

# Budget Policy Statement 2023



## Summary

The Budget Policy Statement (BPS) has little new in it, the focus is on careful economic and fiscal management through spending prioritisation. There is a continued emphasis on supporting households with cost of living pressures. The Budget spending allowances for future years have not been changed from those announced in Budget 2022. The allowance for new spending is \$4.5 billion for Budget 2023 and then \$3 billion for the subsequent four years.

## Spending priorities for Budget 2023

The BPS identifies four policy areas for focus in Budget 2023; supporting families and households with cost of living pressures, careful fiscal management, getting the basics right by ensuring spending is targeted, and investment in infrastructure to drive growth and reduce emissions.

## Key announcements

The key announcement today is the extension to the cost of living payments. The petrol excise duty cut is extended to 28 February then phased out by 31 March 2023; half price public transport is also extended for the same period with a total cost of \$116 million for both; and half price fares are made permanent for Community Service Card holders and tertiary students.

The other announcement is the increase in the multi-year capital allowance by \$9.1 billion, from \$2.9 billion to \$12.1 billion. How the increase in the allowance might be spent on capital projects in Budget 2023 is not signalled.