



Request for budget analysis

Official Development Assistance	
Person/party requesting the analysis:	The Hon Peter Dutton MP, Liberal National Party of Queensland
Date analysis completed:	21 July 2023
Expiry date of the analysis:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period
	<input checked="" type="checkbox"/> Confidential – <i>Authorised for public release on 26 October 2023</i> <input type="checkbox"/> Not confidential
<p>Summary of request:</p> <p>The request sought details on the change in the Official Development Assistance (ODA) annual profile in levels (\$m) (including the medium term) over the following Budgets:</p> <ul style="list-style-type: none"> • 2022-23 March Budget • 2022-23 October Budget • 2023-24 Budget, including the annual profile for the \$8.6bn measure <i>An Australian Development Program Fit for Our Times</i> over 10 years from 2027-28. <p>Additionally, the request sought a disaggregation into the ODA Base, COVID19 and Pacific measures (including where these have been rolled into the Base), the indexation rates in any given year, with figures shown in both dollar terms and as a % of Gross National Income (GNI).</p>	

Overview

The requested information has been provided as a separate attachment.

Tables A1 and A2 in the attached spreadsheet show the 2023-24 Budget total ODA expenditure over the forward estimate period, disaggregated into Base ODA, temporary and targeted initiatives. The annual profile of the \$8.6 billion measure announced in the 2023-24 Budget to reintroduce indexation is separately presented.

The PBO determined the medium term ODA profiles for the 2022-23 March Budget, the 2022-23 October Budget and the 2023-24 Budget using information provided by DFAT for the relevant forward estimate periods grown by the appropriate indexation method. The medium term profiles are presented in Tables A3 and A4.

At the 2022-23 March Budget, forecast ODA was indexed annually, in line with the then government's policy stated in the 2018-19 Budget, which announced that indexation would recommence in 2022-23 after a

temporary pause.¹ The rate of indexation had previously been specified at the 2014-15 Budget to be in line with the consumer price index (CPI).

At the 2022-23 October Budget, indexation was cancelled for ODA projections for all years beyond 2026-27.

The 2023-24 Budget (Budget Paper 2, page 115) announced indexation of ODA at 2.5% per annum on an ongoing basis from 2026-27. Note that the announced indexation rate is explicitly 2.5%, rather than being linked to an economic parameter such as the CPI.

Data sources

The Department of Foreign Affairs and Trade (DFAT) provided the information related to the Official Development Assistance.

¹ [2022-23 Budget: Investing in a strong future, advancing our national interests and supporting regional prosperity | Australian Minister for Foreign Affairs \(foreignminister.gov.au\)](#)