



Parliamentary
Budget Office

Budget Insights

PBO SEMINAR

Navigating the Budget

Thursday 20 March 2025

www.pbo.gov.au



Presenters



Sam Reinhardt

Parliamentary Budget Officer



John Clark

Assistant Parliamentary Budget Officer

Budget overview

Traditionally presented in May each year, the Australian Government Budget is a snapshot of the Government's policy priorities and financial impact of decisions taken.

Due to the upcoming Federal Election, the Budget for 2025-26 will be delivered in March.

The Budget provides an estimate of money coming in (revenue), money going out (expenses) and how much is owed (gross and net debt).

The Budget is predominantly forward-looking, with information generally presented for a five-year period.



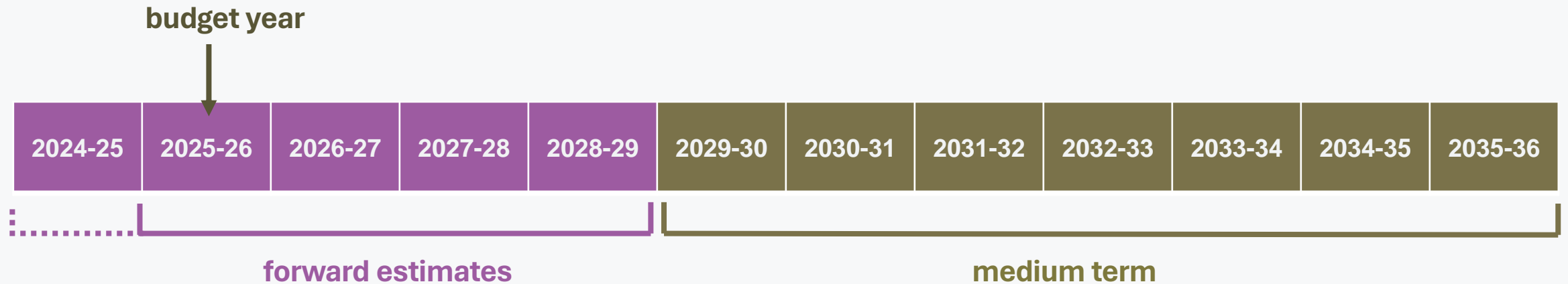
Time periods used in the Budget

The **budget year** is the financial year covered by the Budget.

The **forward estimates** cover the budget year and the three years following.

The **medium term** finishes 10 years following the budget year.

Illustration – 2025-26 Budget



Legislative framework

Charter of Budget Honesty Act 1998

Sets out the **principles and requirements** around the Budget process. It requires publication of **three main** annual budget reporting documents:

The
Budget

MYEFO

FBO

PEFO

Public Governance, Performance and Accountability Act 2013

Requires the annual preparation of Consolidated Financial Statements, which provide a **full-audited picture** of the **Commonwealth's finances**.

Consolidated
Financial
Statements

Government appropriations

Australian constitution (Section 83):

“No money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law.”

Annual appropriations:

Provide annual funding to entities and Commonwealth companies to undertake ongoing government activities and programs

e.g. departmental costs

Special (Standing) Appropriations:

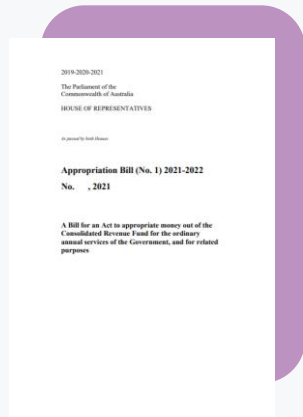
Provide funding for particular purposes

e.g. social security payments

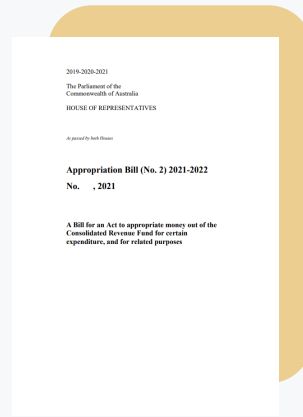
Around 80% of total spending

Annual Appropriation Bills

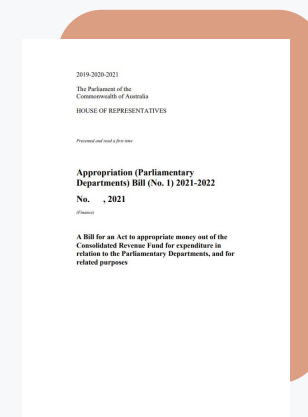
On Budget night, the Government generally presents **THREE** annual appropriation bills to the Parliament:



Appropriation Bill (No.1)
for the ordinary annual services of
the government



Appropriation Bill (No.2)
for other purposes
(e.g. payments to states,
capital, new outcomes)



**Appropriation (Parliamentary
Departments) Bill (No.1)**
for expenditure in relation to
parliamentary departments



Parliamentary
Budget Office

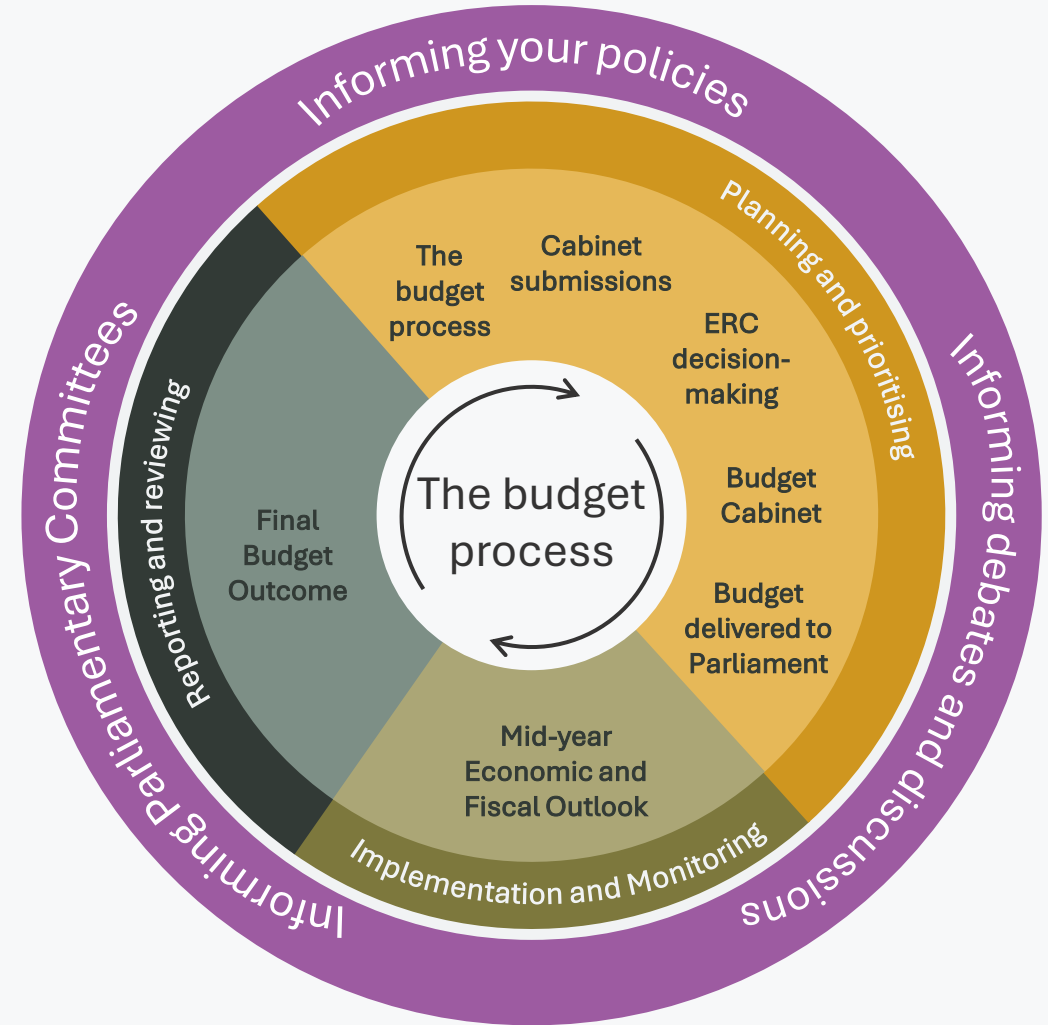
Budget Insights

The Budget process

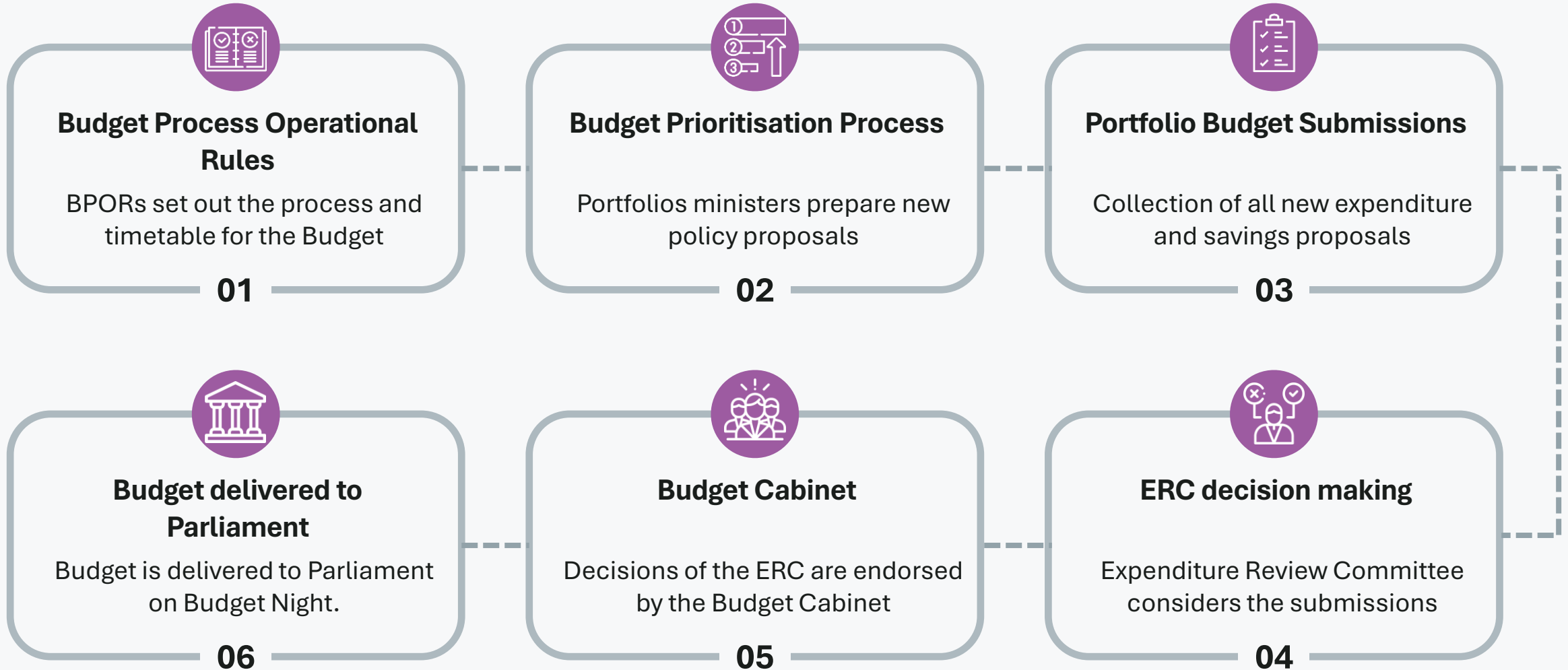


The Budget cycle

The budget process is a **decision making process** for allocating public resources to the Government's policy priorities.



Planning and prioritising



Examination of the Budget

Monitoring the Budget

Reporting and reviewing

01

Senate estimates
committees scrutinise
Appropriation Bills and
other budget documents

Before end of June

**Senate Estimates
Committees**

02

Provides updated financial
information on fiscal
position and compares
estimates to actuals.

By end of January

**Mid-Year Economic and
Fiscal Outlook**

03

Actual financial results
presented, analyses
reasons for budget
variances

By 30 September

Final Budget Outcome

04

Audited by the ANAO, also
includes data for other
sectors of government

As soon as practicable
after the EOFY

**Consolidated Financial
Statements**

Budget Night

On Budget Night, Government's decisions about the Budget are announced.

Government provides documents including:



Treasurer's Speech
introduces the Budget
to the Parliament.



**Annual appropriation
bills** to authorise
spending of relevant
money in upcoming
financial year.



The **Budget papers**,
which are presented to
the Parliament and
contain information on
Government finances
and related matters.





Parliamentary
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Budget Insights

Overview of the Budget papers



As passed by both Houses

**Appropriation
No. 1, 2021**

**A Bill for an Act to
Consolidated Revenue
annual services of all
purposes**

PORTFOLIO ADDITIONAL ESTIMATES
2024-25

**CLIMATE CHANGE, ENERGY, THREAT
AND WATER PORTFOLIO**

EXPLANATIONS OF ADDITIONAL ESTIMATES



**Budget
2024-25**



**Budget
2024-25**

**BUDGET STRATEGY AND OUTLOOK
BUDGET PAPER NO. 1**



**Budget
2023-24**

**FINAL BUDGET OUTCOME
2023-24**

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 of the Commonwealth of Australia

For the information of honourable members
September 2024

Circulated 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 of the Commonwealth of Australia

For the information of honourable members
on the occasion of the Budget 2024-25
14 May 2024

EXPLANATIONS OF ADDITIONAL ESTIMATES 2024-25

**Portfolio Additional Estimates
Statements 2024-25**

**Additional Estimates
Statements 2021-22**

Additional Estimates
Services Portfolio

Additional Estimates 2021-22

ADDITIONAL ESTIMATES
2024-25

PORTFOLIO

ADDITIONAL ESTIMATES 2024-25

estimated to create an additional

ES

O

-22

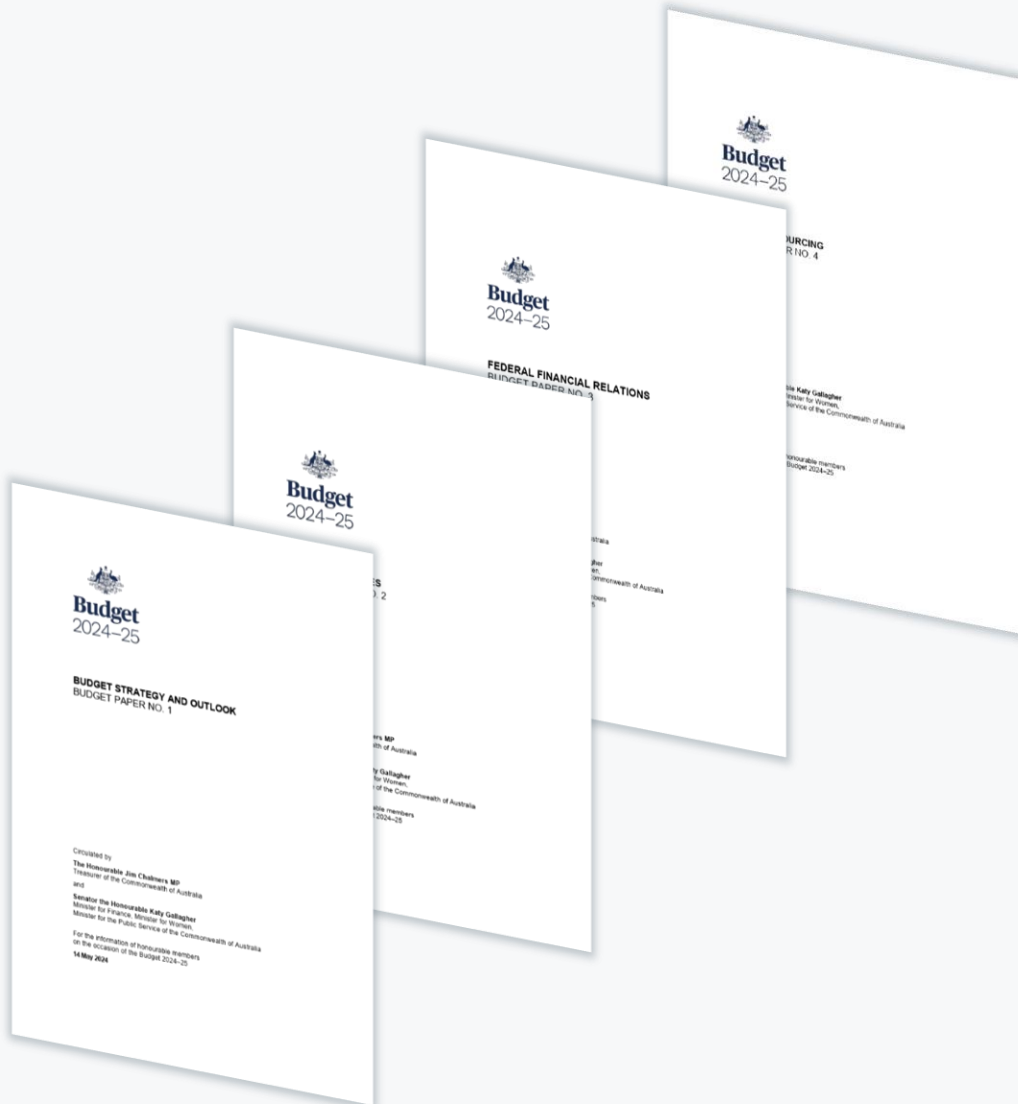
implemented in 2024-25, around
taxpayers will face a marginal tax
rate of 15% or less.

engineer working in regional
areas earned a taxable income of
\$20,000 from 2018-19 to 2021-22.
Kabir, who is working part time as he
studies, and earned a taxable
income of \$10,000.

being retained, Priya and Kabir
will have a combined LMITO of \$2,160
on their 2021-22 tax returns.

From 1 July 2024, the
Personal Income Tax Plan will
apply a tax cut of 15% on
income from 2018-19 to 2021-22
in 2017-18 settings.

Budget Papers



01

Budget Paper No. 1

Budget Strategy and Outlook

02

Budget Paper No. 2

Budget Measures

03

Budget Paper No. 3

Federal Financial Relations

04

Budget Paper No. 4

Agency Resourcing

Budget Papers

Budget Paper No. 1 – Budget Strategy and Outlook

- 01** Provides an overview of the economic and fiscal outlook
- 02** Summarises the Government's fiscal strategy
- 03** Outlines the Whole-of-Government key Budget priorities



Budget Papers No.1

Table 1.1: Major economic parameters

	Outcome	Forecasts				
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Real GDP	3.1	1 3/4	2	2 1/4	2 1/2	2 3/4
Employment	3.5	2 1/4	3/4	1 1/4	1 3/4	1 3/4
Unemployment rate	3.6	4	4 1/2	4 1/2	4 1/2	4 1/4
Consumer price index	6.0	3 1/2	2 3/4	2 3/4	2 1/2	2 1/2
Wage price index	3.7	4	3 1/4	3 1/4	3 1/2	3 1/2
Nominal GDP	9.9	4 3/4	2 3/4	4	5 1/4	5 1/4

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.

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

Source: 2024-25 Budget, [Budget Paper No.1](#)

Budget Papers No.1: Statement 2

Statement 2: Economic Outlook

Global growth is forecast to remain subdued over the next few years and is expected to record the longest stretch of below-average growth since the early 1990s. Tackling inflation remains the primary focus but, as inflationary pressures abate and labour markets soften, the global policy focus will increasingly shift to managing risks to growth.

Several global factors pose risks to the outlook. Monetary policy settings could remain tight for an extended period due to persistent inflation. Heightened geopolitical tensions in the Middle East have added to the risks associated with Russia's invasion of Ukraine. A further escalation in geopolitical tensions could add to energy costs, disrupt international trade, and slow global growth. The outlook for the Chinese economy, including the property sector, also remains uncertain.

Australia is not immune from global developments and the combination of elevated inflation and high interest rates here has resulted in lower growth over the past year. These factors have put people under pressure, with household consumption flat over the past year. High interest rates and ongoing supply constraints have also weighed on dwelling

Budget Papers No.1 – Statement 3

Economic and Fiscal Strategy

The Government's Economic and Fiscal Strategy is making the economy and the budget stronger, more resilient and more sustainable over the medium term (Box 3.1). The strategy is consistent with the requirements of the *Charter of Budget Honesty Act 1998*, with progress reviewed each budget update.

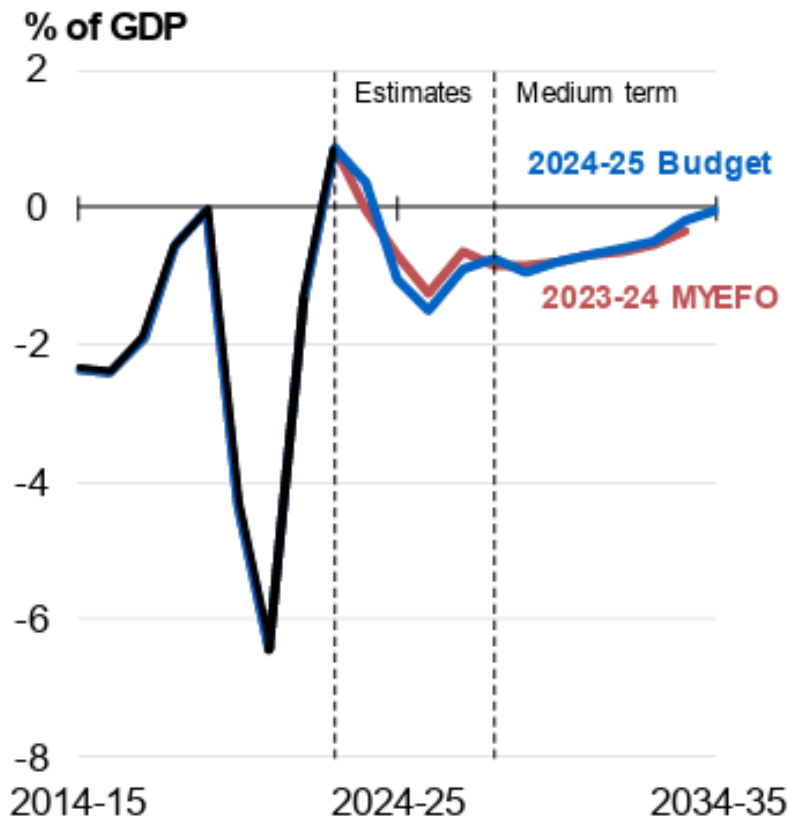
Box 3.1: The Government's Economic and Fiscal Strategy

The Government's Economic and Fiscal Strategy will make the economy more resilient and put the budget on a more sustainable footing over time.

- 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.

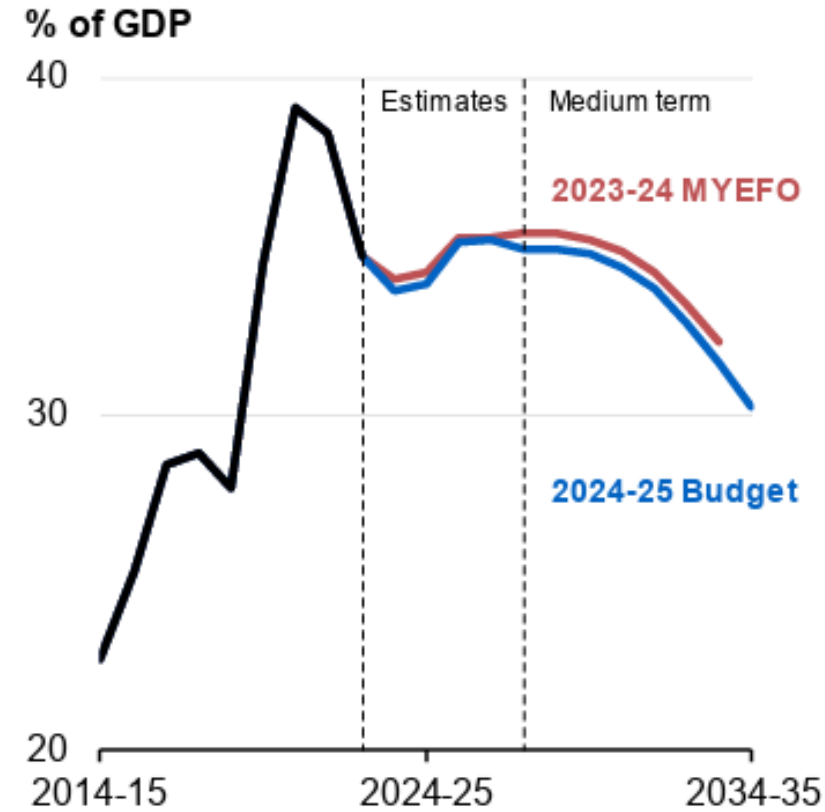
Budget Papers No.1 – Statement 3

Chart 3.1: Underlying cash balance



Source: Treasury.

Chart 3.2: Gross debt



Source: Australian Office of Financial Management, Treasury.

Source: 2024-25 Budget, [Budget Paper No.1](#)

Budget Papers



Part 1: Receipt Measures

Table 1: Receipt measures since the 2022-24 MYEFO

	2022-23	2023-24	2024-25	2025-26	2026-27
REVENUE					
Stamp duty on transfers, transfers and	1.7	1.9	0.0	0.0	0.0
Agreements - other payments	0.0	0.0	0.0	0.0	0.0
Amendments to excise measures	0.0	0.0	0.0	0.0	0.0
Revenue total	1.7	1.9	0.0	0.0	0.0
EXPENSES					
Stamp duty on transfers, transfers and	0.0	0.0	0.0	0.0	0.0
Agreements - other payments	0.0	0.0	0.0	0.0	0.0
Amendments to excise measures	0.0	0.0	0.0	0.0	0.0
Expense total	0.0	0.0	0.0	0.0	0.0
NET RECEIPT	1.7	1.9	0.0	0.0	0.0

Part 2: Payment Measures

Table 2: Payment measures since the 2022-24 MYEFO

	2022-23	2023-24	2024-25	2025-26	2026-27
EXPENSES					
Stamp duty on transfers, transfers and	1.7	1.9	0.0	0.0	0.0
Agreements - other payments	0.0	0.0	0.0	0.0	0.0
Amendments to excise measures	0.0	0.0	0.0	0.0	0.0
Expense total	1.7	1.9	0.0	0.0	0.0
REVENUE					
Stamp duty on transfers, transfers and	0.0	0.0	0.0	0.0	0.0
Agreements - other payments	0.0	0.0	0.0	0.0	0.0
Amendments to excise measures	0.0	0.0	0.0	0.0	0.0
Revenue total	0.0	0.0	0.0	0.0	0.0
NET PAYMENT	1.7	1.9	0.0	0.0	0.0

Future Made in Australia - Attracting Investment in Key Industries

Table 3: Future Made in Australia - Attracting Investment in Key Industries

	2024-25	2025-26	2026-27	2027-28
Revenue				
Stamp duty on transfers, transfers and	0.0	0.0	0.0	0.0
Agreements - other payments	0.0	0.0	0.0	0.0
Amendments to excise measures	0.0	0.0	0.0	0.0
Revenue total	0.0	0.0	0.0	0.0
Expense				
Stamp duty on transfers, transfers and	0.0	0.0	0.0	0.0
Agreements - other payments	0.0	0.0	0.0	0.0
Amendments to excise measures	0.0	0.0	0.0	0.0
Expense total	0.0	0.0	0.0	0.0
NET FUTURE MADE IN AUSTRALIA	0.0	0.0	0.0	0.0

Budget Paper No. 2 – Budget Measures

01

Information on government decisions that involves changes to revenue, expense and investing activities since the MYEFO.

02

A budget measure is a particular policy decision or action the Government has decided to take, including amendment to existing policy.

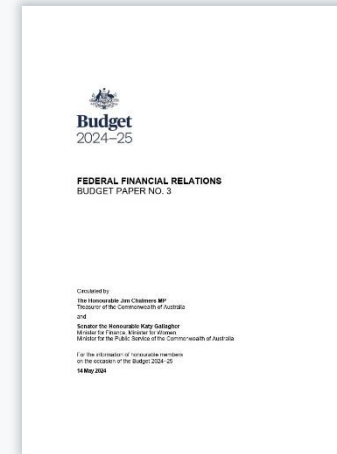
03

BP2 includes details of every measure undertaken since the MYEFO: summary table, measure description and projected financials.

Budget Papers

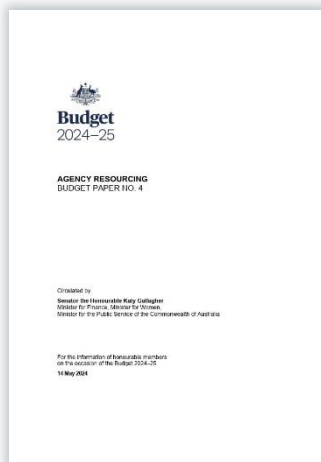
Budget Paper No. 3 – Federal Financial Relations

Contains information on revenue provision and payments (GST and specific purpose payments), overview of fiscal developments in the states and territories.



Budget Paper No. 4 – Agency resourcing

Shows for each entity, estimated expenses for each special appropriation Act, estimated balances and flows for all special accounts, estimated resourcing by type of appropriation, and estimated average staffing levels in the public sector.





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Budget Insights

Portfolio Budget Statements (PBS)



Portfolio Budget Statements (PBS)

The Portfolio Budget Statements (PBS) are prepared by each portfolio entity.

Purpose

To inform Senators, Members of Parliament and the public of the **proposed allocation of resources to government outcomes by agencies** within the relevant portfolio



Portfolio Budget Statements (PBS)

Portfolio Budget Statements

01

PBS is the portfolio's primary budget document

02

Each portfolio is required to publish a Portfolio Budget Statement

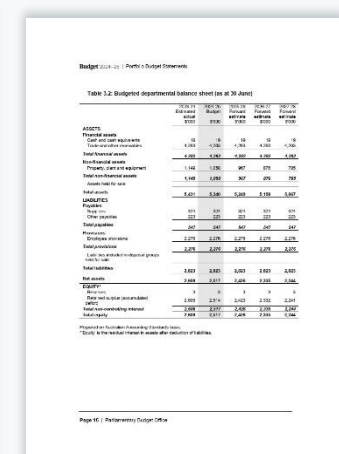
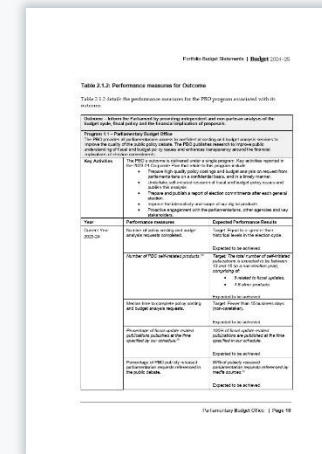
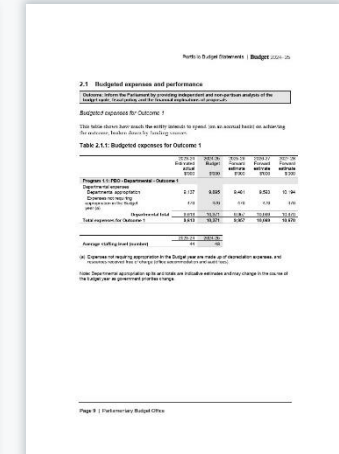
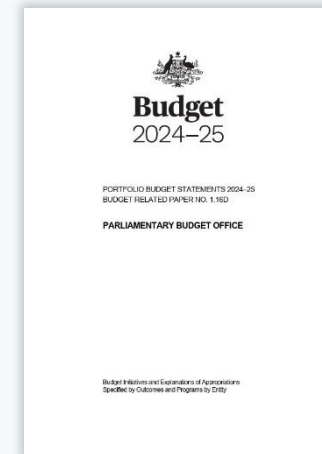
03

PBS identifies how **appropriated funds** are expected to be used

04

PBS assists in the interpretation of Appropriation Bills No. 1 and No. 2

PBS is tabled in Parliament on Budget Night





Parliamentary
Budget Office

Budget Insights

How to find out about a new policy?



Budget Paper No. 2 – Budget Measures



Budget documents

The Treasurer delivered the Federal Budget on Tuesday 14 May 2024

Budget papers

Budget Paper No. 1
**Budget Strategy and
Outlook**

Budget Paper No. 2
Budget Measures

Budget Paper No. 3
Federal Financial Relations

Budget Paper No. 4
Agency Resourcing

Women's Budget Statement

Budget Paper No. 2 – Budget Measures

01

Ctrl-f!

Support for the Aviation Sector

Payments (\$m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	23.1	63.9	40.0	-
Department of Home Affairs	-	7.1	3.2	-	-
Department of Agriculture, Fisheries and Forestry	-	1.3	1.2	-	-
Total – Payments	-	31.6	68.3	40.0	-

The Government will provide \$139.9 million over 3 years from 2022–23 to support the aviation sector. Funding includes:

- \$60.0 million over two years from 2023–24 to upgrade Hobart Airport runway and airfield facilities
- \$55.0 million over two years from 2022–23 to upgrade border services facilities at the Newcastle Airport international terminal
- \$17.9 million over two years from 2022–23 to undertake planning and design work for

Budget Paper No. 2 – Budget Measures

01

Ctrl-f!

02

Determine the portfolio(s)

Support for the Aviation Sector

Payments (\$m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	23.1	63.9	40.0	-
Department of Home Affairs	-	7.1	3.2	-	-
Department of Agriculture, Fisheries and Forestry	-	1.3	1.2	-	-
Total – Payments	-	31.6	68.3	40.0	-

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Budget Paper No. 2 – Budget Measures

01

Ctrl-f!

02

Determine the portfolio(s)

03

Check the Portfolio Budget Statement

Table 2.2.2: Program components for Outcome 2 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Components for Program 2.3: Air Transport					
Administered expenses					
Airport Lessee Companies	178	1,000	1,000	1,000	1,000
Automatic Dependent Surveillance - Broadcast (ADS-B) Rebate Program	-	30,000	-	-	-
Aviation Services Accreditation Program	36,920	-	-	-	-
Domestic Aviation Network Support ^(c)	nfp	-	-	-	-
Domestic Airports Security Program	113,208	-	-	-	-
Emerging Aviation Technologies Programs	1,521	12,067	18,997	-	-
Enhanced Regional Security Screening	26,904	44,154	-	-	-
Gold Coast Airport Contribution	4,409	4,000	-	-	-
International Air Security Charges Rebate	26,209	-	-	-	-
International Aviation Support	239,374	-	-	-	-
International Civil Aviation Organization - contribution	2,313	2,999	3,239	3,418	3,418
Hobart Airport Runway	-	-	20,000	40,000	-
Newcastle Airport International Terminal Upgrade	-	15,000	40,000	-	-

PBO resources



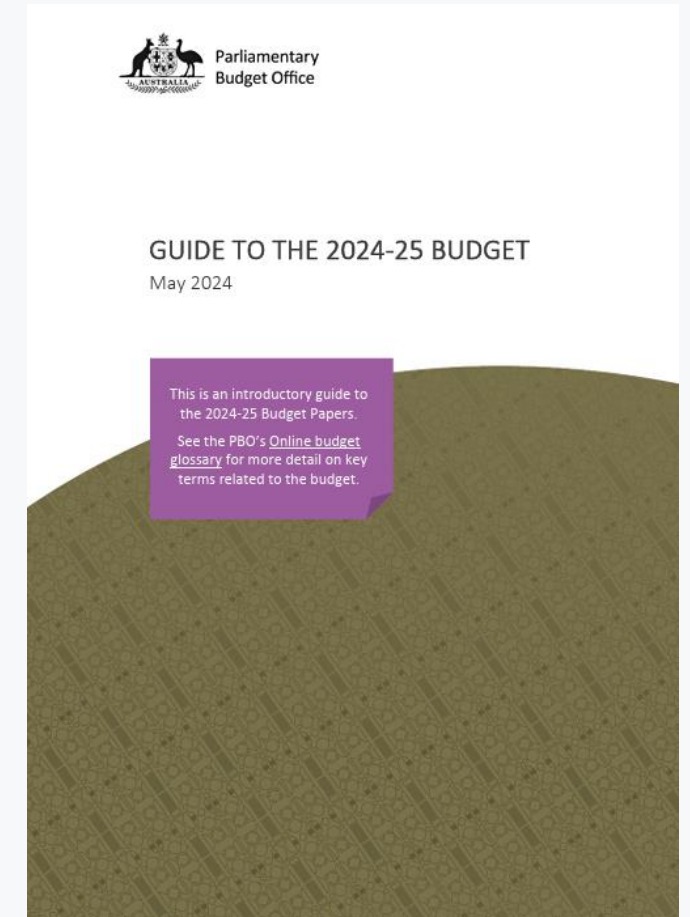
Budget week:

- 2025-26 Budget Snapshot
- Historical fiscal data
- Guide to the budget
- Post budget drop-in session with the Parliamentary Library



Upcoming events:

- Navigating the Pre-election Economic and Fiscal Outlook (PEFO) webinar
- 2025 Election commitments report (ECR)





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Budget Insights

Questions?



Thank you

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