



Policy costing

Increase to official development assistance (ODA)	
Party:	Australian Labor Party
Summary of proposal: The proposal would provide additional funding for overseas development of the following amounts: <ul style="list-style-type: none">• \$30 million in 2019-20• \$220 million in 2020-21• \$410 million in 2021-22• \$520 million in 2022-23• \$830 million in 2023-24. Additional funding in 2024-25 and beyond would be determined following a review of official development assistance funding to be undertaken in 2023-24.	

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by \$1,180 million over the 2019-20 Budget forward estimates period. This impact reflects an increase in administered expenses of \$1,104 million and departmental expenses of \$76 million over this period.

A breakdown of the financial implications of this proposal over the 2019-20 Budget forward estimates period is included at [Attachment A](#). The proposal would be expected to have an impact for one additional year beyond the 2019-20 Budget forward estimates period.

The financial implications of this proposal for 2024-25 and beyond depend on the outcome of the proposed review of official development assistance funding.

Table 1: Financial implications (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-30	-220	-410	-520	-1,180
Underlying cash balance	-30	-220	-410	-520	-1,180

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

(b) Figures may not sum to totals due to rounding.

Key assumptions

The Parliamentary Budget Office has assumed that the cost of conducting the proposed review in 2023-24 could be met from within departmental resources.

Methodology

Estimated departmental expenses for the proposal are based on the current profile of the costs of administering official development assistance funding.

All expenses have been rounded to the nearest \$1 million.

Data sources

Commonwealth of Australia, 2019. *Department of Foreign Affairs and Trade 2019-20 Portfolio Budget Statements*, Canberra: Commonwealth of Australia.

Attachment A – Increase to official development assistance (ODA) – financial implications

Table A1: Increase to official development assistance – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Expenses					
<i>Administered</i>	-28	-206	-383	-486	-1,104
<i>Departmental – Department of Foreign Affairs and Trade</i>	-2	-14	-27	-34	-76
Total – expenses	-30	-220	-410	-520	-1,180

- (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.
- (b) Figures may not sum to totals due to rounding.