Mr Andrew Laming MP

Federal Member for Bowman

Liberal Party of Australia

Parliament House

CANBERRA ACT 2600

Dear Mr Laming

Please find attached a response to your request for updated budget analysis on major spending measures yet to be legislated (correspondence of 24 February 2015).

If you have any queries about this response, please do not hesitate to contact Tim Pyne on
(02) 6277 9560.

Yours sincerely

Phil Bowen

27 February 2015

**RESPONSE TO REQUEST FOR BUDGET ANALYSIS – OUTSIDE THE CARETAKER PERIOD**

|  |  |
| --- | --- |
| **Name of information request:** | **Update of major yet to be legislated payment measures** |
| Summary of request: | The request sought information on major yet to be legislated spending measures. |
| Person/party requesting information: | Mr Andrew Laming MP, Member for Bowman |
| Date information request received: | 24 February 2015 |
| Date response provided: | 27 February 2015 |
| Did the applicant ask for the information request to be confidential? | No |
| Expiry date for the information: | When any of the measures listed are legislated, or after the release of the 2015-16 Budget. |

**Overview**

In the Parliamentary Budget Office (PBO) report *Projections of Government spending over the medium term* (02/2014), Attachment B at page 38 provides a table of the major spending measures that were yet to be legislated as at August 2014.

The table at Attachment A to this advice provides an updated version of that table to take into account the legislation of any of those measures since the publication of the report, and new measures contained in the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) that affect those measures listed.

**Notes on table**

* The table at Attachment A shows the impact of key measures yet to be legislated on spending programs covered in the PBO report *Projections of government spending over the medium term*. This information underlies Table B.2 in the PBO report.
* The table includes major measures yet to be legislated but *is not* a comprehensive list of all measures yet to be legislated. The large majority of yet to be legislated measures included were contained in the 2014-15 Budget, with changes to the Medicare and higher education measures announced in the 2014-15 MYEFO.
* The expense measure related to the Fuel Tax Credits Scheme included in the PBO report has been removed, as this measure has been implemented by an excise tariff proposal.

**ATTACHMENT A: STATUS OF MAJOR YET TO BE LEGISLATED MEASURES INCLUDED IN *PROJECTIONS OF GOVERNMENT SPENDING OVER THE MEDIUM TERM***

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Program** | **Measure** | **Status of measure** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **2023-24** | **2024-25** | **Total** | **Published source** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Age Pension | Index Pension and Equivalent Payments by the CPI | **Unlegislated** | 0 | 0 | 0 | -178 | -612 | -1,365 | -1,908 | -2,793 | -4,051 | -5,114 | -6,782 | -22,803 | BP2 p. 203 |
| Age Pension | Reset the assets test deeming rate thresholds | **Unlegislated** |  |  |  | -42 | -57 | -59 | -62 | -64 | -68 | -70 | -74 | -496 | BP2 p. 208 |
| Carer Income Support | Maintain eligibility thresholds for Australian Government payments for three years | **Unlegislated** | 0 | 0 | 0 | -5 | -9 | -14 | -14 | -14 | -14 | -14 | -14 | -98 | BP2 p. 204 |
| Carer Income Support | Education Entry Supplement - cessation | **Unlegislated** | -1 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -3 | -3 | -3 | -22 | BP2 p. 197 |
| Carer Income Support | Reset the assets test deeming rate | **Unlegislated** |  |  |  | -1 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -15 | BP2 p. 208 |
| Carer Income Support | Index Pension and Equivalent Payments by the CPI | **Unlegislated** | 0 | 0 | 0 | -21 | -71 | -164 | -223 | -332 | -475 | -607 | -793 | -2,686 | BP2 p. 203 |
| Child Care | Maintain eligibility thresholds for Australian Government payments for three years | **Unlegislated** | -33 | -49 | -71 | -77 | -80 | -84 | -89 | -94 | -99 | -105 | -112 | -893 | BP2 p. 204 |
| DSP | Maintain eligibility thresholds for Australian Government payments for three years | **Unlegislated** | 0 | 0 | 0 | -7 | -15 | -22 | -22 | -22 | -22 | -22 | -22 | -156 | BP2 p. 204 |
| DSP | Education entry supplement - cessation of indexation | **Unlegislated** | -3 | -6 | -6 | -6 | -6 | -6 | -6 | -6 | -6 | -6 | -6 | -64 | BP2 p. 197 |
| DSP | Reset the assets test deeming rate | **Unlegislated** |  |  |  | -3 | -4 | -4 | -5 | -5 | -5 | -5 | -5 | -36 | BP2 p. 208 |
| DSP | Index Pension and equivalent payments by the CPI | **Unlegislated** | 0 | 0 | 0 | -57 | -194 | -404 | -594 | -875 | -1,243 | -1,576 | -2,046 | -6,988 | BP2 p. 203 |
| Family Tax Benefit | Family Payment Reform package - Maintain FTB payment rates for two years | **Unlegislated** | -399 | -719 | -730 | -741 | -779 | -815 | -849.8 | -888 | -930 | -962 | -996 | -8,808 | BP2 p. 204 |
| Family Tax Benefit | Family Payment Reform package - Revise FTB end-of-year supplements | **Unlegislated** |  | -410 | -399 | -425 | -487 | -554 | -623 | -693 | -775 | -857 | -941 | -6,162 | BP2 p. 200 |
| Family Tax Benefit | Family Payment Reform package - Limit FTB B to families with children under six years of age | **Unlegislated** | 0 | -88 | -245 | -1,579 | -1,646 | -1,718 | -1,792 | -1,871 | -1,952 | -2,037 | -2,124 | -15,051 | BP2 p. 198 |
| Family Tax Benefit | Maintain eligibility thresholds for Australian Government payments for three years | **Unlegislated** | -115 | -208 | -314 | -317 | -329 | -341 | -354 | -371 | -383 | -401 | -414 | -3,549 | BP2 p. 199 |
| Higher education | Higher Education Reforms — amendments | **Unlegislated** | 426 | 592 | 755 | 914 | 1,074 | 1,262 | 1,483 | 1,743 | 2,048 | 2,407 | 2,828 | 15,532 | MYEFO p. 151 |
| Higher education | A Sustainable Higher Education Loan Programme - Repayment thresholds and indexation | **Unlegislated** | -349 | -459 | -583 | -731 | -904 | -1,100 | -1,310 | -1,410 | -1,504 | -1,605 | -1,718 | -11,672 | BP2 p. 77 |
| Higher education | Expanding Opportunity - Expansion of the demand driven system and sharing the cost fairly | **Unlegislated** |  | -162 | -399 | -510 | -532 | -474 | -375 | -373 | -367 | -360 | -351 | -3,903 | BP2 p. 84 |
| Higher education | Expanding Opportunity - A more effective Higher Education Participation Programme | **Unlegislated** | -8 | -13 | -14 | -18 | -20 | -22 | -25 | -27 | -30 | -32 | -35 | -241 | BP2 p. 84 |
| Higher education | Expanding Opportunity - Higher Education Indexation — revised arrangements | **Unlegislated** | 0 | -25 | -68 | -104 | -134 | -158 | -179 | -209 | -236 | -265 | -297 | -1,675 | BP2 p. 84 |
| Higher education | A Sustainable Higher Education Loan Programme - Research Training Scheme — student contributions | **Unlegislated** |  | -33 | -68 | -70 | -72 | -75 | -78 | -80 | -83 | -87 | -90 | -735 | BP2 p. 79 |
| Medicare Benefits Schedule | A strong and sustainable Medicare | **Unlegislated** | -184 | 354 | 18 | -291 | -364 | -330 | -323 | -317 | -309 | -302 | -294 | -2,343 | MYEFO p. 166 |
| Medicare Benefits Schedule | Introducing patient contributions for general practitioner, pathology and diagnostic imaging services | **Unlegislated** | 1 | -1,164 | -1,182 | -1,227 | -1,278 | -1,331 | -1,385 | -1,441 | -1,499 | -1,560 | -1,623 | -13,689 | BP2 p. 84 |
| Medicare Benefits Schedule | Simplifying Medicare safety net arrangements | **Unlegislated** | 0 | -54 | -116 | -117 | -119 | -120 | -122 | -123 | -125 | -126 | -128 | -1,148 | BP2 p. 145 |
| Medicare Benefits Schedule | Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds | **Unlegislated** | -132 | -280 | -291 | -307 | -328 | -346 | -367 | -388 | -410 | -433 | -455 | -3,736 | BP2 p. 139 |
| Newstart | Increasing the eligibility age for Newstart allowance and sickness allowance | **Unlegislated** | -121 | -831 | -1,069 | -1,016 | -1,008 | -993 | -1,007 | -1,037 | -1,067 | -1,100 | -1,138 | -10,386 | BP2 p. 203 |
| Newstart | Maintain eligibility thresholds for Australian Government payments for three years | **Unlegislated** | 0 | -4 | -8 | -7 | -7 | -7 | -7 | -7 | -8 | -8 | -8 | -71 | BP2 p. 204 |
| Newstart | Stronger participation incentives for job seekers under 30 | **Unlegislated** | -111 | -237 | -244 | -240 | -240 | -239 | -242 | -250 | -260 | -271 | -281 | -2,616 | BP2 p. 210 |
| PBS | Increase in co-payments and safety net thresholds | **Unlegislated** | -145 | -306 | -365 | -447 | -487 | -495 | -503 | -510 | -518 | -525 | -535 | -4,836 | BP2 p. 140 |
| Private Health Insurance Rebate | Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds | **Unlegislated** |   | -99 | -189 | -290 | -312 | -336 | -361 | -389 | -418 | -450 | -484 | -3,329 | BP2 p. 139 |
| **Total unlegislated** |   |  | **-1,173** | **-4,203** | **-5,590** | **-7,920** | **-9,022** | **-10,316** | **-11,346** | **-12,850** | **-14,814** | **-16,499** | **-18,942** | **-112,673** |   |