



Parliamentary
Budget Office

2019 POST-ELECTION REPORT OF ELECTION COMMITMENTS

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Foreword

The Parliamentary Budget Officer is required to publish a report after each general election that details and aggregates the budget impacts of the election commitments made by political parties. This report must cover the commitments of the major parliamentary parties and may cover the commitments of the minor parties and independents if they choose to be included. No minor parties or independents chose to be included in this report.¹

The post-election report of election commitments for the 2019 general election:

- i uses the 2019 Pre-election Economic and Fiscal Outlook report as the baseline for the costings of election commitments
- ii incorporates costings of all of the election commitments of each party that, in my best professional judgement, would have a material impact on the Commonwealth budget over the 2019–20 Budget forward estimates and medium term periods
- iii shows, for each party, the individual and total combined impacts those election commitments would be expected to have on the Commonwealth budget over the 2019–20 Budget forward estimates period
- iv shows, for each party, the medium term budget impacts of: commitments that have an impact of over \$1 billion in any year; commitments that have a materially different impact over the medium term relative to the 2019–20 Budget forward estimates period; and the top ten commitments by budget impact
- v shows, for each party, the total combined medium term impact of the election commitments on the underlying cash balance as a share of gross domestic product (GDP), as well as the total combined medium term impact on receipts and payments as a share of GDP
- vi presents full costing documentation for all election commitments, with the exception of those commitments that are specified as providing capped levels of funding.

Further details on the requirements for, and approach to the preparation of, this report are presented at Appendix G.

I am satisfied that this report contains the full cost of each of the major party's election platforms, reflecting the best endeavours of the Parliamentary Budget Office.

Jenny Wilkinson
Parliamentary Budget Officer

19 June 2019

¹ The Liberal Party of Australia, National Party of Australia, Liberal National Party of Queensland and Country Liberal Party are treated as a single party, the Coalition, for the purpose of this report, in line with the PBO's legislation.

Overview

The 2019 Post-election report of election commitments shows the individual and combined budget impacts of the election commitments announced by each of the three major political groupings (the Coalition, the Australian Labor Party and the Australian Greens) ahead of the 2019 general election. It shows that each party platform, if fully delivered, would be expected to result in larger budget surpluses in total over both the 2019–20 Budget forward estimates and medium term periods than outlined in the 2019 Pre-election Economic and Fiscal Outlook (PEFO).²

The Parliamentary Budget Office's (PBO's) estimates of the total combined budget impact of the election commitments of each party and the resulting level of the underlying cash balance over the forward estimates period are shown in Table 1.³

Table 1: Underlying cash balance impacts (\$billion)

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Net impact of election commitments					
Coalition	0.0	0.0	0.1	0.0	0.1
Australian Labor Party	0.6	2.0	1.9	12.6	17.3
Australian Greens	1.7	-2.5	-3.9	8.5	3.8
Final underlying cash balance					
Coalition	7.1	11.0	17.8	9.2	45.1
Australian Labor Party	7.7	13.0	19.7	21.8	62.3
Australian Greens	8.7	8.5	13.9	17.7	48.8

Note: A positive impact indicates an increase in the underlying cash balance. A negative impact indicates a reduction in the underlying cash balance. The impact of each party's election commitments on the fiscal balance is available in the appendices. Figures may not sum to totals due to rounding.

For the Coalition and the Australian Labor Party (Labor), these estimates are not materially different from those made public prior to polling day.^{4,5}

The underlying cash balance estimates for the Australian Greens (the Greens) are materially different from those made public prior to polling day.⁶ The \$4.2 billion difference is mainly due to the inclusion of the fiscal impacts for additional election announcements identified by the PBO⁷, as well as the impact of interactions between different election commitments in the Greens' platform and the impact of their platform on the Government's public debt interest payments. The Greens were

² This is based on the final budget aggregates for each party, which do not include unquantifiable commitments, consistent with the budget treatment of unquantifiable measures.

³ Appendix G details the requirements for preparing the post-election report and the approach adopted by the PBO.

⁴ See the Coalition budget document, *Our plan to deliver budget surpluses without increasing taxes*, available at <https://www.liberal.org.au/our-plan-deliver-budget-surpluses-without-increasing-taxes>.

⁵ See *Labor's fair go budget plan*, available at https://www.alp.org.au/media/1878/2019_labor_fiscal_plan.pdf.

⁶ See *The Greens' independently costed election platform 2019*, available at <https://greens.org.au/sites/default/files/2019-05/Australian%20Greens%20Independently%20Costed%20Election%20Platform.pdf>.

⁷ Although the \$4.2 billion difference is material, it should be considered in the context of the Greens' overall platform, which involved receipts and payments commitments amounting to more than \$140 billion each (in net terms) over the forward estimates period.

transparent in their budget documentation that these latter two impacts were not included in their estimates.⁸

Medium term impacts

For the first time, this post-election report includes the budget impact of the announced election platforms for each party over the medium term; that is, for the period from 2019–20 to 2029–30. Estimates of the fiscal impacts over the medium term are provided as a share of gross domestic product (GDP), consistent with the presentation in the budget and PEFO.

Medium term projections provide an indication of the trajectory of fiscal policy over the coming decade. While these are unavoidably more uncertain than shorter-term projections, they are particularly relevant where parties make commitments that may not take effect, or fully mature, until the period beyond the forward estimates. In such circumstances, the trajectory over the forward estimates may not accurately indicate the underlying fiscal trends.

Estimates of medium term projections can be highly sensitive to any overarching constraints, caps or technical assumptions about the tax-to-GDP ratio. The medium term impacts take into account each party's commitments in this regard.

The Coalition's commitment to cap tax receipts at 23.9 per cent of GDP was incorporated into the medium term projections published in PEFO. These projections imply that unspecified tax cuts valued at 0.1 per cent of GDP will be delivered in 2029–30.

During the election campaign, Labor announced a technical assumption, as part of their budget strategy, that the tax-to-GDP ratio would not rise above 24.3 per cent over the medium term. The PBO has treated this as a tax cap for the purposes of this report, in line with the historical treatment of similar technical assumptions in the budget. These projections imply that the Labor platform incorporates significant unspecified tax cuts that would be delivered from 2023–24. The value of these tax cuts would increase from 0.2 per cent of GDP in 2023–24 to 1.7 per cent of GDP by 2029–30.

The Greens did not apply a tax cap to their fiscal plan, adopting an unconstrained projection in their election platform costing.

The PBO's estimates of the budget impact of each party's election platform and the resulting level of the underlying cash balance as a share of GDP are shown in Table 2. This table also shows impacts on payments and receipts.

The Coalition and the Greens did not release estimates of the medium term impacts of their election commitments prior to polling day. Differences in the medium term underlying cash balance impacts for Labor, compared with those included in the Labor budget plan, are largely due to the application of the technical assumption to limit tax receipts to 24.3 per cent of GDP. These differences amount to no more than 0.1 per cent of GDP in any year.

The election commitments of Labor and the Greens result in higher levels of receipts and payments as a share of GDP relative to the budget baseline at PEFO. The Coalition's election commitments do not materially change receipts or payments from PEFO levels.

⁸ The exclusion of the fiscal impact of interactions and public debt interest in underlying cash balance estimates was stated on pages 3 and 9 of *The Greens' independently costed election platform 2019*.

Table 2: Medium term underlying cash balance, receipts and payments (% of GDP)

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30
Underlying cash balance											
Net impact of election commitments on underlying cash balance											
Coalition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Australian Labor Party	0.0	0.1	0.1	0.6	0.3	0.8	0.7	0.4	0.1	0.0	-0.1
Australian Greens	0.1	-0.1	-0.2	0.4	0.3	1.1	1.1	1.2	1.2	1.3	1.3
Final underlying cash balance											
Coalition	0.4	0.5	0.8	0.4	0.8	0.6	0.8	1.4	1.7	1.8	2.0
Australian Labor Party	0.4	0.6	0.9	1.0	1.1	1.4	1.5	1.8	1.7	1.8	1.9
Australian Greens	0.4	0.4	0.6	0.8	1.1	1.7	2.0	2.5	2.8	3.0	3.4
Receipts											
Net impact of election commitments on receipts											
Coalition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Australian Labor Party	0.2	0.5	0.6	1.0	0.8	1.2	1.1	0.8	0.5	0.5	0.4
Australian Greens	1.3	1.5	1.7	2.3	2.2	3.1	3.3	3.3	3.4	3.4	3.3
Final receipts											
Coalition	25.2	25.1	25.4	25.0	25.2	24.8	24.9	25.2	25.5	25.5	25.5
Australian Labor Party	25.4	25.6	25.9	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Australian Greens	26.6	26.7	27.1	27.3	27.3	27.8	28.1	28.6	28.9	28.9	29.0
Payments											
Net impact of election commitments on payments											
Coalition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Australian Labor Party	0.1	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Australian Greens	1.3	1.6	1.9	1.9	1.9	2.0	2.1	2.2	2.2	2.1	2.0
Final payments											
Coalition	24.6	24.6	24.5	24.5	24.4	24.1	24.0	23.8	23.8	23.7	23.6
Australian Labor Party	24.7	25.0	25.0	25.0	24.9	24.6	24.5	24.2	24.2	24.2	24.0
Australian Greens	25.9	26.3	26.4	26.5	26.3	26.1	26.2	26.0	26.0	25.9	25.6

Further information on the announced election platforms

This report includes the fiscal impact of 68 election commitments made by the Coalition, 273 made by Labor and 86 made by the Greens. Individual costing documents, containing detailed information about each policy proposal and its fiscal impacts, have been provided in the appendices for all election commitments other than those involving specified (capped) amounts of funding.⁹

The number and value of election commitments included in this report is lower for the Coalition than for the other parties. As is usually the case for the party in government, the Coalition included most of its election platform in the budget update it released just prior to calling the election. As a result, a significant number of the Coalition's announcements during the election campaign (particularly in the areas of health policy and infrastructure) did not involve any additional fiscal impact as they had already been included in the budget baseline at PEFO.

⁹ Individual costing documents provide the detailed specification, assumptions and methodologies applied in estimating the fiscal impacts of individual commitments. These are available at Appendices D (Coalition), E (Labor), and F (Greens).

Across all parties, a considerable number of election commitments involved the commitment of specified (or capped) amounts of funding to achieve particular policy outcomes. These capped amounts, as specified by parties, have been included in the estimates of the budget impact, and the PBO has confirmed that sufficient funds are available to fund the announced projects. The PBO has not, however, assessed whether the specified amounts would be sufficient to achieve the announced policy outcomes.

A number of election commitments made by parties were commitments to introduce regulatory changes. These included, for example, the extension of the safeguard mechanism which is part of Labor's climate change policy, the commitment to legislate carbon dioxide emissions standards for vehicles announced by the Greens, and the Coalition's plan to *Keep Australians safe online*. The direct fiscal impact of these regulatory commitments is generally small, and often zero, if they can be administered using the current regulatory arrangements.¹⁰ Similarly, the implementation of some commitments would require a reprioritisation of existing departmental resources, and would not be expected to have a significant additional fiscal cost. Since the purpose of this report is to identify commitments that are expected to have a significant impact on the fiscal position, commitments with these characteristics have not been included in this report.

There were some announcements made during the election campaign that the PBO has judged to be aspirational in nature, where no firm commitment was made to the policy mechanism or details that would deliver on the announcement. Labor's electric vehicle target, the Greens' living wage commitment, and the Coalition's intention to restore the Private Health Insurance Rebate in the future fall into this category. The PBO has determined that these were not appropriate for inclusion in this report as insufficient details were provided about the policies that would deliver these outcomes. On the other hand, commitments that included detailed actions to achieve an aspirational target have been included.

There has been a significant increase in the use of alternative financing arrangements, such as loans, equity injections and guarantees, to fund policy priorities over the past decade and all major parties announced commitments involving the use of alternative financing arrangements during this election period. Alternative financing arrangements can be an appropriate method for financing government commitments, however the budget reporting of these arrangements is not as comprehensive as the budget reporting of direct expenditure and taxation measures. In particular, the budget impacts of these measures can be understated when looking at the fiscal or underlying cash balance impacts alone. The headline cash balance impact provides a better indication of the cost of the initial contribution, while changes to the value of the government's investments over time are reported under net financial worth.

A useful indicator of the size of the proposed alternative financing arrangements is the difference between the impacts on the headline cash balance and the underlying cash balance. Greater use of alternative financing arrangements will usually result in headline cash balance impacts that are lower (indicating less of an improvement in the budget position) than the underlying cash balance impacts. For this election, the Coalition announced six commitments involving the use of these instruments, resulting in the headline cash balance impact being \$0.6 billion lower than the underlying cash balance impact over the forward estimates period. This is in addition to those elements of its platform included in the 2019–20 Budget. Labor announced nine commitments involving the use of

¹⁰ Regulatory changes would be expected to have impacts across the economy, often having offsetting impacts on different sectors. The flow-on effects of these impacts on the budget are referred to as 'indirect effects' or 'broader economic effects', however the net budget impact of these effects is often highly uncertain in terms of magnitude and timing. For further discussion of these issues, see Appendix G.

these instruments that would result in the headline cash balance being \$8.6 billion lower than the underlying cash balance impact over the forward estimates period. The Greens announced seven such commitments that would result in the headline cash balance being \$26.6 billion lower than the underlying cash balance impact over the forward estimates period.

Further detail on the budget impacts of each party's election platform is set out in the next section and in summary tables at Appendices A (Coalition), B (Labor) and C (Greens). All costing documentation is provided at Appendices D (Coalition), E (Labor) and F (Greens).

Budget impacts of election commitments

Coalition

The combined impact of the Coalition’s election commitments is estimated to increase the underlying cash balance by \$0.1 billion over the 2019–20 Budget forward estimates period (Table 3). This reflects a net decrease in payments and an increase in non-tax receipts.

These budget impacts exclude the impacts of Coalition election commitments that were included in PEFO, which is the budget baseline for this report. There are no material differences between these budget impacts and those released by the Coalition prior to the election.

Table 3: Budget impact of the Coalition’s election commitments (\$billion)

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Impact on underlying cash balance					
Receipts	0.0	0.0	0.0	0.0	0.1
Payments (excluding PDI)	0.0	0.0	0.1	0.0	0.1
Public debt interest (PDI)	0.0	0.0	0.0	0.0	0.0
Underlying cash balance	0.0	0.0	0.1	0.0	0.1
Final level					
Receipts	505.5	522.3	551.0	566.9	2,145.8
Payments (excluding PDI)	476.9	494.9	517.4	542.5	2,031.7
Public debt interest	16.4	16.4	15.8	15.2	63.8
Underlying cash balance	7.1	11.0	17.8	9.2	45.1

Note: A positive impact on the underlying cash balance indicates an increase in receipts or a decrease in payments. A negative impact on the underlying cash balance indicates a decrease in receipts or an increase in payments. Figures may not sum to totals due to rounding.

All of the Coalition’s election commitments are payments measures with only minor impacts on non-tax receipts. The Coalition commitment with the largest fiscal impact is *Efficiency dividend extension* (PER066), a savings measure that increases the underlying cash balance by \$1.5 billion over the forward estimates period.

This savings measure offsets the 67 Coalition commitments that decrease the underlying cash balance over the forward estimates, of which the two largest are *Pharmaceutical Benefits Scheme – Increasing the safety net* (PER033) and *Infrastructure Investment Program – Urban Congestion Fund* (PER067). The latter commitment provided an additional \$210 million to the Urban Congestion Fund over the forward estimates period.

The Coalition announced a number of commitments during the election campaign that related to decisions made prior to the commencement of the caretaker period. Where unclear from announcements, the PBO sought information on the funding source for commitments to ensure that funding had been allocated from existing programs.

Further discussion of Coalition election commitments is provided in the *Medium term budget impacts* section below. A detailed table outlining the source and budget impacts of each of the Coalition’s election commitments is provided at Appendix A and costing documentation is provided at Appendix D. The costing documentation for the Coalition’s election commitments was prepared by the Department of Finance during the caretaker period, with the exception of the *Infrastructure*

Investment Program – Urban Congestion Fund (PER067), Funding construction of East West Link (PER068) and National Water Grid (PER009). In some circumstances, the PBO has provided additional information in addenda to the Department of Finance costings.¹¹

Interactions between election commitments

No significant budget impacts were identified as a result of interactions between the Coalition's election commitments. As the majority of the Coalition's commitments were decisions taken prior to the commencement of the caretaker period, interactions would have been incorporated in the Budget and PEFO.

Impacts on the headline cash balance and public debt interest

The combined impact of the Coalition's election commitments is expected to decrease the headline cash balance by \$0.5 billion over the forward estimates, resulting in an increase of \$47 million in public debt interest payments over the same period. The decrease in the headline cash balance is due to equity injections associated with the commitments *First Home Loan Deposit Scheme (PER062)* and *Australian Business Growth Fund – equity investment (PER047)*.

Medium term budget impacts

The net impact of the Coalition's election commitments is expected to marginally decrease payments and have an immaterial impact on receipts over the medium term relative to the projected levels in PEFO. This results in the underlying cash balance being slightly higher over the medium term compared to PEFO.

The net impact of the Coalition's election commitments on the underlying cash balance, receipts and payments over the medium term is summarised in Table 2.

The final projected levels of the underlying cash balance, receipts and payments, including all of the Coalition's election commitments, are broadly the same as in PEFO. The final level of the underlying cash balance is projected to increase from a surplus of 0.4 per cent of GDP in 2019–20 to 2.0 per cent of GDP in 2029–30.

Table 4 summarises the Coalition's ten largest election commitments over the medium term. These commitments are included in Appendix A, Table A-2.¹²

11 The PBO's legislation does not require the Parliamentary Budget Officer to include the costing documentation prepared by the Department of Finance during the caretaker period if, in her professional judgement, she considers it more appropriate to include a new costing.

12 For these commitments, the PBO has accepted the estimates prepared by the Department of Finance over the forward estimates and has extended the costings out to 2029–30. The additional costing information is provided in Table A-2 at Appendix A and the addenda to the individual Department of Finance costings, as required, at Appendix D.

**Table 4: The Coalition’s ten largest election commitments over the medium term
– impact on the underlying cash balance (\$billion)**

	2019– 20	2020– 21	2021– 22	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30	Total to 2022–23	Total to 2029–30
Efficiency dividend extension (PER066)	0.1	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.5	4.9
Protected Mobile Fires Project (LAND 8112) (PER063)	-	..	..	-0.1	-0.3	-0.2	-0.3	-0.2	-0.2	..	..	-0.1	-1.4
Pharmaceutical Benefits Scheme – Increasing the safety net (PER033)	..	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-1.2
Infrastructure Investment Program – Urban Congestion Fund (PER067)	-	-	-0.1	-0.1	-	-	-	-	-	-	-	-0.2	-0.2
Farm Household Allowance – permanent increase to asset threshold (PER041)	..	..	..	..	..	..	..	..	..	..	..	..	-0.2
National Water Grid (PER009)	-	-	-	-	-	-	..	..	..	..	..	-	-0.1
First Home Loan Deposit Scheme (PER062)	..	..	..	..	..	..	..	..	..	..	..	..	-0.1
Mid-career checkpoint (PER056)	..	..	..	..	-	-	-	-	-	-	-	-0.1	-0.1
Supporting sport and physical activity (PER061)	..	..	..	..	-	-	-	-	-	-	-	-0.1	-0.1
Australian Apprentice Wage Subsidy Trial – expansion (PER019)	..	..	..	..	-	-	-	-	-	-	-	-0.1	-0.1

Note: A positive impact indicates an increase in the underlying cash balance. A negative impact indicates a reduction in the underlying cash balance.

- Indicates nil

.. Not zero but rounded to zero

The Coalition election commitment with the largest fiscal impact is the *Efficiency dividend extension* (PER066), which reduces the existing annual funding for Commonwealth Government agencies for the years 2019–20 to 2021–22. While this commitment terminates in 2021–22, it has an ongoing annual saving as the commitment results in a permanent reduction in the level of departmental funding for affected Commonwealth Government agencies.

The savings from this measure more than offset the \$3.9 billion increase in payments from all other Coalition commitments over the medium term. The most significant increase in payments is from the commitment *Protected Mobile Fires Project (LAND 8112)* (PER063) which increases payments by \$1.4 billion over the medium term. The annual cost of this commitment increases significantly in 2023–24 before declining in 2028–29, with costs continuing beyond the medium term in line with expected acquisition and sustainment costs of military equipment.

The second largest spending commitment over the medium term is *Pharmaceutical Benefits Scheme – Increasing the safety net* (PER033) which reduces the number of scripts an individual must fill in a year before gaining access to free or concessional medicines. This increases the cost of the Pharmaceutical Benefits Scheme on an ongoing basis, decreasing the underlying cash balance by \$1.2 billion over the medium term.

Interaction with the tax cap

The Coalition’s policy is for taxation receipts to not exceed 23.9 per cent of GDP. The Coalition election commitments do not change tax receipts, so the impact of the tax cap is unchanged from PEFO.

The projection of tax receipts over the medium term results in unspecified tax cuts being included from the year 2029–30 to maintain tax receipts at or below the tax cap (Table 5). The low level of unspecified tax cuts reflects the Coalition’s *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan* measure, which was announced in the 2019–20 Budget.

Table 5: Unspecified tax cuts due to the Coalition’s tax cap (% of GDP)

	2019– 20	2020– 21	2021– 22	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30
Unspecified tax cuts	-	-	-	-	-	-	-	-	-	-	0.1

Additional Coalition commitments identified by the PBO

This report includes all election commitments identified by the Coalition in the list provided to the Parliamentary Budget Officer on the day before polling day.

The Parliamentary Budget Officer advised the Prime Minister that two additional Coalition election commitments, *Funding construction of East West Link* (PER068) and *Restoring the Private Health Insurance Rebate*, had been identified.

Funding construction of East West Link (PER068) was announced by the Prime Minister, the Hon Scott Morrison MP, on 12 May 2019.

In relation to the Parliamentary Budget Officer’s inclusion of this commitment, the Prime Minister commented that:

The Government remains committed to the construction of the East West Link despite the decision of the Victorian Government not to proceed with the project.

This commitment was included in the list of Coalition commitments provided to the PBO on Friday 17 May 2019 (refer to the bottom of page 7) which was published by the PBO here: www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/General_elections/2019_general_election#commitments.

It was noted in this document that only the quantum of this commitment increased during the election period from \$3 billion as reported in 2019-20 Budget to \$4 billion as announced on the 12 May 2019.

To date no Victorian Government has indicated they are willing to build the East West Link therefore the nature of this commitment has not changed from when it was first classified as a contingent liability in the 2015–16 Budget and in every economic update since, including the 2019 PEFO prepared by the Secretaries of Treasury and Finance in April 2019.

This election commitment modified the Coalition's previous commitment in two ways. It no longer requires a financial contribution from the Victorian Government in order for the project to proceed, and the Commonwealth Government's contribution has increased by \$1 billion. Statements by the Victorian Premier have made it clear that the Victorian Government remains against the project notwithstanding the additional funding.¹³ On this basis, the Parliamentary Budget Officer is satisfied with the continued treatment of this commitment as a contingent liability for the purposes of the post-election report, noting that if the Victorian Government's position were to change, the full cost of this commitment would need to be accounted for in the budget.

A commitment to restore the Private Health Insurance Rebate to previous levels was announced by the Minister for Health, the Hon Greg Hunt MP, on 2 May 2019.

In relation to the Parliamentary Budget Officer's inclusion of this commitment, the Prime Minister commented that:

The Government remains committed to protecting the integrity of the Private Health Insurance system.

The Government is currently implementing reforms to Private Health Insurance to make it simpler and more affordable. This includes discounts for young people, greater coverage for mental health and a new categorisation system to make it easier for consumers to compare policies.

The qualified statement made by Minister Hunt to the National Press Club on 2 May 2019 did not constitute a commitment with a quantifiable impact on the underlying cash balance.

The further steps Minister Hunt referred to reflect that the Government will undertake a review of the implementation of the current reforms to ensure the reforms are meeting their stated intent. This review will also look at the current level of the Private Health Insurance rebate and options that could be taken to increase the rebate when the Government delivers a sustainable surplus. The review would inform any government decision to increase the rebate.

As this commitment is contingent on an aggregate budget outcome and a review, and the details of the policy have not been specified (such as the levels to which the rebate would be restored and the time period over which this would occur), the Parliamentary Budget Officer has determined that this does not constitute a commitment that should be included in this report. The PBO notes, however, that the impact of restoring the Private Health Insurance Rebate to previous levels could have a budget impact of over \$3 billion per year by the end of the medium term.

¹³ [Vic East-West link promise a con: Andrews](#), 12 May 2019, The Canberra Times. [Vic wrangle over East West Link continues](#), 19 May 2019, The Canberra Times.

Australian Labor Party

The combined impact of Labor's election commitments is estimated to increase the underlying cash balance by \$17.3 billion over the 2019–20 Budget forward estimates period (Table 6). This reflects a net increase in receipts of \$49.0 billion, partially offset by a net increase in payments (including public debt interest) of \$31.7 billion. These estimates are not materially different from those released by Labor prior to the election.

Table 6: Budget impact of Labor's election commitments (\$billion)

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Impact on underlying cash balance					
Receipts	3.2	10.0	12.3	23.4	49.0
Payments (excluding PDI)	-2.5	-8.0	-10.4	-10.8	-31.7
Public debt interest (PDI)	0.0	0.0	0.0	0.1	0.0
Underlying cash balance	0.6	2.0	1.9	12.6	17.3
Final level					
Receipts	508.7	532.4	563.3	590.3	2,194.7
Payments (excluding PDI)	479.4	502.9	527.9	553.3	2,063.5
Public debt interest	16.4	16.5	15.8	15.2	63.8
Underlying cash balance	7.7	13.0	19.7	21.8	62.3

Note: A positive impact on the underlying cash balance indicates an increase in receipts or a decrease in payments. A negative impact on the budget balances indicates a decrease in receipts or an increase in payments. Figures may not sum to totals due to rounding.

The Labor commitment that makes the largest contribution to the increase in the underlying cash balance over the forward estimates period is the commitment *Reforming dividend imputation* (PER419). This commitment would be expected to increase the underlying cash balance by \$14.3 billion over the forward estimates period. The next largest commitment is *Not support Stages 2 and 3 of the Government's unfair tax plan* (PER425), which would be expected to increase the underlying cash balance by \$13.6 billion over the forward estimates period, all in 2022–23.

Labor's spending commitments partially offset the increased revenue from the above commitments. The most significant of these is *Major state and territory infrastructure projects* (PER338), which is expected to decrease the underlying cash balance by \$4.3 billion over the forward estimates period. The next most significant commitments are *Labor's plan for cheaper child care* (PER305), *Funding for government schools* (PER296) and *Australian Investment Guarantee* (PER347), which together decrease the underlying cash balance by \$11.8 billion over the forward estimates period.

Further discussion of significant election commitments is provided in the *Medium term budget impacts* section below. A detailed table outlining the source and budget impacts of each of Labor's election commitments is provided at Appendix B. Costing documentation for Labor's election commitments is provided at Appendix E.

Interactions between election commitments

Labor's proposed revenue measures, particularly those affecting the personal income tax system, would be expected to interact with each other. As such, the expected revenue to be raised from implementing these proposals jointly is different from the sum of the expected revenue from implementing each proposal separately.

The interactions between the proposals would decrease the underlying cash balance by \$300 million over the forward estimates period but increase the underlying cash balance by \$600 million over the period to 2029–30. More detail on these interactions is set out in *Budget analysis of interactions between the Australian Labor Party's election commitments* (PER475).

Impacts on the headline cash balance and public debt interest

The combined impact of Labor's election commitments is expected to increase the headline cash balance by \$8.6 billion over the forward estimates period, resulting in a decrease of \$26 million in public debt interest payments over the same period.

The headline cash balance improvement is \$8.6 billion lower than the improvement in the underlying cash balance, primarily reflecting increases in loans and equity investments as part of the two commitments *Recapitalising the Clean Energy Finance Corporation* (PER232) and *Energy Security and Modernisation Fund* (PER214).

Medium term budget impacts

The net impact of Labor's election commitments over the medium term is expected to increase both receipts and payments above the projected levels in PEFO. As increases in receipts are higher than increases in payments, the underlying cash balance is also higher over most of the period compared to PEFO, with the most significant difference (worth 0.8 per cent of GDP) occurring in 2024–25.

The net impact of Labor's election commitments on the underlying cash balance, receipts and payments over the medium term is summarised in Table 2.

The final projected level of payments under Labor's election commitments are expected to decrease from 24.7 per cent of GDP in 2019–20 to 24.0 per cent of GDP in 2029–30, with receipts expected to increase from 25.4 per cent of GDP to 26.0 per cent of GDP over the same period.

The final level of the underlying cash balance, including all of Labor's election commitments, is expected to grow from a surplus of 0.4 per cent of GDP in 2019–20 to 1.0 per cent of GDP by the end of the forward estimates period, increasing further to 1.9 per cent of GDP in 2029–30.

Differences compared to Labor's published fiscal plan largely stem from differences between PBO and Labor estimates of the impact of the application of the technical assumption to limit tax receipts to 24.3 per cent of GDP. The PBO estimates that \$210 billion in unannounced tax cuts are implied by this technical assumption – Labor estimated this figure to be 'around \$200 billion'. Other differences from the details announced in Labor's fiscal plan relate to the inclusion of the *Australian Labor Party's (ALP's) support for the First Home Loan Deposit Scheme* (PER474) commitment and an updated profile for the *Lowering the safety net thresholds on the Pharmaceutical Benefits Scheme (PBS)* (PER033) commitment. Taken together, these differences amount to no more than 0.1 per cent of GDP in any given year.

Table 7 summarises Labor's ten largest election commitments over the medium term. The full list of commitments that have material and materially different impacts over the medium term is provided at Appendix B, Table B–2.

**Table 7: Labor's ten largest election commitments over the medium term
– impact on the underlying cash balance (\$billion)**

	2019– 20	2020– 21	2021– 22	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30	Total to 2022–23	Total to 2029–30
Not support Stages 2 and 3 of the Government's unfair tax plan (PER425)	-	-	-	13.6	15.7	35.2	38.5	41.4	44.4	47.0	49.9	13.6	285.8
Labor's fairer income tax cuts (PER411)	-0.3	-0.3	-0.3	-0.3	-7.8	-8.3	-8.4	-8.4	-8.4	-8.4	-8.4	-1.1	-59.3
Reforming dividend imputation (PER419)	-0.1	4.4	4.8	5.1	5.4	5.6	6.1	6.3	6.5	6.9	7.1	14.3	58.2
Negative gearing and capital gains tax (CGT) reform (PER414)	..	0.3	0.9	1.6	2.4	3.2	3.7	4.3	4.9	5.5	5.9	2.8	32.5
Superannuation reforms (PER420)	0.3	0.3	2.2	2.7	2.7	3.0	3.1	3.3	3.7	4.1	4.5	5.4	29.8
Discretionary trust reform (PER404)	1.1	2.2	2.2	2.3	2.4	2.5	2.7	2.8	2.9	3.0	3.1	7.7	26.9
Funding for government schools (PER296)	-0.2	-0.9	-1.4	-1.4	-1.4	-1.5	-1.6	-1.8	-1.9	-2.0	-2.1	-3.9	-16.2
Labor's plan for cheaper child care (PER305)	..	-1.2	-1.3	-1.4	-1.5	-1.6	-1.6	-1.7	-1.8	-1.8	-1.9	-4.0	-15.9
Australian Investment Guarantee (PER347)	..	..	-0.8	-3.1	-1.9	-1.7	-1.6	-1.5	-1.4	-1.2	-1.3	-3.9	-14.4
Better pay for early childhood educators (PER348)	-	..	-0.2	-0.4	-0.6	-0.8	-1.1	-1.3	-1.6	-2.0	-2.1	-0.5	-10.0

Note: A positive impact indicates an increase in the underlying cash balance. A negative impact indicates a reduction in the underlying cash balance.

- Indicates nil

.. Not zero but rounded to zero

The Labor election commitments with the largest fiscal impact over the medium term are revenue-related, with the most significant being *Not support Stages 2 and 3 of the Government's unfair tax plan* (PER425). The positive impact on receipts from this commitment would be expected to increase significantly from 2024–25 onwards due to the phasing of the Coalition's proposed tax cuts (which are factored into the budget baseline at PEFO), resulting in a total positive impact of \$285.8 billion over the medium term.

These significant savings would be partially offset by *Labor's fairer income tax cuts* (PER411), which would be expected to decrease receipts by \$59.3 billion over the medium term. This commitment would provide a slightly more generous income tax offset over the forward estimates period than the increased low-and-middle income tax offset announced as part of the 2019–20 Budget measure *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan*. It would also make the offset ongoing, differing from the arrangements under the measures in the 2018–19 Budget and the 2019–20 Budget where the offset is expected to be replaced by the Stage 2 reform measures at the end of the forward estimates period. As a result, the fiscal impact of this commitment would be expected to increase significantly over the medium term.

The commitment *Reforming dividend imputation* (PER419) would change the tax treatment of dividend imputation credits from a refundable tax offset to a non-refundable tax offset for certain individuals and superannuation funds. This commitment would be expected to increase the underlying cash balance by \$58.2 billion over the medium term.

The commitment *Negative gearing and capital gains tax (CGT) reform* (PER414) would remove negative gearing arrangements for existing non-business investment assets and halve the capital gains tax discount, while allowing for certain exemptions and grandfathering arrangements. The commitment would increase the underlying cash balance by \$32.5 billion over the medium term, with financial implications expected to grow over time as the policy matures and the proportion of grandfathered assets declines.

Labor’s largest spending commitment is *Funding for government schools* (PER296), which would increase Commonwealth Government funding to government schools by \$16.2 billion over the medium term.

The commitment *Labor’s plan for cheaper child care* (PER305) would both increase the child care subsidy rates and increase the income thresholds above which the subsidy is reduced. This commitment is expected to decrease the underlying cash balance by \$15.9 billion over the medium term.

Interaction with the tax cap

Labor’s fair go budget plan noted that the fiscal impact of Labor’s election commitments was based on a ‘technical working assumption that tax receipts do not rise above 24.3 per cent of GDP over the medium term’. This constrained level of tax receipts flows through to the underlying cash balance in Labor’s plan. The PBO has incorporated the same assumption around the capping of tax receipts in calculating Labor’s fiscal aggregates. The PBO estimates that unspecified tax cuts of \$210 billion over the medium term would be required to satisfy this technical assumption (Table 8).

Table 8: Unspecified tax cuts due to Labor’s tax cap (% of GDP)

	2019– 20	2020– 21	2021– 22	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30
Unspecified tax cuts	-	-	-	-	0.2	0.5	0.7	1.1	1.4	1.5	1.7

Additional Labor commitments identified by the PBO

This report includes all election commitments identified by Labor in the list provided to the Parliamentary Budget Officer on the day before polling day.

The Parliamentary Budget Officer has included one additional Labor election commitment: *Australian Labor Party’s (ALP’s) support for the First Home Loan Deposit Scheme* (PER474). This commitment would match the Coalition’s election commitment to establish a First Home Loan Deposit Scheme, which will help eligible first home buyers (capped at 10,000 recipients a year) by providing support if they do not have a 20 per cent deposit. This commitment was announced by the then Leader of the Opposition, the Hon Bill Shorten MP, and the then Shadow Treasurer, the Hon Chris Bowen MP, on 13 May 2019.

In response to the Parliamentary Budget Officer's inclusion of this additional commitment, the then Leader of the Opposition, the Hon Bill Shorten MP, stated:

I agree with the additional item that the PBO proposes to include in the PBO's final list of Labor election commitments, along with the list that the ALP provided to the PBO on 17 May 2019.

The cost of this commitment is slightly less than that announced by the Coalition as, under Labor's election platform, funding for research on housing demand, supply and affordability would be provided for under the commitment *National Housing Supply Council* (PER413).

Australian Greens

The combined impact of the Greens' election commitments is estimated to increase the underlying cash balance by \$3.8 billion over the 2019–20 Budget forward estimates period (Table 9). This reflects a net increase in receipts of \$147.6 billion, partially offset by a net increase in payments (including public debt interest) of \$143.8 billion.

Table 9: Budget impact of the Australian Greens' election commitments (\$billion)

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Impact on underlying cash balance					
Receipts	27.0	31.5	36.9	52.4	147.6
Payments (excluding PDI)	-25.1	-33.7	-40.2	-43.2	-142.1
Public debt interest (PDI)	-0.2	-0.3	-0.5	-0.6	-1.7
Underlying cash balance	1.7	-2.5	-3.9	8.5	3.8
Final level					
Receipts	532.5	553.8	587.9	619.3	2,293.3
Payments (excluding PDI)	502.1	528.6	557.7	585.7	2,173.9
Public debt interest	16.6	16.7	16.3	15.9	65.4
Underlying cash balance	8.7	8.5	13.9	17.7	48.8

Note: A positive impact on the underlying cash balance indicates an increase in receipts or a decrease in payments. A negative impact on the underlying cash balance indicates a decrease in receipts or an increase in payments. Figures may not sum to totals due to rounding.

There are material differences over the forward estimates between the PBO's estimates of underlying cash balance impacts and those released by the Greens prior to the election. Around \$4.1 billion of the difference relates to election commitments not included in the budget summary that the Greens released ahead of the election. This should be considered in the context of the substantial increase in both revenue and expenditure (each increases by over \$140 billion in net terms over the forward estimates) resulting from the Greens' platform. In addition, the Greens' budget summary did not include estimates of the impact of interactions between different election commitments in their platform (-\$1.6 billion) and the effect of public debt interest payments beyond those already taken into account within the individual costings of their platform (\$1.6 billion). The Greens were transparent in their budget documentation that these latter two impacts were not included in their estimates. A discussion of the impact of the additional commitments identified by the PBO is provided at the end of this section.

The Greens announced a number of commitments to significantly increase revenue and decrease expenditure. The commitment that makes the largest contribution to the increase in the underlying cash balance is *Reverse income tax cuts that will turbocharge inequality* (PER624). This is expected to increase the underlying cash balance by \$46.5 billion over the forward estimates period. The most significant commitment that reduces expenditure is *Bring Australia's excessive military spending back to long-term trend levels* (PER650). This is expected to increase the underlying cash balance by \$34.6 billion over the forward estimates period.

The fiscal impact of these commitments offset a number of significant spending commitments. The most significant of these is *Tuition-free TAFE and university, boost university funding, and related measures* (PER649) which is expected to decrease the underlying cash balance by \$35.7 billion over the forward estimates period. The next most significant spending commitments are *Green climate*

finance for developing countries, and increase funding for overseas development assistance (PER631) and Invest in childcare by abolishing the activity test and raising the income threshold (PER635), which are expected to decrease the underlying cash balance by \$22.5 billion and \$20.4 billion respectively over the forward estimates period.

Further discussion of significant election commitments is provided in the *Medium term budget impacts* section below. A detailed table outlining the source and budget impacts of each of the Greens' election commitments is provided at Appendix C. Costing documentation for the Greens' election commitments is provided at Appendix F.

Interactions between election commitments

A number of interactions between the Greens' election commitments have significant budget impacts.

There are material interactions between the following Greens' revenue commitments: *Introduce a 35 per cent minimum tax rate on incomes above \$300,000 and make the deficit levy permanent (PER618); Reform the tax treatment of discretionary trusts (PER619); Reverse income tax cuts that will turbocharge inequality (PER624); and Phase out the current tax treatment of negative gearing and the capital gains tax discount (PER660).*

The overall interactions are negative in each year and decrease revenue by \$1.6 billion over the forward estimates and \$7.4 billion over the medium term. The interactions grow in magnitude through the period of implementation of the Government's personal income tax cut measures (announced in the 2018–19 and 2019–20 Budgets, which are reversed as part of the Greens' commitments), and then decrease from 2025–26 as the Greens' commitments on negative gearing and the capital gains tax discount approach maturity.

The profile over the medium term of the total interactions between policies is set out in *Budget analysis of interactions between the Australian Greens' election commitments (PER687).*

Impacts on the headline cash balance and public debt interest

The combined impact of the Greens' election commitments is expected to decrease the headline cash balance by \$22.8 billion over the forward estimates period, resulting in an increase of \$1.7 billion in PDI payments over the same period.

The headline cash balance impact is \$26.6 billion lower than the impact on the underlying cash balance mainly due to an increase in loans under the commitment *Establish a Federal Housing Trust to construct 500,000 public and community homes, and related measures (PER659).* Under this commitment, the Commonwealth Government would provide concessional loans to a newly established Federal Housing Trust to fund the costs of construction of new residential dwellings for low-income households. This is partially offset by a decrease in Higher Education Loan Program (HELP) and Vocational Education and Training (VET) Student Loans under the commitment *Tuition-free TAFE and university, boost university funding, and related measures (PER649).*

Over the medium term, the Greens' election commitments are expected to increase the headline cash balance by \$70.4 billion and increase public debt interest payments by \$4.8 billion.¹⁴ This impact on the headline cash balance is \$149.4 billion lower than the impact on the underlying cash

¹⁴ The Greens' election commitments initially decrease the headline cash balance, and then increase the headline cash balance from 2025–26, largely as a result of higher receipts. The initial decrease in the headline cash balance results in public debt interest payments being higher than the PEFO baseline until 2027–28. From 2028–29, public debt interest payments are expected to be lower than the PEFO baseline.

balance. In addition to the ongoing impact of the commitments discussed in the paragraph above, the difference between the headline cash balance and underlying cash balance impacts is primarily due to an increase in loans under the commitment *Bridging finance for state and territory governments to transition from stamp duty towards land tax* (PER661). This commitment would see property acquisitions from 1 July 2023 liable for an ongoing land tax instead of stamp duty, with any shortfall between expected stamp duty and land tax revenue for each financial year met by concessional loans from the Commonwealth Government to state and territory governments.

Medium term budget impacts

The net impact of the Greens' election commitments is expected to increase both receipts and payments above the projected levels in PEFO. The increase in receipts is higher than the increase in payments over the medium term, therefore the underlying cash balance is also expected to be higher over the period compared to PEFO.

The net impact of the Greens' election commitments on the underlying cash balance, receipts and payments over the medium term is summarised in Table 2.

The final projected level of payments under the Greens' election commitments are expected to decrease from 25.9 per cent of GDP in 2019–20 to 25.6 per cent of GDP in 2029–30, with receipts expected to increase from 26.6 per cent of GDP to 29.0 per cent of GDP over the same period.

The final level of the underlying cash balance is expected to be a surplus of 0.4 per cent of GDP in 2019–20, which increases to a surplus of 3.4 per cent of GDP in 2029–30.

Table 10 summarises the Greens' ten largest election commitments over the medium term. The full list of commitments that have material and materially different impacts over the medium term is provided at Appendix C, Table C–2.

The most significant Greens' commitment that contributes to the increase in the underlying cash balance over the medium term is *Reverse income tax cuts that will turbocharge inequality* (PER624). This commitment is expected to increase the underlying cash balance by \$324.5 billion over the medium term. The additional annual receipts from this commitment increase significantly in 2022–23 and again in 2024–25 in line with the planned staged implementation of the tax cuts, and continue to rise over the medium term.

The most significant Greens' expenditure savings are from the commitment *Bring Australia's excessive military spending back to long-term trend levels* (PER650) which would reduce Defence expenditure to 1.5 per cent of GDP by 2022–23 and abolish the Defence Export Facility. This commitment is expected to increase the underlying cash balance by \$171.4 billion over the medium term.

The largest Greens' spending commitment is *Tuition-free TAFE and university, boost university funding, and related measures* (PER649) which replaces loan schemes with grants for eligible university and TAFE students, as well as increasing and indexing HELP and VET Student Loan repayment thresholds to the median wage. This commitment is expected to decrease the underlying cash balance by \$168.9 billion over the medium term.

The commitment *Green climate finance for developing countries, and increase funding for overseas development assistance* (PER631) increases payments by \$122.2 billion over the medium term. The annual cost of this commitment increases steadily over this period as aid funding is linked to growth in gross national income.

The commitment *End public subsidies for the fossil fuel industry* (PER608) abolishes the fuel tax credit for all industries except agriculture, as well as abolishing accelerated asset depreciation for

selected assets and industries, and the immediate deductibility of exploration expenses and the Australia-China Science and Research Fund. This commitment is expected to increase the underlying cash balance by \$98.2 billion over the medium term. This impact reflects a decrease in payments of \$96.8 billion and an increase in receipts of \$1.4 billion.

Table 10: The Australian Greens' ten largest election commitments over the medium term – impact on the underlying cash balance (\$billion)

	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	Total to 2022–23	Total to 2029–30
Reverse income tax cuts that will turbocharge inequality (PER624)	8.0	8.2	8.3	22.0	16.9	35.8	39.3	42.2	45.2	47.8	50.9	46.5	324.5
Bring Australia's excessive military spending back to long-term trend levels (PER650)	1.9	6.3	10.8	15.5	16.6	17.0	17.5	18.6	19.9	22.9	24.3	34.6	171.4
Tuition-free TAFE and university, boost university funding, and related measures (PER649)	-5.0	-7.9	-10.4	-12.5	-14.5	-16.0	-17.5	-18.9	-20.4	-22.0	-23.8	-35.7	-168.9
Green climate finance for developing countries, and increase funding for overseas development assistance (PER631)	-2.9	-4.9	-6.5	-8.1	-9.6	-11.2	-12.7	-14.3	-15.8	-17.3	-18.9	-22.5	-122.2
End public subsidies for the fossil fuel industry (PER608)	5.9	6.8	7.3	7.8	8.4	8.9	9.6	10.1	10.6	11.0	11.4	27.9	98.2
Invest in childcare by abolishing the activity test and raising the income threshold (PER635)	-3.5	-4.6	-5.9	-6.4	-6.8	-7.2	-7.7	-8.1	-8.5	-8.9	-9.3	-20.4	-76.9
Reintroduce a price on pollution to ensure polluters pay for the damage they are doing (PER613)	4.8	3.3	4.8	6.2	6.9	7.2	7.6	8.0	8.5	8.7	8.8	19.0	74.8
Abolish the Private Health Insurance Rebate (PER636)	2.6	5.0	6.4	6.9	7.0	7.2	7.4	7.6	7.8	8.0	8.2	20.9	74.2
Increase Australia's humanitarian intake to 50,000 places a year, and related measures (PER625)	-1.1	-2.4	-4.4	-6.3	-7.0	-7.3	-7.9	-8.4	-9.1	-9.3	-9.4	-14.2	-72.7
Introduce a genuine mining super-profits tax (PER658)	3.6	2.6	2.7	2.9	3.4	6.5	8.3	8.7	8.8	8.8	8.9	11.6	64.9

Note: A positive impact indicates an increase in the underlying cash balance. A negative impact indicates a reduction in the underlying cash balance.

The commitment *Invest in childcare by abolishing the activity test and raising the income threshold* (PER635) increases payments by \$76.9 billion over the medium term. The annual cost of this commitment increases rapidly over the first three years of implementation, reflecting the progressive enrolment of three-year-old children in preschool programs.

While not in the top ten election commitments, another Greens' commitment with significant medium term impacts is *Protect Medicare and expand it to cover dental care, expanding to universal dental coverage by 2025* (PER639). This commitment is estimated to increase payments by \$6.1 billion over the forward estimates period and by \$44.2 billion over the medium term. The annual cost of this commitment increases significantly in 2025–26 in line with the planned staged expansion of dental coverage, which sees the final rollout to all persons eligible for Medicare on 1 July 2025.

Interaction with the tax cap

The Greens have not committed to capping tax receipts as a percentage of GDP.

As stated in *The Greens' independently costed election platform 2019* document, 'the Greens' plans would see the tax to GDP ratio of the federal government increased from the Pre-election Economic and Fiscal Outlook average of 23.4% over the forward estimates period to 25.0%.'

The unconstrained tax receipts flow through to an increase in the underlying cash balance in the Greens' plan. As such, the PBO's calculation of the Greens' fiscal impacts does not incorporate a tax cap.

Additional Australian Greens' commitments identified by the PBO

This report includes all election commitments identified by the Greens in the list provided to the Parliamentary Budget Officer on the day before polling day.

The Parliamentary Budget Officer has included seven additional commitments to the list that was provided by the Greens and has significantly expanded two of the commitments already on the list to match the Greens' announcements.

The most significant additional Greens' commitment is *Change superannuation taxation arrangements and double the low income superannuation tax offset* (PER681). This commitment is expected to increase the underlying cash balance by \$1.0 billion over the forward estimates period and \$12.1 billion over the medium term.

The two major expansions to the commitments that were already included in the commitment list provided by the Greens relate to their electric vehicle and welfare payment commitments.

The commitment to have a mandatory 100 per cent electric vehicle sales target in 2030 is included in the commitment *Reduce electric vehicle costs, build a national fast charging network, introduce mandatory electric vehicle targets to reach 100 per cent in 2030, and related measures* (PER612). The mandatory electric vehicle sales target component of this commitment decreases the underlying cash balance by \$3.6 billion over the forward estimates and \$15.2 billion over the medium term.¹⁵

The commitment to expand eligibility for Parenting Payment Single is included in the commitment *Increase Newstart and other payments and amend Parenting Payment Single by increasing the qualifying age of the youngest dependent child* (PER616). The expansion of eligibility

¹⁵ The impacts of this additional component are larger than the estimates reported for Component 5 in *Reduce electric vehicle costs, build a national fast charging network, introduce mandatory electric vehicle targets to reach 100 per cent in 2030, and related measures* (PER612) because this component also affects the estimates for the other components of this costing.

for the parent payment component of this commitment decreases the underlying cash balance by \$1.5 billion over the forward estimates and \$4.6 billion over the medium term.

The additional commitments *Use the Reserve Bank of Australia to establish a People's Bank to provide basic banking services (PER680)* and *Finish the National Broadband Network (NBN) using the best long-term technology solutions and review NBN pricing structures (PER686)* are expected to have financial implications which were determined to be unquantifiable by the PBO.

The Greens engaged constructively with the Parliamentary Budget Office regarding the inclusion of the additional election commitments, and confirmed their support for the additional and expanded commitments. In correspondence in relation to the draft report, the Leader of the Greens, Senator Richard Di Natale noted:

I have no further comments to make on the draft materials sent through to my office outside of those that have already been informally provided.