



Grants in Attorney General's and Foreign Affairs and Trade portfolios – prioritise

Party: The Coalition

Summary of proposal:

The proposal would require the Department of Foreign Affairs and Trade (DFAT) and the Attorney-General's Department (AGD) to carefully prioritise allocations of "*Other grants and contributions*" and "*Grants*" and eliminate (and/or reduce funding to) a small percentage of those grants least urgently needed.

This will be achieved by reducing grant funding by:

- 2% in 2025-26
- 4% in 2026-27 and ongoing.

The proposal would start on 1 July 2025.

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$152.7 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered expenses to DFAT and AGD.

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: Grants in Attorney General's and Foreign Affairs and Trade portfolios – prioritise – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	23.9	42.9	42.5	43.4	152.7
Underlying cash balance	23.9	42.9	42.5	43.4	152.7

(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.

Uncertainties

The financial implications of this proposal are uncertain because both DFAT & AGD's total grant funding, as presented in their 2025-26 Portfolio Budget Statements, include grant programs with forecasts only across the 2025-26 Budget forward estimates period. Estimates beyond the forward estimates period are highly uncertain particularly due to the following factors:

- Possible commencements, extensions/renewals or terminations of grant programs or their sub-programs.
- Indexation factors among the various grant programs or sub-programs.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The reduction in total grant funding each year is achievable without disrupting any critical grant programs.
- Funding beyond the forward estimates for both “*Other grants and contributions*” & “*Grants*” would grow in line with WCI-6.

Methodology

DFAT and AGD’s grant funding levels over the 2025-26 Budget forward estimates period were obtained from DFAT and AGD’s 2025-26 Portfolio Budget Statements. Grant funding beyond the forward estimates is taken from historical averages and grown by WCI-6 over the medium term, as per *Key assumptions*.

A 2% reduction was applied to 2025-26 grants funding and a 4% reduction to grants funding in 2026-27 and onwards as per the specification.

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.

Attorney-General’s Department (2024) [2024-25 Portfolio Budget Statements](#), Attorney General’s Department, accessed 8 May 2025.

Attorney-General’s Department (2025) [2025-26 Portfolio Budget Statements](#), Attorney General’s Department, accessed 8 May 2025.

Department of Foreign Affairs and Trade (2020) [2020-21 Portfolio Budget Statements](#), Department of Foreign Affairs and Trade, accessed 8 May 2025.

Department of Foreign Affairs and Trade (2021) [2021-22 Portfolio Budget Statements](#), Department of Foreign Affairs and Trade, accessed 8 May 2025.

Department of Foreign Affairs and Trade (2022) [2022-23 Portfolio Budget Statements](#), Department of Foreign Affairs and Trade, accessed 8 May 2025.

Department of Foreign Affairs and Trade (2023) [2023-24 Portfolio Budget Statements](#), Department of Foreign Affairs and Trade, accessed 8 May 2025.

Department of Foreign Affairs and Trade (2024) [2024-25 Portfolio Budget Statements](#), Department of Foreign Affairs and Trade, accessed 8 May 2025.

Department of Foreign Affairs and Trade (2025) [2025-26 Portfolio Budget Statements](#), Department of Foreign Affairs and Trade, accessed 8 May 2025.

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

Attachment A – Grants in Attorney General’s and Foreign Affairs and Trade portfolios – prioritise – Financial implications

Table A1: Grants in Attorney General’s and Foreign Affairs and Trade portfolios – prioritise – 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													
Administered													
DFAT – “Other grants and contributions”	15.0	28.4	28.2	29.1	26.7	27.3	27.9	28.6	29.2	29.9	30.6	100.7	300.9
AGD – “Grants”	8.9	14.5	14.3	14.3	16.2	16.5	16.9	17.3	17.7	18.1	18.5	52.0	173.2
Total – expenses	23.9	42.9	42.5	43.4	42.9	43.8	44.8	45.9	46.9	48.0	49.1	152.7	474.1
Total (excluding PDI)	23.9	42.9	42.5	43.4	42.9	43.8	44.8	45.9	46.9	48.0	49.1	152.7	474.1

(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: Grants in Attorney General’s and Foreign Affairs and Trade portfolios – prioritise – 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
Fiscal balance	0.5	2.0	4.0	6.1	8.3	10.6	13.0	15.7	18.5	21.5	24.7	12.6	124.9
Underlying cash balance	0.4	1.7	3.5	5.6	7.7	10.0	12.4	15.0	17.8	20.7	23.9	11.2	118.7

(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/)