



Parliamentary
Budget Office

GUIDE TO THE 2024-25 BUDGET

May 2024

This is an introductory guide to the 2024-25 Budget Papers.

See the PBO's [Online budget glossary](#) for more detail on key terms related to the budget.

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The Budget Papers



The Budget Papers

The Budget is presented in 4 books, called Budget Papers, plus supporting documents. The budget can be found at budget.gov.au.

Budget Paper No. 1: Budget Strategy and Outlook

Budget Paper No.1 (BP1) provides high-level information about the government's fiscal position and the overall economic outlook, including:

- the international and domestic economic outlook
- the budget and fiscal outlook, including estimates of the budget balance, revenue, expenditure, and investment
- how the fiscal outlook has changed since the previous budget update
- the balance sheet position, including assets, liabilities, and debt.

Statement 1 of BP1 provides an overview, with detail in the following 10 statements. This includes historical budget data in Statement 11.

Budget Paper No. 2: Budget Measures

Budget Paper No. 2 (BP2) contains details of policy decisions (measures) taken since the last update. Each measure is classified according to whether it impacts receipts or payments.

BP2 includes a summary table and a detailed description of each individual measure.

Budget Paper No. 3: Federal Financial Relations

Budget Paper No. 3 (BP3) contains information on payments made by the government to the states and territories (including GST).

Budget Paper No. 4: Agency Resourcing

Budget Paper No. 4 (BP4) contains information on the funding for each government agency.

Portfolio Budget Statements

The Portfolio Budget Statements (PBS) contain more detail on the proposed activities, expenditures, and performance of each agency within each portfolio. This includes details on outcomes and programs by each entity.

Budget overview 'glossy' and fact sheets

The budget glossy and fact sheets highlight key aspects of the budget in a more accessible format.

Mid-Year Economic and Fiscal Outlook (MYEFO)

The MYEFO provides an update on the budget position and economic outlook, typically released between October and December. MYEFO is the main point of comparison for the budget, with the most recent release being the 2023-24 MYEFO released December 2023.

Economic forecasts

The government’s economic forecasts underpin the estimates for taxes and spending.

Statement 1 of BP1 provides high-level information about the overall economic outlook, including a summary of the key items in Table 1.1 (these items form part of the ‘economic parameters’).

Table 1.1: Major economic parameters^(a)

	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

economic growth

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: BP1, Statement 1: Budget Overview, page 6

Economic growth

Gross domestic product (GDP) is a measure of the size of the economy. GDP growth forecasts show expectations of how much economic activity is expected to expand or contract in each year.

- **Nominal GDP** measures the total *value* of goods and services produced. Many budget amounts are presented as a share of nominal GDP, which can assist with making meaningful comparisons over time.
- **Real GDP** growth removes the effect of price changes, or inflation, over time to measure the change in the *volume* of goods and services produced. Growth in real GDP is one of the most used measures for the health of the economy.

Employment

Employment measures the percentage change in the number of people who have a job. The **unemployment rate** is the percentage of the labour force who are not employed.

Inflation

Inflation is the rate of increase in prices over time. A common measure of inflation is the **consumer price index (CPI)**, which captures the change over time in the prices paid by households for a fixed basket of goods and services.

The **wage price index (WPI)** measures the average change in wages, irrespective of the type or amount of work performed.

Tip: Have the last budget nearby so you can compare the economic forecasts.

Previous budgets can be found at <https://archive.budget.gov.au>

Do you need more information?
Statement 2 of BP1 contains more detail on the economic outlook.



The budget balances

There are many aggregate estimates in the Budget. When people talk about the budget surplus or deficit, they are usually talking about the underlying cash balance.

BP1 provides high-level information about the budget position. The forecast budget balance is shown in Table 1.2. More detail on the aggregates is in Statement 3: Fiscal Strategy and Outlook.

Table 1.2: Budget aggregates

	Actual	Estimates					Projections	
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total(a)	2034-35
	\$b	\$b	\$b	\$b	\$b	\$b	\$b	
Underlying cash balance	22.1	9.3	-28.3	-42.8	-26.7	-24.3	-112.8	
Per cent of GDP	0.9	0.3	-1.0	-1.5	-0.9	-0.8		-0.1
Gross debt(b)	889.8	904.0	934.0	1,007.0	1,064.0	1,112.0		
Per cent of GDP	34.7	33.7	33.9	35.1	35.2	34.9		30.2
Net debt(c)	491.0	499.9	552.5	615.5	660.0	697.5		
Per cent of GDP	19.2	18.6	20.0	21.5	21.8	21.9		18.7

- a) Total is equal to the sum of amounts from 2023–24 to 2027–28.
- b) Gross debt measures the face value of Government Securities (AGS) on issue.
- c) Net debt is the sum of interest-bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

Source: BP1, Statement 1: Budget Overview, page 7

deficit = negative underlying cash balance
surplus = positive underlying cash balance

What is a budget surplus?

- The budget is in **surplus** when the government's receipts are greater than its payments.
- The budget is in **deficit** when the government's payments are greater than its receipts.

Cash accounting and accrual accounting

Many figures in the Budget are shown both on a cash accounting basis and an accrual accounting basis. The **underlying cash balance** is a *cash* estimate while the **fiscal balance** (Table 3.8) is an *accrual* estimate. Differences between the two are often because of timing:

- Cash accounting recognises income and expenses when money changes hands.
- Accrual accounting records income when it is earned, and costs when they are incurred, regardless of when the related cash is received or paid. Accrual figures give information about money that will need to change hands in the future if it has not done so already.

The government and media usually quote the cash figures for the budget balance.

The **underlying cash balance** is broadly equal to receipts less payments.

The **fiscal balance** is an accrual measure that equals revenue less expenses plus net capital investment.



Do you need more information?

Detailed information can be found on:

- Fiscal strategy and outlook: Statement 3 of BP1
- Revenue estimates: Statement 5 of BP1
- Expenses and net capital investment: Statement 6 of BP1.

What has changed since MYEFO?

The Budget refers to the fiscal forecasts as ‘estimates’, which are revised between fiscal updates due to either new policy decisions or variations to economic and other parameters.

The most recent fiscal update before this Budget was the Mid-Year Economic and Fiscal Outlook (MYEFO) in December 2023. It updated the 2023-24 Budget estimates.

What are *parameter variations*, and how are they different to *policy decisions*?

- The effect of **policy decisions** represents the changes to government finances that arise because of government decisions (measures). They can be new policy or changes to existing policy.
- **Parameter and other variations** are any changes to government finances that are not due to a policy decision. These are generally outside the direct control of the government. Parameter variations mostly occur because of changes in the broader Australian economy, including changes to the composition or demographics of the Australian population.

The policy decisions and parameter variations sum to the total change in the budget position.

Where can I find information on how the budget *estimates* have changed?

BP 1, Statement 3: Fiscal Strategy and Outlook, includes a table known as the **reconciliation table** (shown on the next page). It reconciles estimates from the previous budget with the current estimates. It is a helpful summary of the budget as it shows what has driven the change in the estimates from one update to the next.

The reconciliation table steps through how the underlying cash balance estimates have changed over the past year. For the 2024-25 Budget, the starting point for the reconciliation was the 2023-24 Budget, through the 2023-24 MYEFO, to the 2024-25 Budget.

The table includes information on how the estimated actual for the current year has changed, as well as the forward estimates years.

How to calculate the effect of policy decisions and parameter variations

Each of these effects can be broken down by which aspect of the government’s finances they impact.

- An increase in **receipts** has a **positive** effect on the budget balance.
- An increase in **payments** has a **negative** effect on the budget balance.

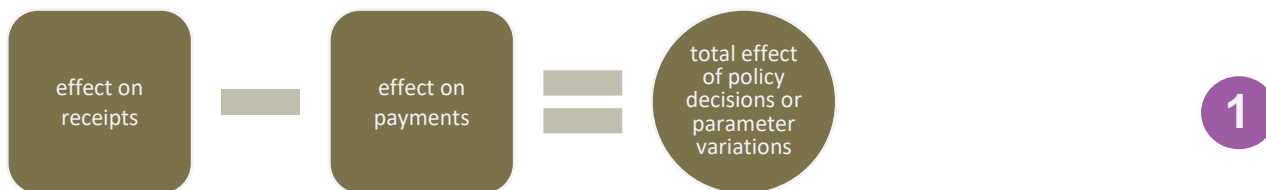


Do you need more information?

Detail on the reconciliation of estimates related to:

- *payments can be found in Table 3.3 of Statement 3 in BP1, and expenses in Table 6.2 of Statement 6 of BP1 – these tables show the detail of economic and other parameter variations*
- *receipts can be found Table 5.2 of Statement 5 of BP1*

The total effect of policy decisions or parameter variations is:



The total change in the budget balance for the 2024-25 Budget is:

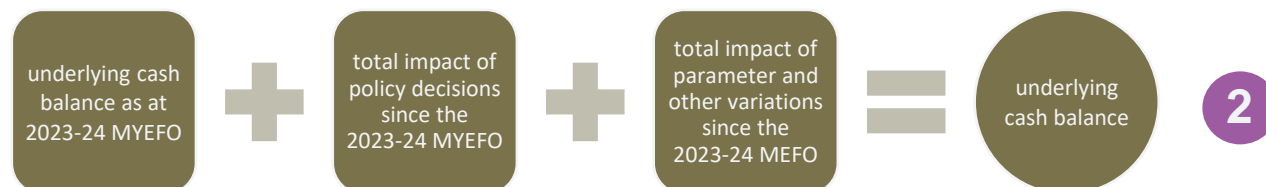


Table 3.2: Reconciliation of general government sector underlying cash balance estimates

	Estimates					Total
	2023-24	2024-25	2025-26	2026-27	2027-28	
	\$m	\$m	\$m	\$m	\$m	\$m
2023-24 Budget underlying cash balance	-13,918	-35,058	-36,627	-28,450	*	*
Per cent of GDP	-0.5	-1.3	-1.3	-1.0	*	*
Changes from 2023-24 Budget to 2023-24 MYEFO						
Effect of policy decisions(a)	-650	-2,430	-1,025	-1,160	*	*
Effect of parameter and other variations	13,458	18,660	2,534	10,112	*	*
Total variations	12,808	16,230	1,509	8,952	*	*
2023-24 MYEFO underlying cash balance(b)	-1,110	-18,828	-35,119	-19,498	-26,452	-101,007
Per cent of GDP	0.0	-0.7	-1.2	-0.6	-0.8	
Changes from 2023-24 MYEFO to 2024-25 Budget						
Effect of policy decisions(a)(c)						
Receipts	136	2,215	-1,000	1,989	4,725	8,064
Payments	1	-11,724	9,304	5,243	5,934	32,503
Total policy decisions impact on underlying cash balance	-162	-9,509	-10,304	-3,254	+ -1,209	-24,439
Effect of parameter and other variations(c)						
Receipts	6,906	5,509	9,015	2,644	-298	23,776
Payments	1	-5,458	6,430	6,605	+ -3,614	11,167
Total parameter and other variations impact on underlying cash balance	10,618	= 51	2,584	-3,961	3,316	12,609
2024-25 Budget underlying cash balance	9,346	-28,286	-42,838	-26,713	= -24,345	-112,837
Per cent of GDP	0.3	-1.0	-1.5	-0.9	-0.8	

*Data is not available.

- a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.
- b) 2027-28 as published in the medium-term projections, page 59 of the Mid-Year Economic and Fiscal Outlook 2023-24.
- c) A positive number for receipts improves the underlying cash balance, while a positive number for payments worsens the underlying cash balance.

Source: BP1, Statement 3: Fiscal Strategy and Outlook, page 87



Do you need more information?

A reconciliation of the fiscal balance, which is on an accrual basis, is available in Table 3.9 of BP1, Statement 3.

New measures

A 'measure' is a policy decision or action the government has decided to take, including an amendment to an existing policy.

Where can I find information on new measures?

BP2 includes details of every measure undertaken since the last update – the 2023-24 MYEFO. It includes a summary table and details on each individual measure, including:

- a description of the measure
- the projected costs or income associated with the measure.

The measures listed in BP2 are split into 2 sections: **receipts** and **payments**.

An excerpt of the summary is shown on the next page.

How do I interpret the numbers?

The numbers in the table represent the impact of the policy within the portfolio each year across the forward estimates.

- A positive number for a **receipts** measure means the government has more money flowing in (and vice versa).
- A positive number for **payments** (or **capital**) measures means the government is spending more (and vice versa).

How do I find a particular measure?

Measures are listed under the relevant policy portfolio, according to the department responsible for implementing the measure.

Note: if more than one department is involved, the same measure may appear under multiple portfolios in the table.

If a topic does not clearly align with ministerial responsibilities, then you may need to look across multiple portfolios to find a measure.

For example, most indigenous-specific measures are listed under the Prime Minister and Cabinet portfolio, which includes the National Indigenous Australians Agency. However, there may also be measures listed under other portfolios, such as Health, which include indigenous-specific funding.

Look for relevant terms in the budget measure title or description to find any relevant measures.

Also, check the Portfolio Budget Statements (PBS) for more information.

Table 1: Receipt measures since the 2023–24 MYEFO^(a)

portfolio name	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
AGRICULTURE, FISHERIES AND FORESTRY					
<i>Department of Agriculture, Fisheries and Forestry</i>					
Agriculture – other priorities(b)	-1.7	-1.1	-0.2	0.2	0.2
Amendments to existing measures(b)	-	-0.9	-0.9	-0.9	-1.0
Portfolio total	-1.7	-2.0	-1.1	-0.8	-0.8
ATTORNEY-GENERAL'S					
<i>Federal Court of Australia</i>					
Establishment of the Administrative Review Tribunal and Addressing Extremely High Migration Backlogs in the Courts(b)	-	0.9	1.5	6.3	6.5
Portfolio total	-	+ 0.9	+ 1.5	+ 6.3	+ 6.5
CLIMATE CHANGE, ENERGY, THE ENVIRONMENT AND WATER					
<i>Clean Energy Regulator</i>					
Future Made in Australia – Making Australia a Renewable Energy Superpower(b)	-	-	-	-	0.1
Improving the Australian Carbon Credit Unit Scheme(b)	-8.5	-1.2	-	-	-
<i>Department of Climate Change, Energy, the Environment and Water</i>					
Climate Change, Energy, the Environment and Water – cost recovery arrangements(b)	-	-1.6	-1.8	-1.9	1.3
Future Made in Australia – Strengthening Approvals Processes(b)	-	-	-	-	-
Portfolio total	-8.5	-2.9	-1.8	-1.9	1.4
DEFENCE					
<i>Department of Defence</i>					
Defence Export – Boxer Heavy Weapons Carrier for Germany(b)	3.3	2.0	2.0	2.0	2.0
Portfolio total	3.3	2.0	2.0	2.0	2.0
EDUCATION					
<i>Department of Education</i>					
Australian Universities Accord – tertiary education system reforms(b)	-18.9	-90.7	-17.0	-29.4	-35.3
Portfolio total	-18.9	-90.7	-17.0	-29.4	-35.3

= \$15.2m

each row represents an individual measure

Source: BP2, Part 1: Receipt Measures page 1

KEY
- zero

Do you need more information?
Detailed information on each measure listed in the table can be found directly after the summary table. See next page.

Table 2: Payment measures since the 2023–24 MYEFO^(a) (continued)

	2023-24	2024-25	2025-26	2026-27	2027-28
	\$m	\$m	\$m	\$m	\$m
portfolio name					
HOME AFFAIRS					
Australian Security Intelligence Organisation					
Digital ID	-	1.9	1.6	-	-
Department of Home Affairs					
department name					
APS Capability Reinvestment Fund: 2024-25 projects funded under round two	-	-	-	-	-
Civil Maritime Critical Security Capabilities	3.6	116.3	-	-	-
Department of Home Affairs – supplementation	-	100.0	-	-	-
Enabling Western Sydney International Airport	-	60.3	19.4	19.8	20.5
Engineered Stone Import Prohibition(b)	-	20.0	12.1	-	-
Establishment of the Administrative Review Tribunal and Addressing Extremely High Migration Backlogs in the Courts(b)	0.2	20.2	6.7	3.5	3.5
Infrastructure Upgrades at Yongah Hill Immigration Detention Centre	-	nfp	nfp	nfp	-
Maintaining Support for an Effective Foreign Service	-	0.3	0.3	0.3	0.3
Middle East Crisis Response	-	-	-	-	-
Migration – Mobility Arrangement for Talented Early-professionals Scheme (MATES) and extending the validity of the Business Visitor visa for Indian nationals(b)	-	3.1	1.3	0.7	0.7
Migration System Reforms(b)	-	8.5	8.3	..	-
National Firearms Register	-	1.8	5.6	8.9	4.5
Permanent Migration Program – 2024-25 planning levels and multi-year planning(b)	-	-4.0	-6.4	-1.8	-0.6
Reforms to Migrant and Refugee Settlement Services	-	35.4	37.1	23.0	23.5
Southeast Asia Engagement – additional funding(b)	0.8	0.3	-	-	-
Support to Individuals from Israel and Occupied Palestinian Territories affected by the Hamas-Israel conflict	-	-	-	-	-
Supporting Safe and Responsible AI	-	-	-	-	-
The Leaving Violence Program – financial support for victim-survivors of intimate partner violence	-	1.5	1.5	1.5	1.6
Tobacco – illicit tobacco compliance	-	-	-	-	-
Trade and Tourism Strategies – additional funding	-	8.0	6.9	1.0	1.0
Work and Holiday visa – visa pre-application process for certain Working Holiday Maker programs(b)	-	0.7	0.1	0.1	0.1
National Emergency Management Agency					
Disaster Support	-	46.6	45.4	27.7	18.9

each row represents an individual measure

Source: BP2, Part 2: Payment Measures page 30

KEY
 - zero
 .. rounded to zero
 nfp not for publication

New measures in detail

Further details of each budget measure can be found directly after the summary tables in BP2.

Each measure includes a **description** of the measure and additional information on **funding sources**. If the measure is split across several portfolios, they will all be listed under the detailed measure description.

An example of a cross-portfolio measure from the 2024-25 Budget is below. Note that figures may not sum due to rounding.

Cross Portfolio

Future Made in Australia – Promoting Sustainable Finance Markets

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Securities and Investments Commission	-	3.0	2.8	2.4	2.3
Department of the Treasury	-	2.3	1.7	1.1	1.2
Australian Prudential Regulation Authority	-	0.5	-	-	-
Total – Payments	-	5.8	4.5	3.6	3.5

total cost of the measure:

= -\$17.4m¹

Related receipts (\$m)

Australian Prudential Regulation Authority	-	0.5	-	-	-
Australian Securities and Investments Commission	-	-	3.0	2.8	2.4
Total – Receipts	-	+ 0.5	+ 3.0	+ 2.8	+ 2.4

plus

= \$8.7m

The Government will provide \$17.3 million over four years from 2024–25 (and \$3.1 million per year ongoing) to promote the development of sustainable finance markets in Australia. Funding includes:

equals

-\$8.7m

- \$10.0 million over four years from 2024–25 (and \$1.9 million per year ongoing) for additional resourcing for the Australian Securities and Investments Commission (ASIC) to investigate and take enforcement action against market participants engaging in greenwashing and other sustainability-related financial misconduct
- \$5.3 million over four years from 2024–25 (and \$1.2 million per year ongoing) for the Treasury, ASIC and the Australian Prudential Regulation Authority (APRA) to deliver the sustainable finance framework, including issuing green bonds, improving data and engaging in the development of international regulatory regimes related to sustainable finance
- \$1.6 million over two years from 2024–25 for ASIC and the Treasury to consult on the design of a labelling regime to regulate the use of sustainability labels on retail investment products
- \$0.5 million in 2024–25 to continue the development of Australia’s sustainable finance taxonomy, including expanding the taxonomy to cover the agricultural sector.

The cost of this measure will be partially met from cost-recovery through ASIC and APRA industry levies.

Source: BP2, Part 2: Payment Measures, page 70

Note: ¹ Due to rounding, the calculated payment differs from the value reported in the text.

How do I calculate the total impact of a measure?

The previous table presents the impact of a measure on a cash basis in each year of the forward estimates. Add together the impact in each year to get the total impact of the measure.

Check the description of the measure to find out if the policy is terminating or ongoing.

- If the impact of a measure is nil in the final year, the policy may be ending.
- If a measure has an impact in the final year, the policy may continue beyond the years shown.

A measure can have an effect in both the receipts and payments sections of BP2. In this case, the net impact of the measure can be found by summing up the impact in each year in each section.

Depending on the nature of the policy, particularly those where the financial impact is relevant for many years, the description may cover different time periods.

Other amounts included in the measure description may differ from those shown in the table. For example, they may include funding which:

- has been redirected from another area, or
- was included in a previous related budget measure and so is not a change in funding.

This funding would **not** show up in the budget tables, as these only show the **net impact** on the budget.

An example of an ongoing program that also includes reprioritisation in the measure description is below.

Home Affairs

Disaster Support

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28	
National Emergency Management Agency	-	- 46.6	- 45.4	- 27.7	- 18.9	= - \$138.6m²

The Government will provide \$138.7 million over four years from 2024–25 (and \$18.9 million per year ongoing) to improve Australia’s preparedness to respond to all-hazard disasters and resilience to natural hazards.

Source: BP2, Part 2: Payment Measures, page 135

Note: ²Due to rounding, the calculated payment differs from the value reported in the text.

Government debt

Net debt is a key measure of the government's balance sheet and is often used as an indicator of the sustainability of the government's financial position.

How does the budget balance affect the government's debt position?

The government's debt position is affected by the amount spent or saved each year.

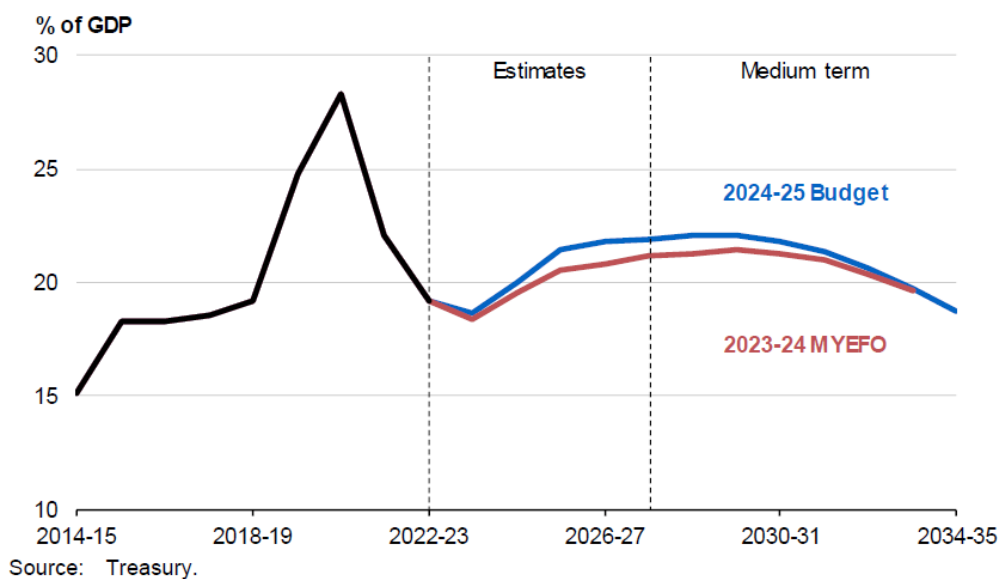
- A **deficit** means the government will need to borrow to cover expenses, which will increase net debt. Additional debt will also increase interest payments in future years.
- A **surplus** means the government can pay down debt, which will decrease interest payments in future years.

How is debt calculated?

The budget provides figures for both **gross debt** and **net debt**.

- **Gross debt** shows what the government owes (its financial liabilities), but it does not include any of the government's financial assets that offset its debt.
- **Net debt** takes account of some of the government's assets and is a more meaningful measure of the overall financial health of a government. Net debt is equal to gross debt minus a pool of liquid financial assets. Chart 3.12 of BP1, Statement 3 visualises net debt as a share of GDP.

Chart 3.12: Net debt



Source: BP1, Statement 3: Fiscal Strategy and Outlook, page 104

Do you need more information?

Detailed information on debt is available in BP1, Statement 3, Statement 7, and Statement 10.

