



Official Development Assistance – efficiencies excluding the Pacific, Indonesia and Timor-Leste	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would reduce Official Development Assistance funding by specified amounts (excluding funding for the Pacific, Indonesia and Timor-Leste).</p> <p>The proposal would start on 1 July 2025 and be ongoing.</p>	
<p>Additional information (based on further advice provided):</p> <p>Funding would be reduced by:</p> <ul style="list-style-type: none">• \$107.7 million in 2025-26;• \$229.5 million in 2026-27; and• \$235.2 million in 2027-28. <p>The reduction in funding would be indexed at 2.5% thereafter, in line with projections from the Department of Foreign Affairs and Trade.</p>	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$814 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Official Development Assistance – efficiencies excluding the Pacific, Indonesia and Timor-Leste – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	108.0	230.0	235.0	241.0	814.0
Underlying cash balance	108.0	230.0	235.0	241.0	814.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Methodology

The reduction in funding over the forward estimates was set equal to the figures provided. Over the medium term, the funding was increased by 2.5% each year.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Commonwealth of Australia (2023) *2023-24 Budget*, Commonwealth of Australia

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Official Development Assistance – efficiencies excluding the Pacific, Indonesia and Timor-Leste – Financial implications

Table A1: Official Development Assistance – efficiencies excluding the Pacific, Indonesia and Timor-Leste – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
<i>Administered</i>													
<i>Reduction in Official Development Assistance</i>	108.0	230.0	235.0	241.0	247.0	253.0	260.0	266.0	273.0	280.0	287.0	814.0	2,680.0
Total – expenses	108.0	230.0	235.0	241.0	247.0	253.0	260.0	266.0	273.0	280.0	287.0	814.0	2,680.0
Total (excluding PDI)	108.0	230.0	235.0	241.0	247.0	253.0	260.0	266.0	273.0	280.0	287.0	814.0	2,680.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Official Development Assistance – efficiencies excluding the Pacific, Indonesia and Timor-Leste – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	2.0	10.0	21.0	32.0	44.0	58.0	72.0	87.0	103.0	120.0	139.0	65.0	688.0
<i>Underlying cash balance</i>	2.0	8.0	18.0	29.0	41.0	54.0	68.0	83.0	99.0	116.0	134.0	57.0	652.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)