



\$3 billion to re-establish the Communications Fund	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would re-establish the Communications Fund, which was abolished in the 2008-09 Budget, with an investment of \$3 billion.</p> <p>The fund would have a mandate to invest its assets and use the proceeds to fund essential communications programs with a focus on regional Australia, with the aim of ensuring that regional communities receive telecommunication services that are comparable in cost, quality and reliability to urban areas.</p> <p>The proposal would start from 1 July 2026 and be ongoing.</p>	

Costing overview

The proposal would be expected to decrease the fiscal balance by around \$417 million and the underlying and headline cash balances by around \$380 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in public debt interest (PDI) costs resulting from the borrowings required to finance the proposed \$3 billion investment.

Consistent with *PBO Guidance 02/2015* and the Charter of Budget Honesty Costing Guidelines, PDI has been included in this costing as the proposal involves transactions of financial assets.^{1,2}

Interest earned on the investments improves fiscal balance (FB), underlying cash balance (UCB) and headline cash balance (HCB). PDI, payments from the fund for communications programs and management fees worsens all these aggregates. The establishment of the Fund does not affect fiscal measures as it only results in an equal increase in borrowing and cash, with no change in net worth. The subsequent investment of the seed funding is classified as an investment in financial assets for liquidity purposes with no immediate impact on HCB. A note on the accounting treatment of Government investment funds is provided at Attachment B.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications over the period to 2035-36 is provided at Attachment A.

Table 1: \$3 billion to re-establish the Communications Fund – Financial implications (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-133.0	-139.0	-145.0	-417.0
Underlying cash balance	-	-100.0	-137.0	-143.0	-380.0
Headline cash balance	-	-100.0	-137.0	-143.0	-380.0

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

- Indicates nil.

¹ [PBO Guidance 02/2015](#)

² [Charter of Budget Honesty – Policy Costing Guidelines | Treasury.gov.au](#)

Key assumptions

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

- All investment earnings from the Communications Fund will be spent to fund communication programs, and no funds allocated to a given year will be left unspent.
- The investment mandate and targeted investment return of the re-established Communications Fund will be similar to that of the previous iteration of the fund.
- The Australian Office of Financial Management (AOFM) would be appointed to manage the investments of the fund, as was the case for the previous iteration of the fund.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts would be responsible for the administration of the grants associated with the fund.
- Any departmental funding needed to administer the Communications Fund and the associated essential communications program funding would be taken from within the Fund's earnings.
 - The costs associated with management of the Communication Fund's investments would be approximately 0.013% of the value of the fund, in-line with the costs of managing the previous iteration of the fund.
 - The costs associated with administering the grants from the fund were estimated based on the cost of administering similar programs.
- The Communication Fund's \$3 billion initial corpus will be invested evenly over the course of the 2026-27 financial year, but the government borrowing required to finance this investment will occur in full at the start of the 2026-27 financial year.

Methodology

The estimated investment returns from the fund and the associated departmental costs for investment management and administration of the grants were calculated based on the assumptions stated above.

The PDI impacts of the proposal were calculated using the PBO's standard PDI calculator.

Financial implications were rounded consistent with the PBO's rounding rules.³

Data sources

Departmental expenses were informed by similar measures in the Commonwealth budgets from 2015-16 to 2021-22.

ANAO (Australian National Audit Office) (2008) [*Establishment and Management of the Communications Fund*](#), ANAO website, Australian Government, accessed 27 May 2025.

AOFM (Australian Office of Financial Management) (2009) [*Annual Report 2008-09*](#), AOFM website, Australian Government, accessed 27 May 2025.

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

³ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – \$3 billion to re-establish the Communications Fund – Financial implications

Table A1: \$3 billion to re-establish the Communications Fund – Fiscal balance (\$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
Revenue													
Administered non-tax													
<i>Investment returns for Communications Fund</i>	-	54.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	270.0	1,026.0
Total – revenue	-	54.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	270.0	1,026.0
Expenses													
Administered													
<i>Grant payments made by Communications Fund</i>	-	-51.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-261.0	-996.0
Total – administered	-	-51.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-261.0	-996.0
Departmental													
<i>Australian Office of Financial Management</i>	-	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.2	-4.0
<i>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</i>	-	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-7.8	-26.0
Total – departmental	-	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-9.0	-30.0
Total – expenses	-	-54.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-270.0	-1,026.0
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-
PDI impacts	-	-133.0	-139.0	-145.0	-151.0	-158.0	-165.0	-173.0	-180.0	-189.0	-197.0	-417.0	-1,630.0
Total (including PDI)	-	-133.0	-139.0	-145.0	-151.0	-158.0	-165.0	-173.0	-180.0	-189.0	-197.0	-417.0	-1,630.0

(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.

- Indicates nil.

Table A2: \$3 billion to re-establish the Communications Fund – Underlying cash balance (\$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
Revenue													
<i>Administered non-tax</i>													
<i>Investment returns for Communications Fund</i>	-	54.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	270.0	1,026.0
Total – revenue	-	54.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	270.0	1,026.0
Expenses													
<i>Administered</i>													
<i>Grant payments made by Communications Fund</i>	-	-51.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-261.0	-996.0
Total – administered	-	-51.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-261.0	-996.0
<i>Departmental</i>													
<i>Australian Office of Financial Management</i>	-	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.2	-4.0
<i>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</i>	-	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-7.8	-26.0
Total – departmental	-	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-9.0	-30.0
Total – expenses	-	-54.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-270.0	-1,026.0
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>PDI impacts</i>	-	-100.0	-137.0	-143.0	-150.0	-156.0	-163.0	-171.0	-178.0	-187.0	-195.0	-380.0	-1,580.0
Total (including PDI)	-	-100.0	-137.0	-143.0	-150.0	-156.0	-163.0	-171.0	-178.0	-187.0	-195.0	-380.0	-1,580.0

(a) 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.

- Indicates nil.

Table A3: \$3 billion to re-establish the Communications Fund – Headline cash balance (\$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
Revenue													
<i>Administered non-tax</i>													
<i>Investment returns for Communications Fund</i>	-	54.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	270.0	1,026.0
Total – revenue	-	54.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0	270.0	1,026.0
Expenses													
<i>Administered</i>													
<i>Grant payments made by Communications Fund</i>	-	-51.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-261.0	-996.0
Total – administered	-	-51.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-105.0	-261.0	-996.0
<i>Departmental</i>													
<i>Australian Office of Financial Management</i>	-	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.2	-4.0
<i>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</i>	-	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-2.6	-7.8	-26.0
Total – departmental	-	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-9.0	-30.0
Total – expenses	-	-54.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-108.0	-270.0	-1,026.0
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>PDI impacts</i>	-	-100.0	-137.0	-143.0	-150.0	-156.0	-163.0	-171.0	-178.0	-187.0	-195.0	-380.0	-1,580.0
Total (including PDI)	-	-100.0	-137.0	-143.0	-150.0	-156.0	-163.0	-171.0	-178.0	-187.0	-195.0	-380.0	-1,580.0

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

- Indicates nil.

Attachment B – \$3 billion to re-establish the Communications Fund – Accounting for Government investment funds

Government investment funds

The Government's investment funds (the Funds) are reported on the Government's balance sheet as financial assets, consisting of cash and investments. Costings include the impact of PDI ([PBO Guidance 02/2015](#) and the [Charter of Budget Honesty Costing Guidelines](#)).

Creating new funds

A decision to create a new Fund or inject cash into an existing Fund involves increasing gross debt or reducing other cash holdings. There is no immediate impact on the fiscal balance (FB), underlying cash balance (UCB) or headline cash balance (HCB) as this is a financing activity that only changes the composition of the balance sheet and not net worth.

Fund earnings

Fund earnings in the form of interest or dividends impact FB, UCB and HCB, whereas capital gains are classified as *other economic flows* with no impact on these aggregates (See Budget Paper No. 1 Australian Government general government sector operating statement).

Fund investments

Fund investments are generally determined under an investment mandate.

Where the Fund invests in:

- financial assets solely to generate a return, the investments do not immediately impact FB, UCB and HCB.
- equity or loans for policy purposes, cash flows from purchases and sales and principal payments and repayments are included in HCB. Concessional loans have an initial negative impact on FB that is reversed as the loan is repaid.

Fund Drawdowns

Drawdowns from the Fund for grant payments or to purchase non-financial assets have an immediate impact on FB, UCB and HCB.

Closing funds

A decision to close a Fund would not result in an immediate reduction on FB, UCB and HCB. This is because either the relevant cash and investments would still be reported as assets on the balance sheet (if investments are retained) or there would be no change to net worth (if the remaining funds were used to reduce the borrowing requirements).

There are ongoing impacts on FB, UCB and HCB to the extent that any reduction in PDI is larger or smaller than the reduction in Fund earnings from interest and dividends.