

## ESTIMATES BRIEF – Hot Issue

### Additional Estimates – February 2026

## UNAVOIDABLE SPENDING

### 2025-26 MYEFO Issues Brief – Unavoidable spending

#### Subject/Issue

Unavoidable spending in the 2025-26 MYEFO

#### Key points

- In the 2025-26 MYEFO, the Government has provided \$6.6 billion over four years to 2028-29 for urgent and unavoidable spending decisions, including to give access to medicines, support security capability and border protection, and sustain core services to veterans (Part 1: Overview, page 5).
- Unavoidable policy decisions since the 2025-26 Budget include:
  - continuing essential services, including extending key health, disability and aged care programs
  - new and amended listings on the Pharmaceutical Benefits Scheme and Life Saving Drugs program
  - sustaining core services for Australia’s veterans
  - funding infrastructure cost pressures to support productivity and jobs
  - supporting the sustainability of Australia’s science agencies
  - fixing the roof of the National Gallery of Australia
  - supporting Australia’s civil maritime security capabilities and border protection.
- Since the 2022 Pre-election Economic and Fiscal Outlook (PEFO) and including the 2025-26 MYEFO, the Government has provided \$57.8 billion in unavoidable spending decisions to address urgent and unavoidable issues.

#### Key facts and figures

- The Government has delivered improvements to the budget despite challenging global conditions and the need to fund \$6.6 billion of urgent and unavoidable spending decisions in the 2025-26 MYEFO.

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- 2025-26 MYEFO measures that contain unavoidable spending components include:
  - \$2.1 billion to continue essential services, including:
    - \$969 million to continue health, aged care and disability programs, including establishing two new ongoing competitive grant programs for chronic conditions and alcohol and drug treatment (various measures in Appendix A)
    - \$77 million to continue to support veterans and their families (Appendix A, page 219, *Continuing to Support Veterans and their Families*)
    - \$63 million to continue support for Community Sector Organisations to address wage increases and operating costs (Appendix A, page 217, *Support for Community Sector Organisations*)
    - \$59 million to continue to help early childhood education and care services to support the inclusion of children with additional needs (Appendix A, page 229, *Inclusion Support Program – supplementary funding*).
  - \$1.8 billion for new and amended listing on the Pharmaceutical Benefits Scheme (PBS), and Life Saving Drugs program, including treatment of patients with Stage III melanoma, fibrodysplasia ossificans progressiva and advanced Hodgkin lymphoma (Appendix A, page 254-255, *Pharmaceutical Benefits Scheme New and Amended Listings*).
  - \$398 million to sustain sufficient staffing and core services for veterans and their families (Appendix A, page 220, *Department of Veterans' Affairs – additional resourcing to support service delivery*).
  - \$301 million to address unavoidable cost pressures for existing Infrastructure Investment Projects (Appendix A, page 269, *Building a Better Future Through Considered Infrastructure Investment*).

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- \$274 million to support sustainability of Australia's science agencies, including for the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and Australian Nuclear Science and Technology Organisation (ANSTO) (Appendix A, page 267, *Investing in Science Agencies*).
- \$196 million to fix the roof of the National Gallery of Australia, support ongoing operations during the repairs and develop an initial business case to inform future capital works (Appendix A, page 273, *National Cultural Policy – National Collecting Institutions*).
- Additional funding to support Australia's civil maritime security capabilities and border protection (Appendix A, page 260, *Civil Maritime Security Capabilities*).

**UNAVOIDABLE SPENDING****Background**

- The 2025-26 MYEFO included \$6.6 billion in unavoidable spending, bringing total unavoidable spending to \$57.8 billion since the 2022 PEFO, including:
  - \$99 million in the 2025 PEFO, including new and amended listings on the Pharmaceutical Benefits Scheme and new and amended items on the Medicare Benefits Schedule.
  - \$3.5 billion in the 2025-26 Budget, including funding for new and amended listings on the PBS and new and amended items on the Medicare Benefits Schedule, address unavoidable cost pressures for projects in the Infrastructure Investment Program, continuing the stabilisation of Australia's business registers, supporting illicit tobacco and funding the outcome of the Fair Work Commission's decision to increase the minimum award wards of registered and enrolled nurses employed in the aged care sector and funding essential government services (page 60, 2025–26 Budget Paper No. 1).
  - \$8.8 billion in the 2024–25 MYEFO, including for frontline legal assistance through the National Access to Justice Partnership, new and amended listings on the Pharmaceutical Benefits Scheme, extending funding for health and aged care programs, the National Disability Insurance Agency and the NDIS Quality and Safeguards Commission, unavoidable infrastructure cost pressures and funding for the avian influenza response (page 7, Part 1, 2024–25 MYEFO).
  - \$15.4 billion in the 2024–25 Budget, including funding to address pressures at Services Australia, such as maintaining safety for staff and customers and continuing to operate, maintain and enhance myGov, address unavoidable cost pressures in the Infrastructure Investment Program, extend health programs and continue the COVID-19 response (page 8, 2024–25 Budget Paper No.1).
  - \$5.2 billion in the 2023–24 MYEFO, including responding to the Robodebt Royal Commission, continuing support for the COVID-19 response, funding for Services Australia and the National Disability Insurance Agency, and the cost of closing the Pandemic Event Visa (page 56, Part 3, 2023–24 MYEFO).

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- \$9.8 billion in the 2023–24 Budget, including funding the Brisbane 2032 Olympic and Paralympic Games, securing digital health infrastructure such as My Health Record, sustainably funding Australia’s biosecurity system and Australia’s nine National Collecting Institutions, and funding for the ongoing COVID-19 response (page 93, 2023–24 Budget Paper No. 1).
- \$8.4 billion in the 2022–23 October Budget, including continuing support for the COVID-19 response, maintaining critical ICT platforms such as My Aged Care, funding to continue environmental approval assessments, and reversing unlegislated savings measures (page 79, 2022–23 October Budget Paper No. 1).

**Supporting information****Questions on Notice**

- Nil

**Freedom of Information (FOI) Requests**

- No FOIs asked

**Recent Ministerial Comments**

- [Joint press conference, Canberra | Treasury Ministers](#), Jim Chalmers & Katy Gallagher, 17 December 2025

**Relevant Media Reporting**

- [Budget update to reveal Australia’s fiscal fortunes](#), AAP & CBA Newsroom, 15 December 2025

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**PDR Number:** SB26-000004