supporting heavy vehicle productivity reforms
- expanding the scope of practice for health professionals
- developing a national approach to worker screening in the care and support economy.

Funding includes:

- \$20.9 million over four years from 2025–26 (and \$6.3 million per year ongoing) for the Federal Court of Australia to support Australian Competition Tribunal reviews of the Australian Competition and Consumer Commission (ACCC) merger decisions as part of mandatory mergers and acquisition reforms commencing 1 January 2026
- \$16.0 million over four years from 2025–26 for the Treasury to implement and administer new and existing elements of National Competition Policy reforms, including extending the right to repair reforms to agricultural machinery, delivering a single national market for workers and goods, non-compete clauses and other restraints in employment and for the development of future reforms
- \$5.1 million over three years from 2026–27 (and \$1.8 million per year from 2029–30 to 2034–35) for the National Competition Council to independently monitor Commonwealth, state and territory progress in implementing reforms.

The Government will also amend the *Fair Work Act 2009* and the *Competition and Consumer Act 2010* to ban non-compete clauses for employees earning below the high income threshold, as well as no-poach and wage-fixing agreements between businesses, effective from 1 January 2027.

The Department of Finance, the Fair Work Ombudsman and the ACCC will partially meet the cost of this measure from within existing resources. Costs relating to the Australian Competition Tribunal will be met through cost recovery.

This measure builds on the 2024–25 Budget measure titled *Competition Reform* and the 2024–25 MYEFO measure titled *Revitalising National Competition Policy*.

### Housing Australia Future Fund Round 3

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	-	3.0	3.0	-
Housing Australia	-	-422.2	-273.6	-203.4	150.6
Total – Payments	-	-422.2	-270.6	-200.4	150.6
<i>Related receipts (\$m)</i>					
<i>Housing Australia</i>	-	10.5	28.0	39.5	48.3

The Government will provide support to deliver more than 21,000 social and affordable homes through Round 3 of the Housing Australia Future Fund to meet its commitments to deliver 40,000 social and affordable homes from the Housing Australia Future Fund and the National Housing Accord by 30 June 2029. Funding includes:

- an additional \$2.6 billion in concessional loans to community housing providers
- reprofiling of \$0.9 billion in disbursements and funding currently reflected in the forward estimates, with disbursements reinvested until they are required and payments provided to approved Housing Australia Future Fund projects in line with the delivery model
- up to \$3.1 billion over 15 years from 2037–38 to meet the cost of availability payments and supplement ongoing disbursements from the Housing Australia Future Fund.

The Government will increase the cap on the Commonwealth's guarantee over Housing Australia's commitments from \$26 billion to \$44 billion to support commitments for Round 3 projects.

Round 3 of the Housing Australia Future Fund will provide additional support for First Nations communities through:

- dedicating \$600.0 million in Round 3 funding and access to concessional loans to projects delivered by or in partnership with First Nations housing organisations
- introducing a 10 per cent First Nations tenancy target across all social housing delivered under Round 3

- a new First Nations concierge function within Housing Australia to support providers through the application and delivery process and help build the long-term capacity of the community-controlled housing sector, to be met from within existing resources.

The Government will also provide \$6.0 million over two years from 2026–27 to support the continuation of the Closing the Gap Housing Policy Partnership. The Partnership is a key forum for First Nations peoples to have a genuine say in the design and delivery of First Nations housing services.

Housing Australia is expected to commence taking applications for Round 3 in January 2026.

This measure builds on the 2022–23 October Budget measures titled *Safer and More Affordable Housing* and *Housing Accord* and the 2024–25 Budget measure titled *Housing Support*.

### Piloting the Investor Front Door

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	5.8	11.5	-	-

The Government will provide \$17.3 million over two years from 2025–26 for the Investor Front Door to pilot and refine its service offering for projects of national significance.

This measure extends the 2024–25 MYEFO measure titled *Future Made in Australia – accelerating investment in Australian industries*.

### Support for Homebuyers

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Department of the Treasury	-	13.3	124.8	187.8	190.6
Housing Australia	-	0.6	0.6	0.7	0.7
Total – Payments	-	13.9	125.4	188.5	191.3

The Government will provide additional support to enable first home buyers to get into housing sooner, including:

- \$10.0 billion over eight years from 2026–27 (\$2.0 billion in grants and \$8.0 billion in concessional loans) to support states, territories and industry to deliver up to 100,000 new, well-located dwellings for sale to first home buyers
- expanding the Australian Government 5% Deposit Scheme (formerly the Home Guarantee Scheme) by removing caps on places and income, increasing property price caps, and bringing forward the start date to 1 October 2025, with the expanded program estimated to cost \$5.4 million over four years from 2025–26
- \$15.0 million in 2025–26 to improve awareness and accessibility of information on Australian Government supports for first home buyers.



The Treasury will partially meet the cost of this measure from within existing resources.

This measure builds on the 2025–26 Budget measure titled *Housing Support*.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.

### Supporting Consumers

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Australian Competition and Consumer Commission	-	37.3	14.6	16.3	17.2
Department of the Treasury	-	6.4	0.1	-	-
<b>Total – Payments</b>	<b>-</b>	<b>43.7</b>	<b>14.7</b>	<b>16.3</b>	<b>17.2</b>
<i>Related receipts (\$m)</i>					
<i>Australian Competition and Consumer Commission</i>	<i>-</i>	<i>4.0</i>	<i>9.5</i>	<i>10.4</i>	<i>11.1</i>

The Government will provide \$91.8 million over four years from 2025–26 (and \$16.2 million per year ongoing) to support consumers including through the strengthening of protections and enforcement activities. Funding includes:

- continuing the Consumer Data Right, including exploring options to adjust policy settings to drive consumer adoption and lower costs for participating sectors
- mandating cash acceptance for transactions of \$500 or less at fuel and grocery retailers between 7am and 9pm, with an exemption for most small businesses
- enforcing the Government’s ban on excessive pricing by very large supermarkets
- strengthening and clarifying consumer guarantee and supplier indemnification provisions in Australian Consumer Law and introducing civil penalties and enforcement powers for the Australian Competition and Consumer Commission (ACCC)
- continued support for the ACCC’s work on competition and consumer issues that relate to digital markets.

The Treasury and the ACCC will partially meet the cost of this measure from within existing resources and through cost recovery by the ACCC.

This measure builds on the 2024–25 MYEFO measure titled *Ensuring a Better Deal for Consumers*.

Parts of this measure deliver on the Government’s election commitment made during the 2025 federal election.

### Treasury Portfolio – additional resourcing

Payments (\$m)	2024-25	2025-26	2026-27	2027-28	2028-29
Services Australia	-	4.6	12.3	24.6	7.4
Australian Taxation Office	-	2.4	10.5	5.9	0.3
Inspector-General of Taxation	-	2.3	2.3	2.3	2.3
Digital Transformation Agency	-	..	..	-	-
Australian Securities and Investments Commission	-	-	10.7	6.0	-
Department of the Treasury	-	-	1.0	-	-
Department of Health, Disability and Ageing	-	-	-	-	-1.9
Total – Payments	-	9.3	36.8	38.7	8.1
<i>Related receipts (\$m)</i>					
<i>Australian Securities and Investments Commission</i>	-	-	-	6.4	3.6

The Government will provide \$168.6 million over five years from 2025–26 to support the delivery of Government priorities in the Treasury portfolio. Funding includes:

- \$88.9 million over five years from 2025–26 for the Australian Securities and Investments Commission (ASIC), the Australian Taxation Office (ATO), the Department of Health, Disability and Ageing and Services Australia to enable an orderly transition from the use of cheques across the Australian Government as part of the Government’s Cheques Transition Plan, including to establish a new Medicare electronic gap-only billing system to replace current Pay Doctor via Claimant arrangements
- \$60.9 million over two years from 2025–26 for the ATO to develop a second pass business case for its Enterprise Resource Planning modernisation
- \$9.0 million over four years from 2025–26 to support the Inspector-General of Taxation and Taxation Ombudsman’s operations
- \$8.8 million over four years from 2025–26 for the ATO to deliver key elements critical to the delivery of improvements to ASIC’s business registers
- \$1.0 million in 2026–27 to Treasury to provide continued technical support to Papua New Guinea.

ASIC will also develop a technology roadmap to incorporate beneficial ownership information into the companies register.

The Department of Industry, Science and Resources will cease the Business Registration Service in 2027–28, with services to be incorporated into a new online company registration service to be delivered by ASIC and the ATO Australian Business Register, which already offers Australian Business Number registration services.

The ATO and ASIC will partially meet the cost of this measure from within existing resources and through cost recovery. The cost of this measure will also be partially met from savings identified in the Health, Disability and Ageing portfolio.

# 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 2025–26 and the forward years.

Table B.1: Estimates of Australian Government general government expenses by function and sub-function<sup>(a)</sup>

	Estimates											
	2025-26			2026-27			2027-28			2028-29		
	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 %
<b>General public services</b>												
Legislative and executive affairs	1,895	2,024	7	1,803	1,864	3	2,060	2,058	0	1,704	1,720	1
Financial and fiscal affairs	10,428	10,401	0	10,353	10,045	-3	9,849	9,600	-3	9,997	9,763	-2
Foreign affairs and economic aid	7,878	9,203	17	8,352	8,263	-1	8,965	9,115	2	8,951	8,911	0
General research	4,527	4,675	3	4,259	4,375	3	4,330	4,332	0	4,425	4,394	-1
General services	1,287	1,354	5	1,300	1,341	3	1,360	1,343	-1	1,443	1,465	2
Government superannuation benefits	5,403	5,980	11	5,627	5,518	-2	5,938	5,793	-2	6,308	6,051	-4
<b>Defence</b>	51,483	51,598	0	52,567	52,062	-1	56,487	54,851	-3	61,238	59,270	-3
<b>Public order and safety</b>	9,145	9,432	3	8,045	8,222	2	7,830	7,896	1	7,815	7,926	1
<b>Education</b>	54,030	65,259	21	56,157	56,852	1	58,395	58,912	1	60,397	60,833	1
<b>Health</b>	124,803	126,637	1	125,901	130,481	4	130,423	135,615	4	134,767	140,209	4
<b>Social security and welfare</b>	290,966	295,963	2	299,436	303,244	1	309,531	314,655	2	323,612	328,969	2
<b>Housing and community amenities</b>	8,952	10,365	16	7,021	9,683	38	5,562	6,672	20	5,125	6,139	20
<b>Recreation and culture</b>	5,867	6,039	3	5,709	5,996	5	5,974	6,215	4	6,378	6,321	-1
<b>Fuel and energy</b>	19,237	21,237	10	15,079	15,247	1	16,213	17,882	10	18,273	17,404	-5
<b>Agriculture, forestry and fishing</b>	4,427	4,828	9	4,152	4,524	9	3,511	3,787	8	3,156	3,360	6
<b>Mining, manufacturing and construction</b>	5,522	5,673	3	5,511	5,649	3	5,947	6,104	3	6,663	7,093	6

**Table B.1: Estimates of Australian Government general government expenses by function and sub-function (continued)<sup>(a)</sup>**

	Estimates											
	2025-26			2026-27			2027-28			2028-29		
	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 %
<b>Transport and communication</b>	16,557	16,264	-2	16,380	16,044	-2	16,320	15,694	-4	16,484	15,885	-4
<b>Other economic affairs</b>												
Tourism and area promotion	206	203	-1	194	191	-2	194	184	-5	192	181	-6
Labour and employment affairs	5,854	6,266	7	5,521	5,633	2	5,397	5,361	-1	5,508	5,463	-1
Immigration	3,895	4,497	15	3,452	3,450	0	3,341	3,254	-3	3,311	3,209	-3
Other economic affairs nec	3,603	3,848	7	3,469	3,520	1	3,332	3,340	0	3,274	3,257	-1
<b>Other purposes</b>												
Public debt interest	28,429	27,741	-2	33,091	31,770	-4	37,501	36,660	-2	41,715	41,104	-1
Nominal superannuation interest	15,198	14,803	-3	15,685	15,720	0	16,084	16,102	0	16,517	16,511	0
General purpose inter-government transactions	104,363	105,187	1	109,946	112,359	2	115,684	117,774	2	121,377	124,777	3
Natural disaster relief	874	1,183	35	612	474	-23	338	361	7	126	121	-4
Contingency reserve	842	-1,429	-270	6,972	6,443	-8	12,385	10,434	-16	20,639	17,127	-17
<b>Total expenses</b>	<b>785,670</b>	<b>809,232</b>	<b>3</b>	<b>806,594</b>	<b>818,970</b>	<b>2</b>	<b>842,949</b>	<b>853,996</b>	<b>1</b>	<b>889,397</b>	<b>897,459</b>	<b>1</b>

a) The 2025–26 Budget numbers are used in this table as this table was not published in the 2025 PEFO.

## 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 2025 Pre-election Economic and Fiscal Outlook (PEFO), 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 2026–27 (\$1.8 billion)
- $\frac{3}{4}$  of a percentage point of expenses in the second forward year 2027–28 (\$5.5 billion)
- $1\frac{1}{2}$  of a percentage point of expenses in the third forward year 2028–29 (\$11.5 billion).

The drawdown of the CBA reduced expenses by \$1.7 billion in 2026–27, \$1.7 billion in 2027–28, and \$3.7 billion in 2028–29. This is consistent with long standing practice and does not represent a saving.

The Contingency Reserve includes provisions to reflect:

- expected increased contributions to the states and territories for the future National Health Reform Agreement Addendum and Disability Foundational Supports, including \$2 billion over five years from 2026–27 for the Thriving Kids Program; and
- the Government's commitment to provide \$12 billion over the next decade for a Defence Precinct at Henderson in Western Australia, to support naval shipbuilding and delivery of Australia's nuclear-powered submarine pathway.

In general, the Contingency Reserve can also include:

- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately
- financial assistance to state and territory governments for future programs and reforms subject to negotiations, including commitments made by National Cabinet
- 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, including the continuation of terminating measures
- a provision for underspends in the current financial year reflecting the tendency for budgeted expenses for some entities or functions not to be met.

## 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 2025–26* and on the Federal Financial Relations website at: [www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au). Detailed information on payments to states, including financial flows, is included at Annex A (available online).

### Overview of payments to the states

Australian Government payments to the states in 2025–26 are estimated to be \$200.0 billion, or 24.7 per cent of total Australian Government expenditure for the year. This amount comprises payments for specific purposes of \$97.0 billion and general revenue assistance of \$103.0 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, 2025–26 to 2028–29**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2025-26</b>									
Payments for specific purposes(a)	27,472	23,445	20,883	11,061	7,860	2,534	1,681	2,761	97,006
GST-related payments(b)	28,341	28,358	16,927	8,090	9,813	3,865	2,149	4,964	102,507
Other general revenue assistance(c)	-	-	-	460	-	-	46	-	506
Total payments to the states	55,814	51,802	37,811	19,611	17,672	6,400	3,877	7,724	200,020
<b>2026-27</b>									
Payments for specific purposes(a)	26,926	24,218	21,605	10,499	7,449	2,490	1,632	2,211	96,295
GST-related payments(b)	29,481	29,818	17,885	9,585	10,203	4,011	2,229	5,109	108,322
Other general revenue assistance(c)	-	-	-	399	-	-	47	-	446
Total payments to the states	56,406	54,037	39,490	20,483	17,652	6,501	3,909	7,320	205,063
<b>2027-28</b>									
Payments for specific purposes(a)	27,704	23,631	22,776	10,192	7,551	2,390	1,555	2,237	98,608
GST-related payments(b)	30,831	31,325	18,851	10,116	10,654	4,175	2,341	5,359	113,653
Other general revenue assistance(c)	-	-	-	344	-	-	48	-	392
Total payments to the states	58,536	54,956	41,627	20,652	18,205	6,565	3,945	7,596	212,654
<b>2028-29</b>									
Payments for specific purposes(a)	28,337	23,343	23,806	9,879	7,485	2,282	1,540	2,363	101,073
GST-related payments(b)	32,613	33,283	20,090	10,791	11,249	4,397	2,488	5,681	120,592
Other general revenue assistance(c)	-	-	-	265	-	-	50	-	315
Total payments to the states	60,950	56,625	43,896	20,935	18,734	6,679	4,077	8,044	221,980

- a) As state allocations for a number of programs have not yet been determined, these payments are not reflected in state totals. As a result, 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 2025–26 GST relativities. The estimates do not reflect any attempt to project future GST relativities or GST entitlements. GST entitlement for 2025–26 accounts for the balancing adjustment from 2024–25.
- 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 \$97.0 billion in 2025–26, which is 12.0 per cent of total Australian Government expenditure for the year and a decrease of \$405 million (or 0.4 per cent) from the \$97.4 billion the states received in 2024–25.

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.
- National Skills Agreement funding, for skills and workforce development activities.
- 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, 2025–26 to 2028–29**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2025-26</b>									
National Health Reform funding(b)	9,472	7,774	7,534	3,464	2,178	701	579	519	32,221
Better and Fairer Schools funding(c)	9,653	8,285	7,185	3,559	2,400	745	498	557	32,884
National Skills Agreement	784	639	509	269	176	57	52	33	2,519
National Agreement on Social Housing and Homelessness	551	461	363	194	122	38	31	57	1,817
Energy Bill Relief	523	449	354	185	135	44	32	15	1,738
National Access to Justice Partnership	193	129	158	98	58	24	15	62	738
National Partnership payments(d)	6,297	5,708	4,780	3,291	2,789	924	475	1,518	25,091
Total payments for specific purposes	27,472	23,445	20,883	11,061	7,860	2,534	1,681	2,761	97,006
<b>2026-27</b>									
National Health Reform funding(b)	10,087	8,279	8,022	3,689	2,320	747	617	484	34,244
Better and Fairer Schools funding(c)	10,062	8,573	7,438	3,680	2,494	783	518	619	34,167
National Skills Agreement	799	649	542	290	181	65	51	37	2,614
National Agreement on Social Housing and Homelessness	564	472	372	199	125	39	32	58	1,860
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	199	133	162	101	60	25	15	63	758
National Partnership payments(d)	5,214	6,113	5,070	2,539	2,270	831	400	949	22,652
Total payments for specific purposes	26,926	24,218	21,605	10,499	7,449	2,490	1,632	2,211	96,295
<b>2027-28</b>									
National Health Reform funding(b)	10,743	8,817	8,543	3,929	2,470	795	657	515	36,469
Better and Fairer Schools funding(c)	10,506	8,944	7,724	3,800	2,591	812	536	685	35,598
National Skills Agreement	806	658	545	296	180	54	49	35	2,622
National Agreement on Social Housing and Homelessness	577	482	380	204	128	40	32	59	1,901
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	203	136	166	103	61	26	15	65	775
National Partnership payments(d)	4,870	4,593	5,419	1,861	2,121	664	265	879	21,243
Total payments for specific purposes	27,704	23,631	22,776	10,192	7,551	2,390	1,555	2,237	98,608

**Table C.2: Total payments for specific purposes by category, 2025–26 to 2028–29 (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2028-29</b>									
National Health Reform funding(b)	11,441	9,390	9,098	4,184	2,631	847	700	548	38,840
Better and Fairer Schools funding(c)	11,003	9,321	8,012	3,919	2,708	842	555	756	37,117
National Skills Agreement	690	584	472	261	155	45	41	27	2,275
National Agreement on Social Housing and Homelessness	589	493	388	208	131	41	33	61	1,943
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	207	139	169	105	62	26	15	66	791
National Partnership payments(d)	4,407	3,417	5,665	1,201	1,798	481	195	904	20,107
Total payments for specific purposes	28,337	23,343	23,806	9,879	7,485	2,282	1,540	2,363	101,073

- a) As state allocations for a number of 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 at the national level to the Rail investment and Road investment components of the Infrastructure Investment Program from 2025–26 to 2027–28 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 adjustment. The adjustment is unwound over 2028–29 to 2033–34.
- b) National Health Reform Agreement funding estimates are based on the one-year extension to the 2020–2025 Addendum and includes a one-off uplift in funding for the Northern Territory in 2025–26. The budget estimates contain a provision for the expected increased contributions from a new five-year Addendum which is under negotiation with the states.
- c) Includes funding for non-government representative bodies.
- d) Includes financial assistance grants for, and/or payments direct to, local governments, and/or payments funded through appropriations in addition to section 16 of the *Federal Financial Relations Act 2009*. Excludes National Partnership payments made under the National Skills Agreement, Energy Bill Relief and National Access to Justice Partnership, which are shown separately.

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, 2025–26 to 2028–29**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2025-26</b>									
Health	10,132	8,357	8,149	3,722	2,497	839	648	702	35,102
Education	9,837	8,438	7,316	3,644	2,456	760	511	590	33,585
Skills and workforce development	850	697	555	296	195	64	60	40	2,777
Community services	42	32	27	15	15	6	3	102	249
Affordable housing	609	462	395	286	123	48	31	532	2,547
Infrastructure(b)	3,990	4,023	3,259	2,493	1,829	566	312	652	15,740
Environment, energy and water	1,177	852	608	282	331	165	49	42	3,954
Contingent payments	12	2	~	~	~	~	~	~	15
Other(c)	824	581	574	322	413	87	68	101	3,037
Total payments for specific purposes	27,472	23,445	20,883	11,061	7,860	2,534	1,681	2,761	97,006
<b>2026-27</b>									
Health	10,246	8,369	8,173	3,996	2,430	776	626	603	35,299
Education	10,248	8,722	7,573	3,748	2,545	796	529	647	34,843
Skills and workforce development	843	690	570	306	191	68	54	41	2,907
Community services	25	20	16	9	9	2	2	89	240
Affordable housing	567	472	372	199	125	39	32	276	2,106
Infrastructure(b)	3,229	4,743	3,710	1,616	1,727	602	260	423	14,819
Environment, energy and water	451	187	196	68	121	57	20	8	1,501
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,318	1,016	996	557	302	149	110	124	4,581
Total payments for specific purposes	26,926	24,218	21,605	10,499	7,449	2,490	1,632	2,211	96,295
<b>2027-28</b>									
Health	10,949	8,870	8,765	4,192	2,562	820	665	613	37,527
Education	10,621	9,038	7,801	3,840	2,615	819	543	707	36,226
Skills and workforce development	809	664	547	297	181	54	50	35	2,832
Community services	22	19	15	9	7	2	1	97	228
Affordable housing	577	482	380	204	128	40	32	245	2,087
Infrastructure(b)	3,297	3,446	4,202	1,058	1,738	455	149	416	14,345
Environment, energy and water	79	67	95	21	12	56	12	2	737
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,350	1,047	971	572	309	144	103	122	4,627
Total payments for specific purposes	27,704	23,631	22,776	10,192	7,551	2,390	1,555	2,237	98,608

**Table C.3: Payments for specific purposes by sector, 2025–26 to 2028–29 (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2028-29</b>									
Health	11,494	9,393	9,100	4,223	2,632	847	700	572	39,047
Education	11,003	9,321	8,012	3,919	2,708	842	555	775	37,726
Skills and workforce development	690	584	472	261	155	45	41	27	2,456
Community services	23	19	15	9	7	2	1	96	230
Affordable housing	589	493	388	208	131	41	33	254	2,136
Infrastructure(b)	3,144	2,452	4,837	668	1,537	313	103	517	14,431
Environment, energy and water	11	9	36	6	4	49	5	1	353
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,383	1,073	945	585	311	144	101	121	4,692
Total payments for specific purposes	28,337	23,343	23,806	9,879	7,485	2,282	1,540	2,363	101,073

- 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) State totals do not sum to the national total. A slippage adjustment has been applied at the national level to the Rail investment and Road investment components of the Infrastructure Investment Program from 2025–26 to 2027–28 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 adjustment. The adjustment is unwound over 2028–29 to 2033–34.
- 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, 2025–26 to 2028–29**

\$million	2025-26	2026-27	2027-28	2028-29
<i>Health</i>				
National Health Reform funding(a)	32,221	34,244	36,469	38,840
National Partnership payments	2,881	1,055	1,057	207
Total health payments	35,102	35,299	37,527	39,047
<i>Education</i>				
Better and Fairer Schools funding(b)	32,884	34,167	35,598	37,117
National Partnership payments	701	675	628	609
Total education payments	33,585	34,843	36,226	37,726
<i>Skills and workforce development</i>				
National Skills Agreement	2,519	2,614	2,622	2,275
National Partnership payments(c)	259	293	210	181
Total skills and workforce development payments	2,777	2,907	2,832	2,456
<i>Community services</i>				
National Partnership payments	249	240	228	230
<i>Affordable housing</i>				
National Agreement on Social Housing and Homelessness	1,817	1,860	1,901	1,943
National Partnership payments	730	246	185	193
Total affordable housing payments	2,547	2,106	2,087	2,136
<i>Infrastructure</i>				
National Partnership payments(d)(e)	15,740	14,819	14,345	14,431
<i>Environment, energy and water</i>				
Energy Bill Relief	1,738	-	-	-
National Partnership payments(d)(f)	2,217	1,501	737	353
Total environment, energy and water payments	3,954	1,501	737	353
<i>Contingent payments</i>				
National Partnership payments	15	..	..	..
<i>Other</i>				
National Access to Justice Partnership	738	758	775	791
National Partnership payments(d)(g)	2,299	3,823	3,852	3,902
Total other payments	3,037	4,581	4,627	4,692
Total payments for specific purposes	97,006	96,295	98,608	101,073

- a) National Health Reform Agreement funding estimates are based on the one-year extension to the 2020–2025 Addendum and includes a one-off uplift in funding for the Northern Territory in 2025–26. The budget estimates contain a provision for the expected increased contributions from a new five-year Addendum which is under negotiation with the states.
- b) Includes funding for non-government representative bodies.
- c) Excludes payments under the National Skills Agreement, which are shown separately.
- d) Includes financial assistance grants for, and/or payments direct to, local government, and/or payments funded through appropriations in addition to section 16 of the *Federal Financial Relations Act 2009*.
- e) A slippage adjustment has been applied at the national level to the Rail investment and Road investment components of the Infrastructure Investment Program from 2025–26 to 2027–28 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. The adjustment is unwound over 2028–29 to 2033–34.
- f) Excludes National Partnership payments made under Energy Bill Relief, which are shown separately.
- g) Excludes National Partnership payments made under the National Access to Justice Partnership, which are shown separately.

Detailed tables of payments for specific purposes are provided in Annex A (available online).

## 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 provided in Annex A (available online).

**Table C.5: Estimated DRFA cash payments, 2025–26 to 2028–29<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2025-26	1,890.3	560.5	2,599.9	35.7	18.4	2.8	0.2	9.9	5,117.6
2026-27	3,335.7	80.9	2,058.7	325.6	16.9	32.0	-	46.1	5,895.9
2027-28	1,859.4	52.3	276.1	63.2	38.4	-	-	3.8	2,293.1
2028-29	262.0	4.8	41.9	-	-	-	-	-	308.7
<b>Total</b>	<b>7,347.3</b>	<b>698.5</b>	<b>4,976.5</b>	<b>424.5</b>	<b>73.7</b>	<b>34.8</b>	<b>0.2</b>	<b>59.8</b>	<b>13,615.3</b>

a) The total cost of relief and recovery from disaster events may not be completely realised for some years. These estimates for the DRFA are based on the information available at the time of preparation for past events and do not include the Australian Government Actuary's actuarial valuation of the Commonwealth's DRFA liability.



## General revenue assistance

General revenue assistance is provided to states, without conditions, to spend according to state budget priorities. In 2025–26, the states are expected to receive \$103.0 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 \$97.4 billion (comprising GST revenue and the Commonwealth funded GST pool boost), horizontal fiscal equalisation (HFE) transition payments of \$5.1 billion (also known as the No Worse Off guarantee) and \$506 million of other general revenue assistance.

Total GST-related payments to the states (GST entitlements plus HFE transition payments) are estimated to increase from \$102.5 billion in 2025–26 to \$120.6 billion by 2028–29.

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, 2025–26 to 2028–29**

\$million	2025-26	2026-27	2027-28	2028-29
GST entitlement(a)	97,442	102,518	107,866	114,781
HFE transition payments(b)	5,065	5,804	5,787	5,812
Other general revenue assistance				
ACT municipal services	46	47	48	50
Royalty payments	460	399	344	265
Total other general revenue assistance	506	446	392	315
<b>Total</b>	<b>103,013</b>	<b>108,768</b>	<b>114,045</b>	<b>120,907</b>

a) GST entitlement for 2025–26 accounts for the balancing adjustment from 2024–25.

b) Estimates of the horizontal fiscal equalisation (HFE) transition payments for 2026–27 and later years are based on the 2025–26 GST relativities and adjusted to account for the transition to the new HFE system. The 2026–27, 2027–28 and 2028–29 HFE transition payments are assumed to be 90 per cent, 85 per cent and 80 per cent respectively of that implied using the 2025–26 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	2025-26	2026-27	2027-28	2028-29
GST revenue	101,030	107,240	112,890	120,180
<i>less</i> Change in GST receivables	5,376	5,680	6,042	6,478
GST receipts	95,654	101,560	106,848	113,702
<i>less</i> Non-GIC penalties collected	140	150	150	160
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	4	0	-2	2
<i>plus</i> GST pool boost	1,044	1,108	1,166	1,241
States' GST entitlement	96,554	102,518	107,866	114,781

Table C.8 reconciles the change in the estimates of the states' GST entitlement since the 2025–26 Budget. Since the 2025–26 Budget the GST entitlement has been revised up by \$1.4 billion in 2025–26 and by \$8.8 billion over the four years to 2028–29. GST receipts have been upgraded, reflecting stronger current year collections supported by higher nominal consumption growth across the forward estimates.

**Table C.8: Reconciliation of the GST entitlement estimates since the 2025–26 Budget**

\$million	2025-26	2026-27	2027-28	2028-29
GST entitlement at 2025-26 Budget	95,151	100,277	105,908	111,569
<i>Changes between 2025-26 Budget and 2025-26 MYEFO</i>				
Effect of policy decisions	..	-10	-15	-20
Effect of parameter and other variations	1,403	2,252	1,973	3,232
Total variations	1,403	2,242	1,958	3,212
GST entitlement at 2025-26 MYEFO	96,554	102,518	107,866	114,781

Specific policy decisions taken since the 2025–26 Budget that affect the GST entitlement are shown in Table C.9. These decisions are estimated to decrease the amount of the GST entitlement by \$45 million over the four years to 2028–29.

**Table C.9: Policy decisions since the 2025–26 Budget that affect the GST entitlement**

\$million	2025-26	2026-27	2027-28	2028-29
Migration – uplift of Visa Application Charge for student visas	..	-5	-5	-10
Indirect Tax Concession Scheme – diplomatic and consular concessions	..	..	..	..
Permanent Migration Program – 2025–26 planning levels	..	..	..	..
<i>Decisions taken but not yet announced</i>	..	-5	-10	-10
<b>Total</b>	..	-10	-15	-20

Detailed information on specific policy decisions taken since the 2025 PEFO is included in MYEFO 2025–26, *Appendix A: Policy decisions taken since the 2025 PEFO*.

### 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 2025–26. This method of calculation is prescribed in the *Federal Financial Relations Act 2009*.

**Table C.10: Calculation of GST entitlements<sup>(a)</sup>**

	Estimated 31 December 2025 population (1)	GST relativities (2)	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million
2025-26					
NSW	8,643,661	0.86034	7,436,487	26.7%	25,807
VIC	7,120,965	1.06722	7,599,636	27.3%	26,373
QLD	5,709,926	0.84571	4,828,942	17.4%	16,758
WA	3,069,954	0.75000	2,302,466	8.3%	7,990
SA	1,910,220	1.38876	2,652,837	9.5%	9,206
TAS	576,488	1.84053	1,061,043	3.8%	3,682
ACT	487,993	1.17223	572,040	2.1%	1,985
NT	265,897	5.15112	1,369,667	4.9%	4,753
<b>Total</b>	<b>27,785,104</b>	<b>na</b>	<b>27,823,119</b>	<b>100.0%</b>	<b>96,554</b>

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 2024–25 balancing adjustment made to the states' GST advance payments in 2025–26.

The calculation of the final GST entitlement for 2024–25 is shown in Table C.11. The Assistant Minister for Productivity, Competition, Charities and Treasury made a determination giving effect to this entitlement on 3 November 2025. 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 2024–25.

**Table C.11: Calculation of the GST entitlement and balancing adjustment, 2024–25**

	31 December 2024 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)
2024-25	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NSW	8,545,140	0.86736	7,411,713	27.0%	24,663	24,412	251
VIC	7,011,123	0.96502	6,765,874	24.7%	22,514	22,404	110
QLD	5,618,765	0.95232	5,350,862	19.5%	17,805	17,694	111
WA	3,008,697	0.75000	2,256,523	8.2%	7,509	7,408	100
SA	1,891,670	1.40312	2,654,240	9.7%	8,832	8,726	106
TAS	575,756	1.82832	1,052,666	3.8%	3,503	3,470	33
ACT	481,677	1.20419	580,031	2.1%	1,930	1,895	36
NT	262,191	5.06681	1,328,472	4.8%	4,421	4,276	145
Total	27,395,019	na	27,400,380	100.0%	91,177	90,284	893

### 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 \$693 million for 2025–26, as shown in Table C.12.

**Table C.12: GST administration budget**

\$million	Actual	Estimates			
	2024-25	2025-26	2026-27	2027-28	2028-29
Administration budget at 2024-25 Budget	709	722	724	482	na
Total variations (2024-25 Budget to 2024-25 MYEFO)	-	-29	-33	-25	na
Total variations (2024-25 MYEFO to 2025-26 Budget)	-60	..	7	..	10
Administration budget at 2025-26 Budget (a)	649	693	697	457	456
Changes from 2025-26 Budget to MYEFO					
Parameter variations	-	-	-1	1	..
Other variations (b)	-	-	-16	-2	7
Total variations	-	-	-17	-2	8
Administration budget at 2025-26 MYEFO	649	693	681	456	464
Prior year at Budget	650	649			
Prior year outcome	618	674			
equals prior year adjustment	-33	25	-	-	-
<i>equals</i> State government payments	616	719	681	456	464
Administration budget at 2025-26 Budget	649				
less Australian Taxation Office outcome	674				
<i>equals</i> following year adjustment	25				
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 2025–26 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 2025-26 (\$m)*	Average growth 2021-22 to 2024-25 (%)	Average projected growth over FEs (%)
<b>Positive tax expenditures and deductions</b>					
CGT	E8	Main residence exemption – discount component	32,000	10.3	10.5
Super	C2	Concessional taxation of employer superannuation contributions	29,450	8.2	6.2
Deductions		Rental deductions	29,200	18.0	5.2
CGT	E7	Main residence exemption	28,000	11.3	10.1
Super	C4	Concessional taxation of superannuation earnings	25,950	3.5	5.3
CGT	E15	Discount for individuals and trusts	21,790	8.1	0.8
Deductions		Work-related expenses	12,400	8.7	5.8
Income	A25	Exemption for National Disability Insurance Scheme amounts	12,180	30.0	7.6
GST	H25	Food	9,900	5.0	4.2
GST	H17	Health – medical and health services	6,750	11.1	6.8
Income	A26	Exemption of Child Care Assistance payments	4,600	19.5	5.6
GST	H14	Education	4,450	8.5	7.1
GST	H2	Financial supplies – input taxed treatment	3,800	7.4	4.5
Income	B61	Lower tax rate for small companies	3,800	-1.9	4.1
FBT	D15	Exemption for public benevolent institutions (excluding hospitals)	3,150	9.3	5.4
Income	A23	Concessional taxation of non-superannuation termination benefits	3,100	18.8	N/A
Income	A20	Medicare levy exemption for residents with taxable income below the low-income thresholds	3,050	6.1	0.0
Income	B11	Exemption from interest withholding tax on certain securities	3,000	16.8	-1.0
Income	A37	Exemption of certain income support benefits, pensions or allowances	2,800	15.9	4.0
Super	C3	Concessional taxation of personal superannuation contributions	2,750	17.7	1.6
GST	H5	Child care services	2,570	10.3	4.6
Super	C1	Concessional taxation of capital gains for superannuation funds	2,550	0.0	4.8
Super	C6	Deductibility of life and total and permanent disability insurance premiums provided inside of superannuation	2,450	3.7	6.3
Income	A39	Exemptions of certain veterans' pensions, allowances or benefits, compensation, and particular World War II-related payments for persecution	2,230	31.8	-4.8
Income	B1	Local government bodies income tax exemption	2,090	3.1	1.3

**Table D.1: Estimates of large measured tax expenditures and deductions (continued)**

Tax type affected	Code	Title	Revenue forgone 2025-26 (\$m)*	Average growth 2021-22 to 2024-25 (%)	Average projected growth over FEs (%)
Income	A31	Seniors and pensioners tax offset	2,050	60.4	4.9
Income	B12	Exemption of inbound non-portfolio distributions from income tax	1,980	-6.3	0.0
FBT	D11	Exemption for public and not-for-profit hospitals and public ambulance services	1,900	3.9	3.8
Income	A38	Exemption of Family Tax Benefit payments	1,860	8.4	2.4
Other	F6	Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	1,820	21.9	6.5
GST	H18	Health – residential care, community care and other care services	1,810	7.2	6.8
Deductions		Cost of managing tax affairs and other deductions	1,700	10.7	1.3
Income	A18	Exemption of the Private Health Insurance Rebate	1,550	3.2	1.5
Income	A56	Philanthropy – deduction for gifts to deductible gift recipients	1,400	-4.3	4.3
GST	H6	Water, sewerage and drainage	1,380	6.2	3.7
Income	B81	Capital works expenditure deduction	1,380	3.5	2.6
FBT	D33	Exemption for Electric Vehicles	1,350	N/A	29.4
FBT	D21	Application of statutory formula to value car benefits	1,300	10.1	0.0
Super	C12	Exemption for small business assets held for more than 15 years	1,190	14.9	-2.0
CGT	E32	Small business 50 per cent reduction	1,180	9.0	-1.0
<b>Negative tax expenditures and deductions</b>					
Income	B80	Accelerated depreciation for business entities	-6,500	N/A	-24.0
Income	B86	Simplified depreciation rules	-5,200	N/A	-25.7
Other	F21	Customs duty	-2,030	0.8	-13.2
Income	A21	Medicare levy surcharge	-1,150	18.6	-1.1
Other	F5	Luxury car tax	-1,130	4.2	4.8
Super	C11	Tax on funded superannuation lump sums	-1,050	21.8	2.8
* 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 *Budget 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:

- 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.
- 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.

- 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.<sup>6</sup> 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.
- 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.
- 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.
- 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.

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6 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). This includes revisions to the historical estimates of nominal GDP to align with the ABS cat. no. 5206.0 *Australian National Accounts* which can have minor impacts on data published as a percentage of GDP.

There have been no material accounting classification changes that have resulted in back-casting in this update. The 2025–26 MYEFO update incorporates the ABS 2025 Annual National Accounts historical revisions, published on 24 October 2025, which impact historical nominal GDP estimates across the entire data series, and therefore data published as a percentage of GDP.

**Table E.1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance<sup>(a)</sup>**

	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	20.2	11,078	4.2	18.3	-	1,150	1.9
1974-75	15,643	21.9	15,463	19.9	21.7	-	181	0.3
1975-76	18,727	22.4	20,225	15.7	24.2	-	-1,499	-1.8
1976-77	21,890	22.7	23,157	0.6	24.0	-	-1,266	-1.3
1977-78	24,019	22.8	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	25.7	-	-3,348	-1.8
1983-84	49,981	23.4	56,990	9.4	26.6	-	-7,008	-3.3
1984-85	58,817	24.9	64,853	9.1	27.5	-	-6,037	-2.6
1985-86	66,206	25.3	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	25.2	-	1,452	0.4
1988-89	90,748	24.6	85,326	-3.1	23.1	-	5,421	1.5
1989-90	98,625	24.3	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	21.9	115,751	5.6	26.0	-	-18,118	-4.1
1993-94	103,824	22.2	122,009	3.5	26.1	-	-18,185	-3.9
1994-95	113,458	22.8	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	23.8	140,587	0.6	23.8	-	149	0.0
1998-99	152,063	24.4	148,175	4.1	23.8	-	3,889	0.6
1999-00	166,199	25.0	153,192	1.0	23.1	-	13,007	2.0
2000-01	182,996	25.8	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	25.4	197,243	1.4	24.5	-	7,370	0.9
2003-04	217,775	25.2	209,785	3.9	24.2	-	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	23.2	2,127	17,190	1.6
2007-08	294,917	24.9	271,843	3.8	23.0	3,319	19,754	1.7
2008-09	292,600	23.1	316,046	12.7	25.0	3,566	-27,013	-2.1
2009-10	284,662	21.8	336,900	4.2	25.7	2,256	-54,494	-4.2

**Table E.1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance<sup>(a)</sup> (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	21.2	346,102	-0.4	24.3	3,385	-47,463	-3.3
2011-12	329,874	21.9	371,032	4.8	24.6	2,203	-43,360	-2.9
2012-13	351,052	22.7	367,204	-3.2	23.8	2,682	-18,834	-1.2
2013-14	360,322	22.4	406,430	7.8	25.3	2,348	-48,456	-3.0
2014-15	378,301	23.2	412,079	-0.3	25.3	4,089	-37,867	-2.3
2015-16	386,924	23.2	423,328	1.3	25.4	3,202	-39,606	-2.4
2016-17	409,868	23.2	439,375	2.0	24.9	3,644	-33,151	-1.9
2017-18	446,905	24.2	452,742	1.1	24.5	4,305	-10,141	-0.5
2018-19	485,286	24.8	478,098	3.9	24.5	7,878	-690	0.0
2019-20	469,398	23.6	549,634	13.4	27.6	5,036	-85,272	-4.3
2020-21	519,913	24.9	654,084	17.1	31.3	6,619	-134,171	-6.4
2021-22	584,358	25.0	616,320	-9.8	26.4	7,677	-31,962	-1.4
2022-23	649,477	25.2	627,413	-4.9	24.3	4,960	22,064	0.9
2023-24	688,585	25.7	672,806	2.9	25.1	6,667	15,779	0.6
2024-25	716,951	25.8	726,941	5.5	26.2	7,321	-9,990	-0.4
<b>2025-26 (e)</b>	<b>749,792</b>	<b>25.7</b>	<b>786,556</b>	<b>4.5</b>	<b>26.9</b>	<b>7,434</b>	<b>-36,764</b>	<b>-1.3</b>
2026-27 (e)	777,030	25.8	811,332	0.3	26.9	7,941	-34,303	-1.1
2027-28 (e)	805,554	25.5	841,743	1.2	26.6	8,447	-36,189	-1.1
2028-29 (e)	846,923	25.4	882,916	2.3	26.5	9,015	-35,993	-1.1

a) Data has 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<sup>(a)</sup>**

	Receipts	Payments	Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
			\$m	Per cent of GDP	\$m	Per cent of GDP
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	2.4
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<sup>(a)</sup> (continued)**

	Receipts	Payments	Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
			\$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	-2.9
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	716,951	726,941	-11,775	-0.4	-21,765	-0.8
<b>2025-26 (e)</b>	<b>749,792</b>	<b>786,556</b>	<b>-21,796</b>	<b>-0.7</b>	<b>-58,560</b>	<b>-2.0</b>
2026-27 (e)	777,030	811,332	-28,389	-0.9	-62,691	-2.1
2027-28 (e)	805,554	841,743	-22,111	-0.7	-58,300	-1.8
2028-29 (e)	846,923	882,916	-21,532	-0.6	-57,525	-1.7

a) Data has 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<sup>(a)</sup>**

	Taxation receipts		Non-taxation receipts		Total receipts <sup>(b)</sup>	
	\$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	20.2
1974-75	14,141	19.8	1,502	2.1	15,643	21.9
1975-76	16,920	20.3	1,807	2.2	18,727	22.4
1976-77	19,714	20.5	2,176	2.3	21,890	22.7
1977-78	21,428	20.4	2,591	2.5	24,019	22.8
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	21.6	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	24.9
1985-86	58,841	22.5	7,365	2.8	66,206	25.3
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	22.6	7,296	2.0	90,748	24.6
1989-90	90,773	22.4	7,852	1.9	98,625	24.3
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	21.9
1993-94	93,362	20.0	10,462	2.2	103,824	22.2
1994-95	104,921	21.1	8,537	1.7	113,458	22.8
1995-96	115,700	21.8	8,729	1.6	124,429	23.5
1996-97	124,559	22.3	9,033	1.6	133,592	24.0
1997-98	130,984	22.2	9,752	1.7	140,736	23.8
1998-99	138,420	22.2	13,643	2.2	152,063	24.4
1999-00	151,313	22.8	14,887	2.2	166,199	25.0
2000-01	170,354	24.0	12,641	1.8	182,996	25.8
2001-02	175,371	23.1	12,218	1.6	187,588	24.8
2002-03	192,391	23.9	12,222	1.5	204,613	25.4
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	23.6	15,600	1.3	294,917	24.9
2008-09	273,674	21.6	18,926	1.5	292,600	23.1
2009-10	262,167	20.0	22,495	1.7	284,662	21.8



**Table E.3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts<sup>(a)</sup> (continued)**

	Taxation receipts		Non-taxation receipts		Total receipts <sup>(b)</sup>	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	282,106	19.8	19,918	1.4	302,024	21.2
2011-12	311,269	20.7	18,606	1.2	329,874	21.9
2012-13	327,835	21.2	23,218	1.5	351,052	22.7
2013-14	340,283	21.2	20,038	1.2	360,322	22.4
2014-15	353,927	21.7	24,374	1.5	378,301	23.2
2015-16	362,445	21.8	24,480	1.5	386,924	23.2
2016-17	379,336	21.5	30,532	1.7	409,868	23.2
2017-18	418,118	22.6	28,787	1.6	446,905	24.2
2018-19	448,654	22.9	36,631	1.9	485,286	24.8
2019-20	431,854	21.7	37,544	1.9	469,398	23.6
2020-21	473,941	22.7	45,972	2.2	519,913	24.9
2021-22	536,586	23.0	47,772	2.0	584,358	25.0
2022-23	601,300	23.3	48,177	1.9	649,477	25.2
2023-24	633,400	23.6	55,185	2.1	688,585	25.7
2024-25	657,844	23.7	59,107	2.1	716,951	25.8
<b>2025-26 (e)</b>	<b>691,142</b>	<b>23.6</b>	<b>58,649</b>	<b>2.0</b>	<b>749,792</b>	<b>25.7</b>
2026-27 (e)	718,486	23.8	58,544	1.9	777,030	25.8
2027-28 (e)	742,269	23.5	63,285	2.0	805,554	25.5
2028-29 (e)	783,601	23.5	63,322	1.9	846,923	25.4

a) Data has 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<sup>(a)</sup>**

	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<sup>(a)</sup> (continued)**

	Net debt <sup>(b)</sup>		Net interest payments <sup>(c)</sup>	
	\$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	10.3	8,285	0.5
2013-14	209,559	13.0	10,843	0.7
2014-15	245,817	15.1	10,868	0.7
2015-16	303,467	18.2	12,041	0.7
2016-17	322,320	18.3	12,365	0.7
2017-18	341,961	18.5	13,135	0.7
2018-19	373,566	19.1	15,149	0.8
2019-20	491,217	24.7	13,280	0.7
2020-21	592,221	28.3	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	18.3	12,264	0.5
2024-25	532,346	19.2	13,725	0.5
<b>2025-26 (e)</b>	<b>587,471</b>	<b>20.1</b>	<b>18,287</b>	<b>0.6</b>
2026-27 (e)	646,888	21.4	20,292	0.7
2027-28 (e)	700,404	22.2	27,371	0.9
2028-29 (e)	754,837	22.6	28,670	0.9

a) Data has 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<sup>(a)</sup>**

	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	26.9	-	-	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	21.6	-	-	1,485	1.5
1977-78	23,957	22.8	-	-	1,740	1.7
1978-79	28,120	23.6	-	-	2,080	1.7
1979-80	29,321	21.8	-	-	2,356	1.7
1980-81	30,189	19.8	-	-	2,723	1.8
1981-82	31,060	17.6	-	-	3,058	1.7
1982-83	37,071	19.5	-	-	3,580	1.9
1983-84	45,437	21.2	-	-	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	23.4	-	-	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	11.9	-	-	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	1.6
1994-95	105,466	21.2	-	-	9,144	1.8
1995-96	110,166	20.8	-	-	10,325	1.9
1996-97	111,067	19.9	-	-	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	7.1	-	-	4,740	0.6
2003-04	54,750	6.3	-	-	4,096	0.5
2004-05	55,151	5.9	-	-	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	11.2	141,806	10.8	6,411	0.5

**Table E.5: Australian Government general government sector face value of Australian Government Securities (AGS) on issue and interest paid<sup>(a)</sup> (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	13.4	186,704	13.1	9,551	0.7
2011-12	233,976	15.5	229,389	15.2	10,875	0.7
2012-13	257,378	16.7	252,791	16.4	11,846	0.8
2013-14	319,487	19.9	316,952	19.7	13,972	0.9
2014-15	368,738	22.6	366,202	22.5	13,924	0.9
2015-16	420,420	25.3	417,936	25.1	14,977	0.9
2016-17	500,979	28.4	498,510	28.2	15,290	0.9
2017-18	531,937	28.8	529,467	28.6	16,568	0.9
2018-19	541,992	27.7	541,986	27.7	18,951	1.0
2019-20	684,298	34.4	684,292	34.4	16,524	0.8
2020-21	816,991	39.1	816,985	39.1	17,102	0.8
2021-22	895,253	38.3	895,247	38.3	17,423	0.7
2022-23	889,790	34.5	889,785	34.5	18,862	0.7
2023-24	906,939	33.8	906,934	33.8	22,774	0.8
2024-25	928,639	33.4	928,634	33.4	24,270	0.9
<b>2025-26 (e)</b>	<b>993,000</b>	<b>34.0</b>	<b>993,000</b>	<b>34.0</b>	<b>27,390</b>	<b>0.9</b>
2026-27 (e)	1,069,000	35.4	1,069,000	35.4	29,383	1.0
2027-28 (e)	1,142,000	36.1	1,142,000	36.1	36,849	1.2
2028-29 (e)	1,213,000	36.4	1,213,000	36.4	38,511	1.2

a) Data has been revised to improve accuracy and comparability through time.

b) From 2025–26 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<sup>(a)</sup>**

	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
1996-97	141,688	25.4	145,940	26.2	-4,252	-0.8	90	0.0	-4,342	-0.8
1997-98	146,820	24.9	148,788	25.2	-1,968	-0.3	147	0.0	-2,115	-0.4
1998-99	152,106	24.4	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	25.4	5,829	0.8	8	0.0	5,820	0.8
2001-02	190,432	25.1	193,214	25.5	-2,782	-0.4	382	0.1	-3,164	-0.4
2002-03	206,778	25.7	201,402	25.0	5,376	0.7	287	0.0	5,088	0.6
2003-04	222,042	25.7	215,634	24.9	6,409	0.7	660	0.1	5,749	0.7
2004-05	242,354	26.1	229,427	24.8	12,926	1.4	1,034	0.1	11,892	1.3
2005-06	260,569	26.0	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	23.7	23,068	2.0	2,593	0.2	20,475	1.7
2008-09	298,508	23.6	324,889	25.7	-26,382	-2.1	4,064	0.3	-30,445	-2.4
2009-10	292,387	22.3	340,354	26.0	-47,967	-3.7	6,433	0.5	-54,400	-4.2
2010-11	309,204	21.7	356,710	25.1	-47,506	-3.3	5,297	0.4	-52,802	-3.7
2011-12	337,324	22.4	377,948	25.1	-40,624	-2.7	4,850	0.3	-45,474	-3.0
2012-13	359,496	23.3	383,351	24.8	-23,855	-1.5	987	0.1	-24,842	-1.6
2013-14	374,151	23.3	415,691	25.9	-41,540	-2.6	3,850	0.2	-45,390	-2.8
2014-15	379,455	23.3	418,956	25.7	-39,501	-2.4	2,706	0.2	-42,206	-2.6
2015-16	395,055	23.7	430,739	25.9	-35,684	-2.1	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<sup>(a)</sup> (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	23.6	449,712	25.5	-33,989	-1.9	2,876	0.2	-36,865	-2.1
2017-18	456,280	24.7	461,490	25.0	-5,209	-0.3	1,284	0.1	-6,493	-0.4
2018-19	493,346	25.2	485,869	24.9	7,476	0.4	6,126	0.3	1,350	0.1
2019-20	486,278	24.4	578,117	29.1	-91,839	-4.6	4,005	0.2	-95,844	-4.8
2020-21	523,012	25.0	651,916	31.2	-128,904	-6.2	7,204	0.3	-136,108	-6.5
2021-22	596,401	25.5	623,050	26.7	-26,649	-1.1	8,412	0.4	-35,061	-1.5
2022-23	668,389	25.9	637,025	24.7	31,363	1.2	9,437	0.4	21,926	0.9
2023-24	704,503	26.3	685,857	25.6	18,647	0.7	6,650	0.2	11,996	0.4
2024-25	733,010	26.4	770,071	27.7	-37,061	-1.3	7,745	0.3	-44,806	-1.6
<b>2025-26 (e)</b>	<b>765,593</b>	<b>26.2</b>	<b>809,232</b>	<b>27.7</b>	<b>-43,639</b>	<b>-1.5</b>	<b>11,173</b>	<b>0.4</b>	<b>-54,812</b>	<b>-1.9</b>
2026-27 (e)	793,605	26.3	818,970	27.1	-25,365	-0.8	10,427	0.3	-35,792	-1.2
2027-28 (e)	820,762	26.0	853,996	27.0	-33,234	-1.1	9,980	0.3	-43,213	-1.4
2028-29 (e)	864,094	25.9	897,459	26.9	-33,365	-1.0	10,376	0.3	-43,741	-1.3

a) Data has 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<sup>(a)</sup>**

	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	-10.7
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	-14.3
2011-12	-252,046	-16.7	-360,672	-24.0
2012-13	-207,769	-13.5	-317,843	-20.6
2013-14	-261,596	-16.3	-375,882	-23.4
2014-15	-308,390	-18.9	-427,169	-26.2
2015-16	-423,674	-25.5	-548,028	-32.9
2016-17	-390,897	-22.2	-529,225	-30.0
2017-18	-418,135	-22.6	-562,183	-30.4
2018-19	-543,459	-27.8	-694,448	-35.5
2019-20	-664,892	-33.4	-840,557	-42.3
2020-21	-725,230	-34.7	-905,924	-43.3
2021-22	-581,758	-24.9	-775,727	-33.2
2022-23	-538,371	-20.9	-743,294	-28.8
2023-24	-531,635	-19.8	-746,315	-27.8
2024-25	-614,519	-22.1	-841,939	-30.3
<b>2025-26 (e)</b>	<b>-644,311</b>	<b>-22.0</b>	<b>-881,731</b>	<b>-30.2</b>
2026-27 (e)	-683,435	-22.7	-930,245	-30.8
2027-28 (e)	-727,608	-23.0	-984,912	-31.2
2028-29 (e)	-771,201	-23.1	-1,038,416	-31.1

a) Data has 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<sup>(a)</sup>**

	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	24.8	10,229	1.4	186,106	26.3
2001-02	178,410	23.5	12,022	1.6	190,432	25.1
2002-03	195,319	24.3	11,458	1.4	206,778	25.7
2003-04	210,541	24.3	11,501	1.3	222,042	25.7
2004-05	230,490	24.9	11,863	1.3	242,354	26.1
2005-06	245,846	24.6	14,723	1.5	260,569	26.0
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	23.6
2009-10	268,841	20.5	23,546	1.8	292,387	22.3
2010-11	289,566	20.3	19,639	1.4	309,204	21.7
2011-12	317,413	21.1	19,911	1.3	337,324	22.4
2012-13	338,106	21.9	21,390	1.4	359,496	23.3
2013-14	353,239	22.0	20,912	1.3	374,151	23.3
2014-15	356,365	21.9	23,090	1.4	379,455	23.3
2015-16	369,468	22.2	25,587	1.5	395,055	23.7
2016-17	388,706	22.0	27,017	1.5	415,723	23.6
2017-18	427,249	23.1	29,031	1.6	456,280	24.7
2018-19	456,147	23.3	37,198	1.9	493,346	25.2
2019-20	447,605	22.5	38,673	1.9	486,278	24.4
2020-21	480,312	23.0	42,700	2.0	523,012	25.0
2021-22	550,412	23.6	45,989	2.0	596,401	25.5
2022-23	618,288	24.0	50,101	1.9	668,389	25.9
2023-24	650,365	24.3	54,139	2.0	704,503	26.3
2024-25	677,185	24.4	55,825	2.0	733,010	26.4
<b>2025-26 (e)</b>	<b>709,980</b>	<b>24.3</b>	<b>55,613</b>	<b>1.9</b>	<b>765,593</b>	<b>26.2</b>
2026-27 (e)	736,905	24.4	56,699	1.9	793,605	26.3
2027-28 (e)	761,532	24.1	59,230	1.9	820,762	26.0
2028-29 (e)	802,369	24.1	61,725	1.9	864,094	25.9

a) Data has 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)<sup>(a)</sup>**

	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)<sup>(a)</sup> (continued)**

	General government			Public non-financial corporations			Non-financial public sector		
	Receipts(b)	Payments(c)	Underlying cash balance(d)	Receipts(b)	Payments(f)	Cash surplus	Receipts(b)	Payments(f)	Cash surplus
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	716,951	726,941	-9,990	25,442	32,897	-7,455	737,409	754,844	-17,436
<b>2025-26 (e)</b>	<b>749,792</b>	<b>786,556</b>	<b>-36,764</b>	<b>26,867</b>	<b>37,285</b>	<b>-10,418</b>	<b>771,464</b>	<b>818,645</b>	<b>-47,182</b>
2026-27 (e)	777,030	811,332	-34,303	na	na	na	na	na	na
2027-28 (e)	805,554	841,743	-36,189	na	na	na	na	na	na
2028-29 (e)	846,923	882,916	-35,993	na	na	na	na	na	na

a) Data has 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 net cash flows from financing activities for leases.

**Table E.10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)<sup>(a)</sup>**

	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)<sup>(a)</sup>  
(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	733,010	770,071	-44,806	23,971	26,126	-7,790	753,568	792,937	-52,749
<b>2025-26 (e)</b>	<b>765,593</b>	<b>809,232</b>	<b>-54,812</b>	<b>24,434</b>	<b>26,187</b>	<b>-10,373</b>	<b>786,859</b>	<b>832,363</b>	<b>-65,220</b>
2026-27 (e)	793,605	818,970	-35,792	na	na	na	na	na	na
2027-28 (e)	820,762	853,996	-43,213	na	na	na	na	na	na
2028-29 (e)	864,094	897,459	-43,741	na	na	na	na	na	na

a) Data has 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<sup>(a)(b)</sup>**

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
1970-71	7,705	1,175	8,880	7,915	965	368	-202
1971-72	7,747	1,217	8,964	8,095	869	-487	-240
1972-73	7,693	1,211	8,903	8,586	318	-723	-230
1973-74	8,610	1,110	9,719	8,805	914	-1,471	-227
1974-75	9,534	1,013	10,546	10,425	122	-1,282	-163
1975-76	9,993	1,067	11,060	11,945	-885	-201	-195
1976-77	10,115	1,117	11,232	11,882	-650	461	-32
1977-78	9,921	1,200	11,120	12,064	-943	1,341	2
1978-79	9,910	1,152	11,062	11,969	-907	2,110	108
1979-80	10,421	1,080	11,502	12,003	-501	2,369	167
1980-81	11,156	1,146	12,302	12,364	-63	2,172	212
1981-82	11,512	1,100	12,612	12,506	106	1,799	207
1982-83	11,026	1,193	12,219	13,119	-900	2,459	241
1983-84	11,159	1,277	12,436	14,180	-1,744	3,985	403
1984-85	12,468	1,376	13,844	15,265	-1,421	5,154	662
1985-86	12,592	1,576	14,169	15,265	-1,096	5,754	846
1986-87	12,807	1,591	14,398	14,867	-469	5,614	918
1987-88	13,258	1,486	14,745	14,488	256	4,829	795
1988-89	13,504	1,181	14,685	13,808	877	3,557	724
1989-90	13,402	1,159	14,562	13,684	877	2,380	672
1990-91	12,839	1,037	13,875	13,936	-61	2,342	503
1991-92	11,737	1,139	12,876	14,573	-1,697	4,170	512
1992-93	11,699	1,170	12,869	15,257	-2,388	7,278	525
1993-94	11,967	1,341	13,308	15,639	-2,331	9,001	721
1994-95	12,891	1,049	13,940	15,680	-1,740	10,258	896
1995-96	13,476	1,017	14,492	15,786	-1,294	11,162	1,032
1996-97	14,161	1,027	15,187	15,881	-693	10,946	1,079
1997-98	14,743	1,098	15,841	15,824	17	9,335	932
1998-99	15,221	1,500	16,721	16,294	428	7,924	951
1999-00	16,067	1,581	17,647	16,266	1,381	6,123	798
2000-01	16,845	1,250	18,095	17,514	581	4,628	613
2001-02	16,666	1,161	17,827	17,928	-101	4,016	509
2002-03	17,533	1,114	18,646	17,975	672	3,044	342
2003-04	18,211	973	19,183	18,479	704	2,378	268
2004-05	19,027	1,019	20,047	18,893	1,153	1,326	213
2005-06	19,653	1,133	20,786	19,502	1,280	27	187
2006-07	20,014	1,115	21,129	19,632	1,332	-1,882	18
2007-08	20,520	1,146	21,666	19,971	1,451	-2,936	-75
2008-09	19,100	1,321	20,421	22,057	-1,885	-788	-83
2009-10	17,606	1,511	19,117	22,625	-3,660	3,215	160

**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<sup>(a)(b)</sup> (continued)**

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
2010-11	18,120	1,279	19,399	22,230	-3,049	5,823	296
2011-12	19,205	1,148	20,352	22,892	-2,675	9,467	408
2012-13	19,439	1,377	20,816	21,774	-1,117	9,463	491
2013-14	19,353	1,140	20,493	23,115	-2,756	11,918	617
2014-15	19,507	1,343	20,851	22,712	-2,087	13,549	599
2015-16	19,399	1,310	20,710	22,658	-2,120	16,243	644
2016-17	19,636	1,580	21,217	22,744	-1,716	16,685	640
2017-18	20,919	1,440	22,359	22,651	-507	17,109	657
2018-19	21,759	1,777	23,536	23,187	-33	18,117	735
2019-20	20,415	1,775	22,189	25,982	-4,031	23,221	628
2020-21	22,016	2,136	24,151	30,384	-6,233	27,510	664
2021-22	23,559	2,097	25,656	27,060	-1,403	22,640	658
2022-23	24,074	1,929	26,003	25,119	883	19,658	475
2023-24	23,858	2,079	25,936	25,342	594	18,512	462
2024-25	23,826	2,141	25,967	26,329	-362	19,281	497
<b>2025-26 (e)</b>	<b>23,868</b>	<b>2,025</b>	<b>25,893</b>	<b>27,163</b>	<b>-1,270</b>	<b>20,287</b>	<b>632</b>
2026-27 (e)	23,816	1,941	25,756	26,893	-1,137	21,442	673
2027-28 (e)	23,707	2,021	25,728	26,884	-1,156	22,370	874
2028-29 (e)	24,117	1,949	26,066	27,174	-1,108	23,232	882

a) Data has 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 2024–25, which means the real levels per capita are reported in 2024–25 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 2025–26, while the forward years refer to 2026–27, 2027–28 and 2028–29
  - 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

## 2025–26

MID-YEAR ECONOMIC AND FISCAL OUTLOOK  
2025–26