11 May 2016

Parliamentary Budget Office

Phil Bowen PSM FCPA

Parliamentary Budget Officer

Parliament House

Canberra ACT

Dear Mr Bowen,

I request that the attached pro-forma policy costing within the caretaker period document please be processed in a timely manner.

Kind regards



Jacqui Lambie

Senator for Tasmania

# Policy costing request—during the caretaker period for a general election

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| **Name of policy:** | **Veterans' entitlement: expanded Gold Card** |
| Person requesting costing: | Senator Jacqui Lambie |
| Parliamentary party:  | Independent Senator |
| Date of request to cost the policy: | 11 May 2016 |
| *Note: This policy costing request and the response to this request will be made publicly available.* |
| Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)? | No |
| Details of the public release of this policy (Date, by whom and a reference to that release): | Progress in the senateCopy of Second Reading speech attached.

| **Senate** |
| --- |
| Introduced and read a first time | 11 Nov 2015  |
| Second reading moved | 11 Nov 2015  |
| Second reading debate | 25 Feb 2016  |
| Lapsed at prorogation | 17 Apr 2016  |
| Restored to Notice Paper | 19 Apr 2016  |
| Lapsed at dissolution | 09 May 2016  |

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| **Description of policy** |
| Summary of policy (as applicable, please attach copies of relevant policy documents): | Copy of Bill and Explan Mem and previous PBO costing |
| What is the purpose or intention of the policy? |  Amends the Veterans’ Entitlements Act 1986to provide that all veterans, including former members of the Defence Force and members of a peacekeeping force, who have served in war or war-like operations, are eligible for medical treatment, regardless of whether the condition or injury was caused by war or contracted during war or war-like operations. |
| **What are the key assumptions that have been made in the policy, including:** |
| Is the policy part of a package?If yes, list the components and interactions with proposed or existing policies. | NO |
| Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount? | Demand Driven |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | No Federally Funded |
| Are there associated savings, offsets or expenses?If yes, please provide details. |  Attached is the previous PBO – We are seeking a calculation for an individual versus the costing as a whole |
| Does the policy relate to a previous budget measure? If yes, which measure? | Veterans Entitlement Act 1986 |
| If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? | It is expected to possibly cost more but savings would be made in areas where claims are disputed and are being pursued legally. |
| Will the funding/program cost require indexation?If yes, list factors to be used. | Unsure if indexation would be required |
| **Expected impacts of the proposal** |
| If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis? |
| **Estimated financial implications (outturn prices)(a)** |
|  | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
| Underlying cash balance ($m) | Please refer to previous PBO costing | Please refer to previous PBO costing | Please refer to previous PBO costing | Please refer to previous PBO costing |
| Fiscal balance ($m) | Please refer to previous PBO costing | Please refer to previous PBO costing | Please refer to previous PBO costing | Please refer to previous PBO costing |
| 1. 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 positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.
 |
| What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)? | Please refer to previous PBO costing |
| Has the policy been costed by a third party?If yes, can you provide a copy of this costing and its assumptions? | No |
| What is the expected community impact of the policy?How many people will be affected by the policy?What is the likely take up?What is the basis for these impact assessments/assumptions? | Please refer to previous PBO costing |
| **Administration of policy:** |
| Who will administer the policy (for example, Australian Government entity, the States, non‑government organisation, etc)? | Veterans Affairs/Defence Dept. |
| Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies). | Processes are already in place. |
| Intended date of implementation: | 1 July 2016 |
| Intended duration of policy: | Ongoing |
| Are there transitional arrangements associated with policy implementation? | Possibly re-assessing cases under new guidelines |
| List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0). | Please refer to previous PBO costing |
| Are there any other assumptions that need to be considered? | **Senator Lambie would like the previous costing broken so as she can see how much it would potentially be for an individual.** |
| **NOTE:***Please note that:**The costing will be on the basis of information provided in this costing request.**The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.* |