



Parliamentary  
Budget Office

# 2022 Election commitments report

July 2022

© Commonwealth of Australia 2022

ISBN 978-0-6487474-5-1 (online)

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# Introduction

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.<sup>1</sup> One independent member of parliament, the independent member for Indi, Dr Helen Haines MP, chose to be included.

The Election commitments report for the 2022 general election:

- i uses the 2022 Pre-election Economic and Fiscal Outlook report as the baseline for the costings of election commitments
- ii incorporates costings of all the election commitments of each party that, in our best professional judgement, would have a material impact on the Australian Government budget over the 2022–23 Budget forward estimates and medium-term periods
- iii shows, for each party, the individual impacts those election commitments would be expected to have on the Australian Government budget over the 2022–23 Budget forward estimates and medium-term periods
- iv shows, for each party, the total combined medium-term impact of those election commitments on the key budget aggregates as a share of gross domestic product
- v presents full costing documentation for all election commitments, with the exception of those commitments that are specified as providing capped levels of funding
- vi presents the distributional impacts of individual election commitments, where parties that have previously requested those impacts as part of a PBO costing outside of the caretaker period have elected to retain them. One party, the Australian Greens, elected to retain distributional analysis for 3 of their commitments.

Further details on the requirements for, and approach to the preparation of, this report are presented at Appendix I. All table and chart data for the report are available on the PBO website, along with guides to the report and its costings which make it easier for different readers to locate the information of interest to them.

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<sup>1</sup> 'Designated' or major parties for the purposes of this report are defined by the *Parliamentary Service Act 1999* as those with 5 or more members of Parliament immediately before the election is called. The major parties of the 46th Parliament of Australia were the Coalition, the Australian Labor Party, and the Australian Greens. 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.

# At a glance

The Election commitments report presents the budget impacts of the policy platforms for all major parties (the Coalition, Australian Labor Party and Australian Greens), as well as any minor parties and independents who choose to be included in the report. The independent member for Indi, Dr Helen Haines MP, elected to be included.

The report includes a summary of each party's platform and budget impacts of each election commitment, against the 2022 Pre-election Economic and Fiscal Outlook baseline. Financial implications are estimated over the period to 2032–33 (the medium term), and there is documentation for each costing, matching the nature of each commitment. In some cases, this includes distributional impacts of commitments (such as by state or income bracket).

The report includes commitments expected to have a material impact on the Australian Government budget. In the lead-up to the election, the PBO identified and assessed almost 2,000 relevant election commitments and determined that 314 of these met the criteria for inclusion in this report. Of those items, 41 are commitments by the Coalition, 154 by the Australian Labor Party, 99 by the Australian Greens, and 20 by the independent member for Indi.

The Election commitments report helps Parliament and the public hold parties to account by creating a record of all the promises made during an election and their impact on the budget. The process evens the 'playing field' by giving non-government parties and independents access to costings and supports further policy debate.

For more information on this report, how to interpret the underlying costings, and how to read Australian Government budget papers, see the introductory guides available at [Guide to the budget](#).

## **What is the Parliamentary Budget Office (PBO)?**

The PBO was established in 2012 to 'inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals' (Section 64B of the *Parliamentary Service Act 1999*).

We do this in 3 main ways:

- by responding to requests made by senators and members for [costings of policy proposals](#) or for analysis of matters relating to the budget
- by publishing a [report](#) after every election that provides transparency around the fiscal impact of the election commitments of major parties
- by conducting and publishing [self-initiated work](#) that enhances the public understanding of the budget and fiscal policy settings.

Further information and an introduction to PBO's services is available here: [Guide to services of the Parliamentary Budget Office \(PBO\)](#).

# Summary of major party budget impacts

## Key points:

- The 2022 Election commitments report shows the individual and combined budget impacts of the election commitments announced by each of the 3 major parties: the Coalition, the Australian Labor Party (Labor), and the Australian Greens (the Greens).
- The report looks at election commitments with a material impact on the Australian Government budget. It shows how the platforms of the parties, if fully implemented, would change the budget position, relative to the starting point just before the election – as presented in the 2022 Pre-election Economic and Fiscal Outlook (PEFO).
- The PBO has identified 41 material election commitments made by the Coalition, 154 made by Labor and 99 made by the Greens.<sup>2</sup> As is often the case for the party in government, the Coalition also announced policies in its budget update, released prior to the election, resulting in fewer Coalition commitments included in this report compared to the other major parties.
- The Coalition’s platform, if fully implemented, would be expected to result in slightly smaller deficits over both the 2022–23 Budget forward estimates and medium-term periods compared to the PEFO. This impact, which results from a slight decrease in payments, is negligible as a share of GDP over both periods. The Coalition’s election commitments do not materially change receipts from PEFO levels.
- Labor’s platform, if fully implemented, would result in increased deficits over the same periods relative to the PEFO (a decrease in the underlying cash balance of up to 0.1% of GDP in any year). This change is driven by slightly higher levels of both receipts and payments as a share of GDP.
- The Greens’ platform, if fully implemented, would be expected to result in larger deficits in total over the same period, relative to the PEFO, reflecting higher levels of both receipts and payments as a share of GDP. The impact of the Greens’ commitments on both receipts and payments are significantly higher than the other major parties.
- The commitments made by the independent member for Indi, Dr Helen Haines MP, form the inaugural ‘Minor parties and independents’ section of the report.

The 2022 Election commitments report shows the individual and combined budget impacts of the election commitments announced by each of the 3 major political parties (the Coalition, the Australian Labor Party and the Australian Greens).

The report adds to the information published by parties about the financial impacts of their election commitments, taking a longer term perspective and presenting a richer view of the impacts on the budget for all major parties on a comparable basis. Box 1 explains the wider fiscal perspectives, and some key concepts used in the report.

The Coalition’s platform, if fully delivered, would be expected to slightly increase the underlying cash balance (that is, slightly reduce the underlying cash balance deficits) over the 2022–23 Budget forward estimates and medium-term periods, compared to PEFO. The impact is negligible as a share

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<sup>2</sup> Because commitments are primarily those identified by parties, this number is affected by the way that parties choose to group their commitments. For example, making fewer more highly aggregated commitments with many subcomponents would result in a lower number of commitments.

of GDP over both periods. Some of the Coalition’s announcements during the election campaign did not involve any additional fiscal impact as they had already been included in the budget baseline at PEFO.

Labor’s platform, if fully delivered, would result in an expected decrease in the underlying cash balance (that is, a larger deficit) relative to the pre-election starting point. This decrease represents up to 0.1% of GDP in any year over the forward estimates and medium-term periods.

The Greens’ platform, if fully delivered, would be expected to decrease the underlying cash balance over both the 2022–23 Budget forward estimates and medium-term periods compared to PEFO, with an average decrease of 0.5% of GDP per year over the medium term.

The rest of this section provides additional high-level information about the budget impact of party platforms over the forward estimates and medium term. This information is expanded in each party section and the requirements and the methods for preparing the report are at Appendix I. Related terms are explained in the Glossary in this report, which draws from the [PBO’s online budget glossary](#).

### **Box 1: The Election commitments report: key features and interpretation**

This report complements the information about the financial impacts of election commitments published by parties during the election campaign by providing a wider range of information over a longer time period.

The report presents budget impacts over the 2022–23 Budget forward estimates period (the budget year plus the next 3 years) and the medium term (the budget year plus the next 10 years).

Across both time horizons, we present results for 3 different budget balances – the underlying cash balance, headline cash balance and fiscal balance – to provide a more complete picture of the financial impacts.

When people talk about the budget surplus or deficit, they are often talking about the underlying cash balance. Each of the 3 balances presented here focuses on a different type of financial information, but no one of them provides all the potentially relevant financial impacts. In particular, the headline cash balance is the only balance to show the upfront impact of government loans and equity injections.

The report describes the impacts of individual commitments, and parties’ platforms as a whole, on the budget surplus or deficit. Throughout the report, an ‘increase’ in the budget balance makes the deficit smaller, and a ‘decrease’ in the budget balance makes the deficit larger.

The financial impacts presented here are ‘point in time’ estimates of the commitments based on the commitments as announced during the election campaign. Where these policies are subsequently implemented, their financial implications may change for reasons including updated budget parameters, and the finalisation of policies during further consultation and detailed design stages.



## Impacts of election commitments over the forward estimates

The 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, headline cash balance and fiscal balance over the forward estimates period are shown in Table 1.<sup>3,4</sup> A positive impact on the underlying cash balance indicates a larger surplus (or smaller deficit). A negative impact indicates smaller surplus (or larger deficit).

**Table 1: Financial implications of election commitments by party, 2022–23 forward estimates underlying cash, headline cash and fiscal balance basis (\$billion)**

	2022–23	2023–24	2024–25	2025–26	Total to 2025–26
<b>Underlying cash balance</b>					
<b>Net impact of election commitments</b>					
Coalition	0.1	0.1	0.4	0.4	1.0
Australian Labor Party	-1.0	-2.0	-1.6	-2.2	-6.9
Australian Greens	32.7	-41.1	-12.3	-5.5	-26.1
<b>Final underlying cash balance</b>					
Coalition	-77.8	-56.4	-46.7	-42.5	-223.5
Australian Labor Party	-79.0	-58.6	-48.7	-45.1	-231.4
Australian Greens	-45.2	-97.6	-59.4	-48.4	-250.6
<b>Headline cash balance</b>					
<b>Net impact of election commitments</b>					
Coalition	0.2	0.2	0.4	0.4	1.1
Australian Labor Party	-7.1	-11.1	-12.2	-10.0	-40.5
Australian Greens	26.3	-61.2	-38.5	-38.7	-112.1
<b>Final headline cash balance</b>					
Coalition	-90.6	-60.2	-56.9	-49.4	-257.1
Australian Labor Party	-97.9	-71.5	-69.5	-59.8	-298.7
Australian Greens	-64.5	-121.6	-95.7	-88.5	-370.3
<b>Fiscal balance</b>					
<b>Net impact of election commitments</b>					
Coalition	0.1	0.1	0.4	0.4	1.0
Australian Labor Party	-0.7	-1.7	-1.5	-1.5	-5.4
Australian Greens	32.9	-25.9	-26.4	-21.6	-41.0
<b>Final fiscal balance</b>					
Coalition	-78.4	-58.6	-50.7	-39.3	-227.0
Australian Labor Party	-79.2	-60.5	-52.6	-41.2	-233.4
Australian Greens	-45.7	-84.6	-77.5	-61.3	-269.0

Source: 2022 PEFO and PBO analysis.

Note: A positive impact indicates an increase in the budget balance. A negative impact indicates a reduction in the budget balance. Figures may not sum to totals due to rounding.

<sup>3</sup> All final budget aggregates for each party exclude unquantifiable commitments, consistent with the budget treatment of unquantifiable measures.

<sup>4</sup> The 'starting point' PEFO levels for all balances are included in the more detailed financial tables in Appendices A to D.

## Impacts of election commitments over the medium term

Table 2 shows the PBO's estimates of the budget impact of each party's election platform over the medium term (that is, to 2032–33) and the resulting level of the underlying cash balance and headline cash balance as a share of GDP. This table also shows impacts on payments and receipts. The fiscal balance equivalents are shown in Table 3.

Publishing medium-term projections of the fiscal impact of commitments is the PBO's standard practice for all costings provided outside of the caretaker period, consistent with the PBO's role of increasing transparency around the budget and fiscal matters.<sup>5</sup> Box 2 provides further information on the role of medium-term budget impacts, including the impact of relaxing our assumption that policies without a specified end date would be ongoing.

**Table 2: Financial implications of election commitments on the budget balance, receipts and payments by party, medium-term, cash balance basis (% of GDP)**

	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
<b>Receipts</b>											
<b>Net impact of election commitments on receipts</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	..	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	..	..
Australian Greens	2.7	3.1	4.1	4.3	4.3	4.4	4.2	4.1	4.0	4.0	4.2
<b>Final receipts</b>											
Coalition	23.8	24.7	24.7	24.6	24.7	24.9	25.0	25.2	25.5	25.7	25.8
Australian Labor Party	23.9	24.8	24.9	24.8	24.9	25.1	25.1	25.3	25.6	25.8	25.8
Australian Greens	26.6	27.8	28.8	29.0	29.0	29.3	29.1	29.3	29.4	29.8	29.9
<b>Payments</b>											
<b>Net impact of election commitments on payments</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Australian Greens	-1.3	-4.8	-4.6	-4.5	-4.7	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8
<b>Final payments</b>											
Coalition	-27.2	-27.1	-26.6	-26.2	-26.2	-26.3	-26.4	-26.3	-26.4	-26.4	-26.4
Australian Labor Party	-27.3	-27.3	-26.8	-26.5	-26.4	-26.6	-26.6	-26.5	-26.6	-26.6	-26.6
Australian Greens	-28.5	-31.9	-31.2	-30.8	-30.9	-31.2	-31.2	-31.2	-31.3	-31.3	-31.2
<b>Underlying cash balance</b>											
<b>Net impact of election commitments on underlying cash balance</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	..	-0.1	-0.1	-0.1	..	..	..	..	..	-0.1	-0.1
Australian Greens	1.4	-1.7	-0.5	-0.2	-0.4	-0.4	-0.6	-0.7	-0.8	-0.8	-0.6
<b>Final underlying cash balance</b>											
Coalition	-3.4	-2.4	-1.9	-1.6	-1.4	-1.4	-1.4	-1.1	-1.0	-0.7	-0.7
Australian Labor Party	-3.4	-2.5	-2.0	-1.7	-1.5	-1.5	-1.4	-1.2	-1.0	-0.9	-0.8
Australian Greens	-2.0	-4.1	-2.4	-1.9	-1.9	-1.9	-2.1	-1.9	-1.8	-1.5	-1.3

<sup>5</sup> Medium-term estimates were included for a subset of costings in the 2019 election commitments report. The 2019 report also included the total net impact over the medium term of all election commitments for each party, as a share of GDP.

	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
<b>Net cash flows from investments in financial assets for policy purposes</b>											
<b>Net impact of election commitments on cash flows</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	-0.3	-0.4	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1	-0.1	..	..
Australian Greens	-0.3	-0.9	-1.1	-1.3	-1.3	-1.3	-1.2	-1.0	-0.9	-0.7	-0.1
<b>Final cash flows</b>											
Coalition	-0.6	-0.2	-0.4	-0.3	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Australian Labor Party	-0.8	-0.5	-0.8	-0.6	-0.6	-0.6	-0.5	-0.4	-0.4	-0.4	-0.4
Australian Greens	-0.8	-1.0	-1.5	-1.5	-1.7	-1.6	-1.5	-1.4	-1.2	-1.1	-0.4
<b>Headline cash balance</b>											
<b>Net impact of election commitments on headline cash balance</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	-0.3	-0.5	-0.5	-0.4	-0.3	-0.3	-0.2	-0.1	-0.1	-0.2	-0.2
Australian Greens	1.1	-2.6	-1.5	-1.5	-1.7	-1.7	-1.8	-1.8	-1.7	-1.6	-0.7
<b>Final headline cash balance</b>											
Coalition	-3.9	-2.5	-2.3	-1.9	-1.8	-1.7	-1.7	-1.5	-1.3	-1.0	-1.0
Australian Labor Party	-4.3	-3.0	-2.8	-2.3	-2.1	-2.0	-2.0	-1.6	-1.4	-1.2	-1.2
Australian Greens	-2.8	-5.1	-3.8	-3.4	-3.5	-3.5	-3.6	-3.3	-3.1	-2.6	-1.7

Source: 2022 PEFO and PBO analysis.

Note: A positive impact indicates an increase in the cash balance. A negative impact indicates a reduction in the cash balance. Figures may not sum to totals due to rounding.

.. Not zero but rounded to zero.

**Table 3: Financial implications of election commitments on the budget balance, revenue and expenses by party, medium-term, fiscal balance basis (% of GDP)**

	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
<b>Revenue</b>											
<b>Net impact of election commitments on revenue</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	..	..
Australian Greens	3.2	4.1	4.0	4.2	4.2	4.3	4.2	4.1	4.0	4.1	4.2
<b>Final revenue</b>											
Coalition	24.4	25.2	25.0	25.1	25.2	25.4	25.4	25.6	26.0	26.2	26.3
Australian Labor Party	24.5	25.3	25.1	25.2	25.4	25.6	25.6	25.8	26.1	26.3	26.3
Australian Greens	27.6	29.3	28.9	29.2	29.4	29.7	29.6	29.8	30.0	30.3	30.5
<b>Expenses</b>											
<b>Net impact of election commitments on expenses</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Australian Greens	-1.8	-5.2	-5.0	-5.0	-5.1	-5.3	-5.0	-5.0	-5.0	-5.0	-4.8
<b>Final expenses</b>											
Coalition	-27.8	-27.6	-27.0	-26.6	-26.5	-26.7	-26.7	-26.6	-26.7	-26.7	-26.7
Australian Labor Party	-27.9	-27.8	-27.2	-26.8	-26.7	-26.9	-26.9	-26.8	-26.9	-26.9	-26.9
Australian Greens	-29.6	-32.9	-32.0	-31.6	-31.7	-32.0	-31.7	-31.6	-31.7	-31.7	-31.5
<b>Fiscal balance</b>											
<b>Net impact of election commitments on fiscal balance</b>											
Coalition	..	..	..	..	..	..	..	..	..	..	..
Australian Labor Party	..	-0.1	-0.1	-0.1	..	..	..	..	..	-0.1	-0.1
Australian Greens	1.4	-1.1	-1.1	-0.8	-1.0	-0.9	-0.7	-0.9	-1.0	-0.9	-0.6
<b>Final fiscal balance</b>											
Coalition	-3.4	-2.5	-2.0	-1.5	-1.3	-1.3	-1.3	-1.0	-0.8	-0.5	-0.4
Australian Labor Party	-3.4	-2.6	-2.1	-1.6	-1.3	-1.3	-1.3	-1.0	-0.8	-0.6	-0.6
Australian Greens	-2.0	-3.6	-3.1	-2.3	-2.3	-2.3	-2.0	-1.9	-1.8	-1.4	-1.0

Source: 2022 PEFO and PBO analysis.

Note: A positive impact indicates an increase in the fiscal balance. A negative impact indicates a reduction in the fiscal balance. Figures may not sum to totals due to rounding.

.. Not zero but rounded to zero.

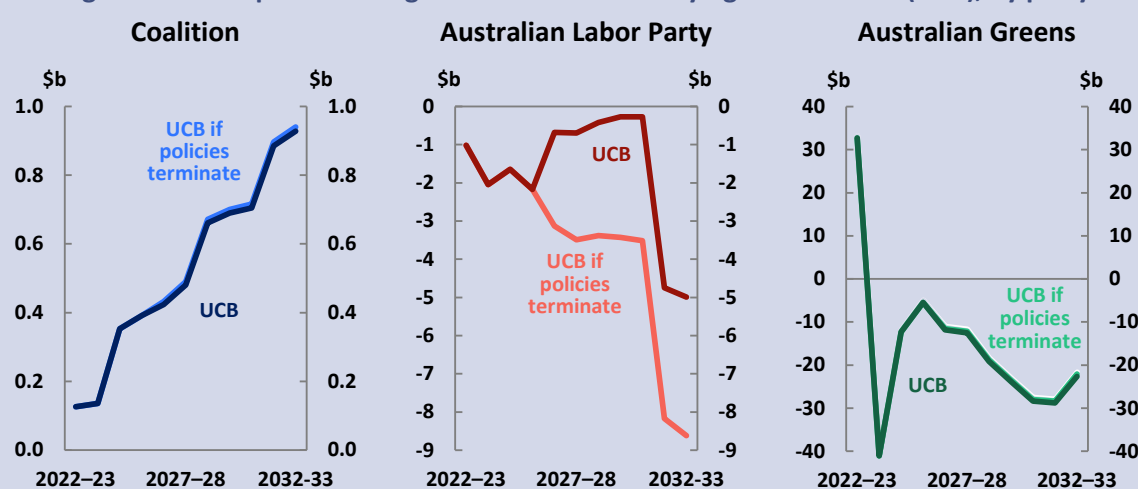
## Box 2: The budget impact of commitments over the medium term

The Election commitments report presents the financial impacts of election commitments over the medium term, rather than just the forward estimates. This gives an indication of the trajectory of fiscal policy over the coming decade and can be useful where parties make commitments that may not take effect, or fully mature, until the period beyond the forward estimates. Even when there is a financial impact, it may not always be possible to quantify that impact. In that case, we clearly indicate why we consider the commitment to be unquantifiable.

Parties usually make their election announcements transparent, including by publishing detailed material on the purpose and cost of their policies. Nevertheless, the PBO will sometimes need to make assumptions. For example, higher levels of transparency are achieved when parties are specific about the duration of their policies. In some cases, it is not clear from announcements whether a policy would be ongoing or would cease (for example, at the end of the forward estimates). In these cases, when estimating the impacts for the report, the PBO applies our published guidance, by assuming that the policy would be ongoing.<sup>6</sup> This assumption has been applied to 48 quantified commitments: 1 for the Coalition, 41 for Labor, and 6 for the Greens.<sup>7</sup>

Over the medium term, the impact of the PBO's assumption on each party's platform on the underlying cash balance results in additional net savings of \$21.7 billion for Labor, additional net costs of \$74 million for the Coalition, and additional net costs of \$2.5 billion for the Greens (Figure 1).

Figure 1: Net impact of PBO guidance on the underlying cash balance (UCB), by party



Source: 2022 PEFO and PBO analysis.

Note: See Appendix I for further information about the method for this sensitivity analysis.

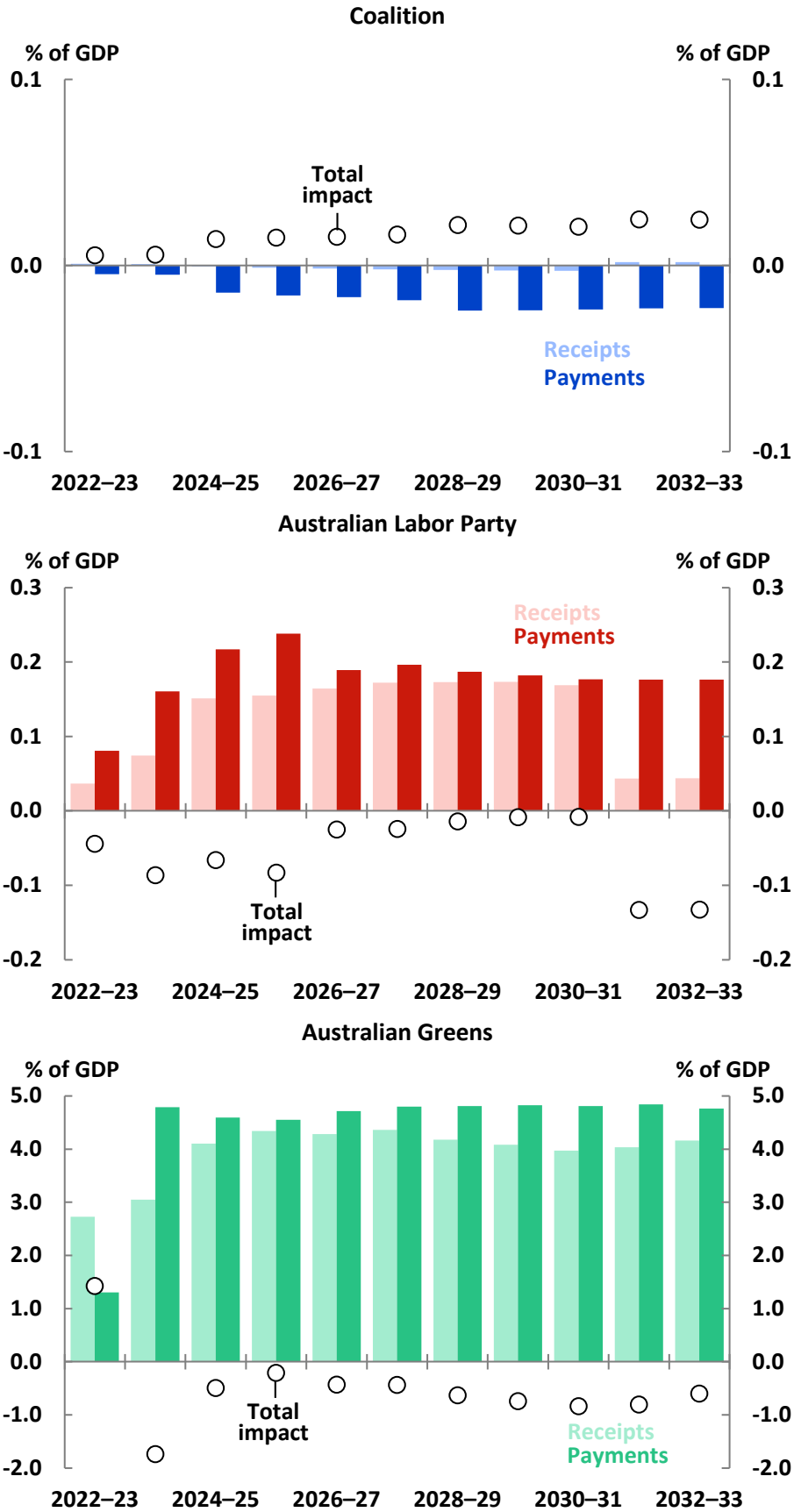
For Labor, this resulting improved position was mostly driven by assuming the extension of the major savings commitments *Extend and boost existing ATO programs* (ECR161) and *Savings from External Labour* (ECR170), partly offset by additional costs from *Powering Australia – Electric Car Discount* (ECR124) and other commitments. For the Coalition, the result is driven entirely by *Mental Health – Additional Funding* (ECR100). For the Greens, the additional cost is driven mainly by *LGBTIQA+ Equality* (ECR562).

<sup>6</sup> See the PBO's general election guidance note 2 of 4, *The election commitments report: overview*, page 3.

<sup>7</sup> The PBO's assumption that a policy is ongoing applies in just one case during the forward estimates period — for the Greens' *Future of Work Commission* (ECR600). Table 1 in each of Appendices A to D shows whether a commitment has been assumed ongoing, and from which year.

Figure 2 illustrates Tables 2 and 3, showing the impact of election commitments on receipts, payments and the underlying cash balance for each party by year over the medium term.

**Figure 2: Medium-term impact of election commitments, by party**  
Underlying cash balance basis



Source: 2022 PEFO and PBO analysis.

## Impact of party platforms on receipts, including interactions with the tax cap

Figure 3 shows the impact of each major party's policies on receipts in each year and whether these are tax or non-tax receipts.

These impacts take into account each party's commitments about the tax-to-GDP ratio. See Box 3 for further explanation and a stylised example of how the application of the tax cap affects the budget balance.

### Box 3: Tax caps and the budget balance

In the absence of policy change, tax receipts tend to increase over time, mainly due to the impact of bracket creep.<sup>8</sup> As part of their medium-term fiscal strategies, successive governments have committed to maintaining tax receipts as a share of GDP at or below a stated 'cap'. The budget projections therefore implicitly incorporate 'unspecified tax cuts' once the cap is reached.

The former Government committed to maintain tax receipts at or below a cap of 23.9% of GDP, so this cap forms part of the PEFO baseline. Labor has no policy to change the tax cap while the Greens do not support a tax cap.<sup>9,10</sup>

In the 2022 PEFO, tax receipts were projected to reach the 23.9% tax-to-GDP cap in 2031–32 and stay at that level for the remaining year of PEFO projections. As a result, if parties have different policies around a tax cap relative to the Coalition, it will affect the total budget impact of that party's election platform from 2031–32.

To see how this works using a stylised example, suppose there are 2 parties who make the same election commitments with just one difference — one party is committed to a tax cap and the other is not. Once tax receipts reach the cap it would only apply for the party supporting the cap, with the result that they would have lower projected tax receipts, and therefore overall receipts, than the party without the tax cap. Since the budget balance is the difference between payments and receipts, the party with the tax cap would have a lower budget surplus (or higher deficit) than the party that did not support the cap.

Labor's receipts commitments are expected to result mostly in a small increase in tax receipts. Commitments including *Extend and boost existing ATO programs* (ECR161) and *Plan to ensure Multinationals Pay Their Fair Share of Tax* (ECR167) result in tax receipts increasing by around 0.1% of GDP in most years compared to the budget baseline, before returning to baseline levels in 2031–32 as tax receipts reach the 23.9% tax-to-GDP cap (the same year as the Coalition).

In contrast, the Greens anticipate raising significantly more tax receipts, equivalent to around 3.7% of GDP in most years. The Greens included major tax changes in their election platform, including commitments to reverse the stage 3 tax cuts in their commitment *A Fair and Progressive Income Tax System* (ECR539), introduce a super profits tax in "*Tycoon*" *Super Profits Tax* (ECR534) and *Mining Super Profits Tax* (ECR535), as well as introduce a wealth tax on billionaires in *Billionaires Tax* (ECR533).

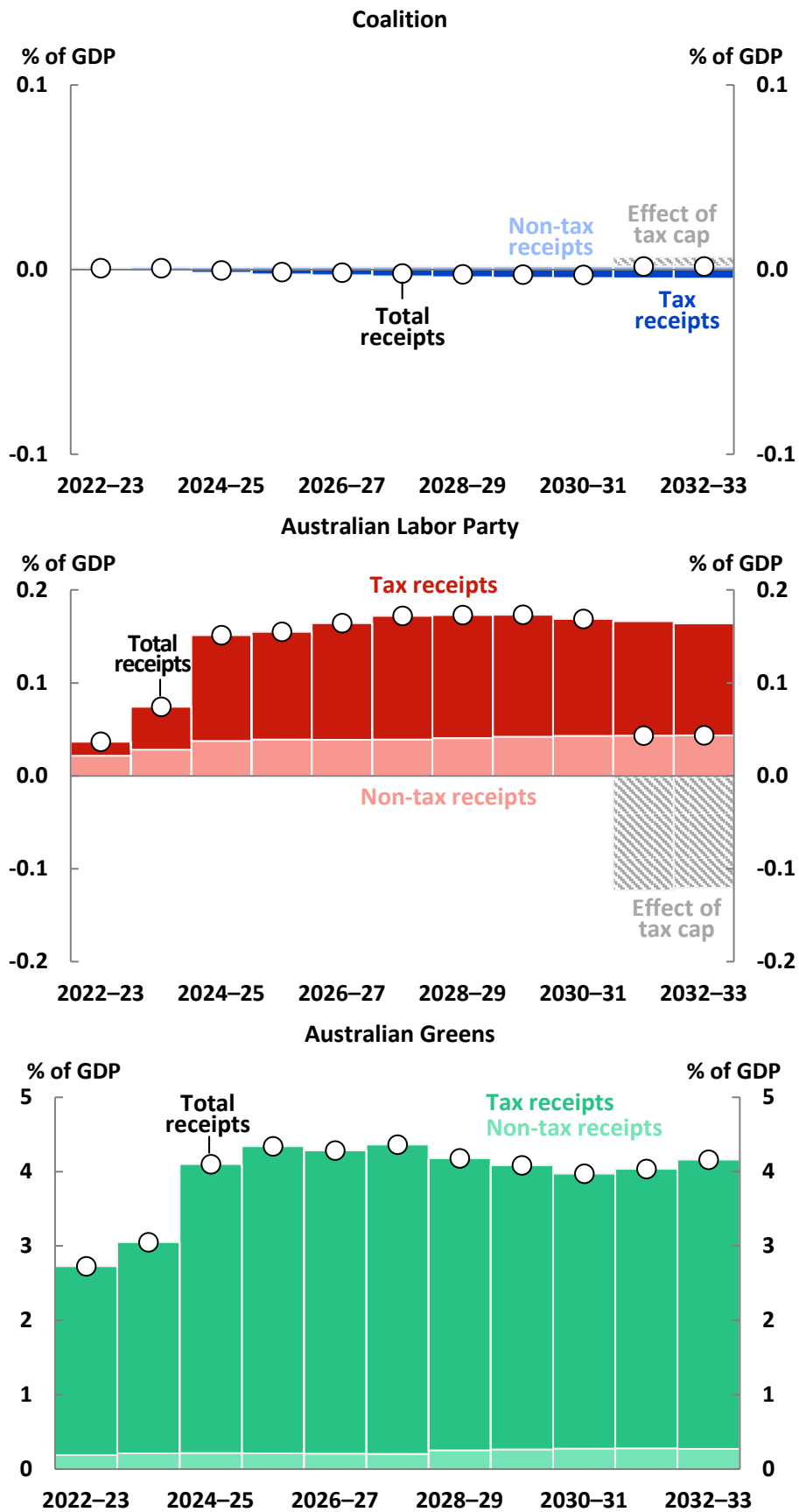
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<sup>8</sup> See PBO Budget explainer No.1, *Bracket creep and its fiscal impact*, 29 September 2021.

<sup>9</sup> The financial impact of each party's policy on the tax cap is separately identified in Table 2 of Appendices A to D: *Detailed tables showing budget impacts of election commitments*.

<sup>10</sup> For more information about the tax cap, see the PBO's [Guide to the Election commitments report](#). For more information on the methodology in applying the tax cap see [Appendix I – Report requirements and method](#).

**Figure 3: Impact of party platform on receipts, by major receipt type**  
Underlying cash balance, 2022–23 to 2032–33



Source: 2022 PEFO and PBO analysis.

Note: Tax receipts include income derived from taxes; such as company tax, personal income tax, and goods and services tax. Income from other sources is included in non-tax receipts; such as royalties, interest earned on loans and dividends from investments. See 'Aggregating election commitments' in Appendix I for information on the application of the tax cap.



## Impact of party platforms on payments

Figure 4 shows the impact on payments of each major party's policies according to their primary purpose, using the standard Australian Bureau of Statistics classification for government spending.<sup>11</sup>

The Coalition's largest payments commitment, *Agency Resourcing* (ECR002), reduces funding under general public services through the efficiency dividend. Overall, Coalition commitments have a negligible net impact on total payments as a share of GDP, with part of these savings from general public services offset by the health commitments *Reducing the PBS Co-Payment* (ECR004) and *Expansion of the Continuous Glucose Monitoring Initiative* (ECR003).

Labor's additional spending is mostly in social protection, general public services and health. This increase reflects spending on social programs through *Cheaper Child Care* (ECR115) and *Fixing the Aged Care Crisis* (ECR146), and additional departmental funding for the Australian Taxation Office to carry out taxation compliance activities under *Extend and boost existing ATO programs* (ECR161).

The Greens committed to significantly higher spending overall, partly funded through higher receipts and a reprioritisation of funding from defence and economic affairs. In the defence category, the commitment *Peace, Disarmament and Demilitarisation* (ECR565) reduces defence funding to 1.5% of GDP. The reprioritisation from the economic affairs category mainly reflects the abolition of fuel tax credits in *End handouts for coal, oil and gas companies* (ECR502). Increases in payments are mainly directed to social protection, general public services and education. For social protection, the additional spending is equivalent to 2.5% of GDP in an average year, and mostly comprises increases to social welfare payment rates in *No One in Poverty* (ECR558). Increases in the general public services and education categories are equivalent to around 1% of GDP a year. The largest contribution to the increase in spending on general public services comes from increasing Australia's foreign aid funding in *Human Rights and Increase Foreign Aid* (ECR564), while the largest contribution to education spending is for *Free TAFE and University* (ECR528).

## Material divergences from estimates made public prior to polling day

For the Coalition and Labor, the level of the underlying cash balance over the forward estimates period presented here is not materially different from the estimates released by the parties prior to polling day.<sup>12</sup>

While the Greens did not publish a consolidated fiscal plan prior to polling day, their announcements included estimated budget impacts and these are in line with the impacts in this report.<sup>13</sup> Differences in the estimates predominantly arose because the Greens' announced estimates were costed before the release of the 2022–23 Budget and therefore used slightly different economic parameters and a different forward estimates period.

No party released consolidated estimates of the medium-term impacts of their election commitments prior to polling day.

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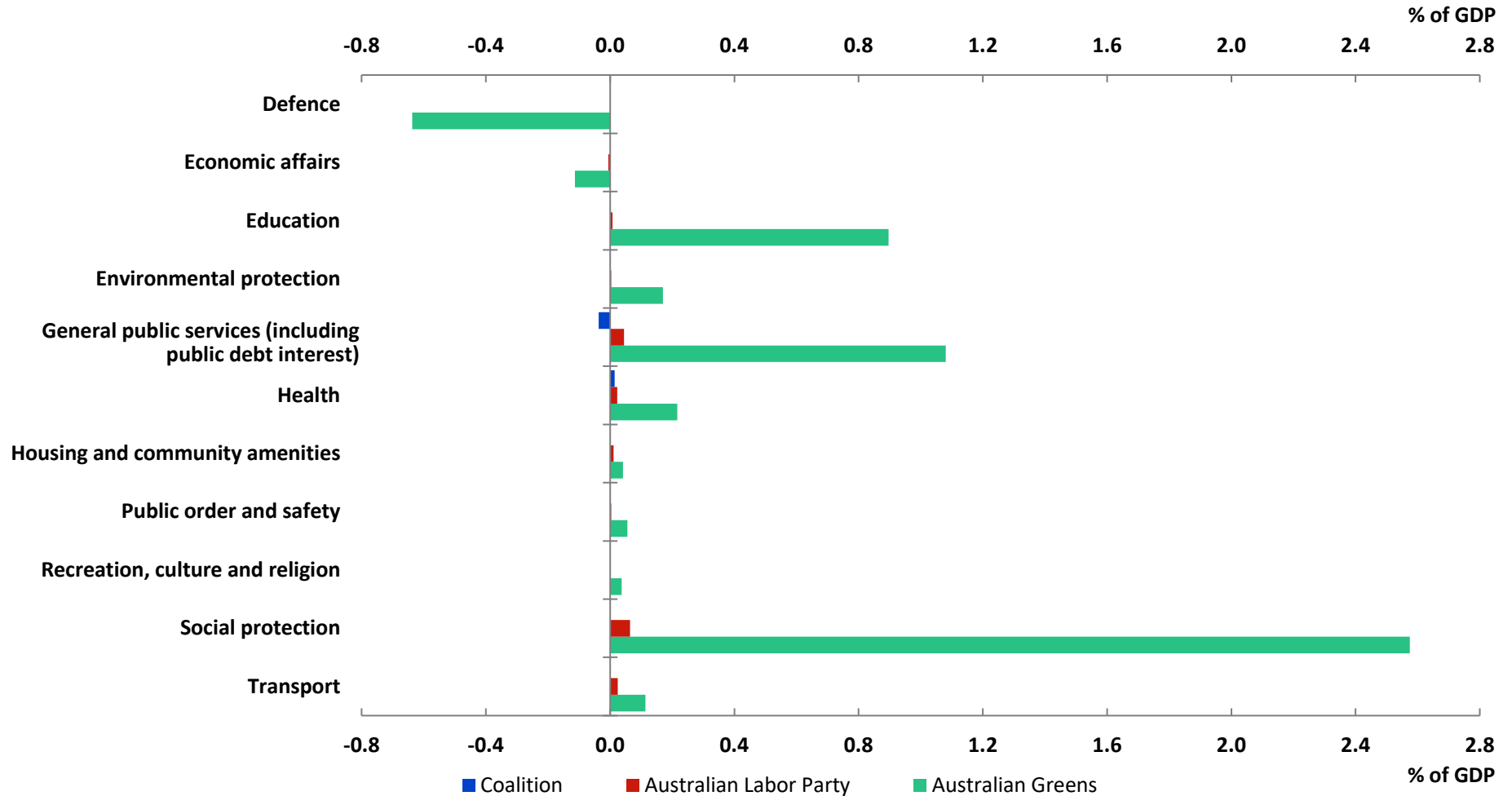
<sup>11</sup> The *Classification of the functions of Government – Australia*, as per the Australian Bureau of Statistics' [Government Finance Statistics](#).

<sup>12</sup> See the Coalition's budget document [Our plan for Responsible Economic Management](#) and Labor's budget document [Plan for a better future](#).

<sup>13</sup> These announcements are available in the Greens' [platform](#).

**Figure 4: Impact of party platform on payments according to purpose**

Underlying cash balance, average annual impact 2022–23 to 2032–33



Source: 2022 PEFO and PBO analysis.

Note: Spending is allocated according to the Classification of the Functions of Government – Australia, consistent with the framework underpinning the Australian Bureau of Statistics' *Government Finance Statistics*. Where commitments cover multiple purposes, they have been allocated to the primary category according to the relative dollar value.

Final levels of spending for 2020–21 were: Defence \$40.7bn; Economic affairs \$100.6bn; Education \$47.9bn; Environmental protection \$6.9bn; General public services \$115.7bn; Health \$97.0bn; Housing and community amenities \$2.8bn; Public order and safety \$6.9bn; Recreation, culture and religion \$4.1bn; Social protection \$226.1bn; and Transport \$12.1bn.

## Further information on announced election platforms

This section provides an overview of features such as the use of balance sheet financing to fund election commitments, the inclusion of distributional analysis in the report, methodological issues such as the identification of election commitments, assessing the materiality of commitments, and the approach to capped funding commitments. Appendix I provides further detail on the PBO's method and approach.

### Commitments funded through balance sheet financing arrangements

There has been an increase in the use of balance sheet 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 balance sheet financing arrangements during this election period.

The budget impacts of these commitments can be understated when looking at the fiscal or underlying cash balance impacts alone.<sup>14</sup> The headline cash balance impact, presented above and in the appendices for each party, provides a better indication of the cost of the initial contribution. Greater use of balance sheet financing arrangements will usually result in headline cash balance impacts that are lower (indicating a worsening budget position) than the underlying cash balance impacts.

For the 2022 election, the Coalition announced 2 commitments involving the use of balance sheet financing arrangements. One of those commitments, *Future Farmer Guarantee Scheme* (ECR001), replaces part of an existing balance sheet financing arrangement (concessional loans) with another type (guarantees). Because the guarantees decrease the headline cash balance by less than the loans, the overall impact of the Coalition's 2 balance sheet financing commitments is actually to increase the headline cash balance, and it is \$0.1 billion higher than the underlying cash balance impact over the period. Both balance sheet financing policies terminate within the forward estimates and the difference between the headline cash and underlying cash balances is not material over the medium term.

Labor announced 11 quantifiable commitments involving the use of balance sheet financing arrangements. They would result in the headline cash balance being \$33.6 billion lower than the underlying cash balance over the forward estimates period, and \$62.7 billion lower over the medium term.

The Greens announced 17 such commitments; these result in the headline cash balance being \$86.0 billion lower than the underlying cash balance impact over the forward estimates period, and \$289.8 billion lower over the medium term.

### Distributional impacts of selected commitments

Parties that have previously requested distributional impacts analysis as part of a PBO costing outside of the caretaker period could elect to retain some or all of that information as part of the costing documentation produced as part of this report.

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<sup>14</sup> Balance sheet 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. See PBO report no 01/2020 *Alternative financing of government policies - Understanding the fiscal costs and risks of loans, equity injections and guarantees*.

The Greens elected to retain distribution information for 3 commitments: *Wipe Student Debt* (ECR529), *A Fair and Progressive Income Tax System* (ECR539), and *Hospital Funding and Waiting List Blitz* (ECR550). Labor did not elect to retain any distributional information.

### Identifying election commitments

The Parliamentary Budget Officer decides which commitments should be included in the election commitment report, based on announcements made by the parties up to polling day and any associated fiscal impact. Election commitments included in the report must be public, specific, and material.

Where no firm commitment is made as to the policy mechanism or details that would deliver on the announcement, it may be considered aspirational in nature. Where an announcement involves detailed actions to achieve an aspirational target, the PBO would include the commitment in the report.

### Commitments without a material budget impact

Not all election commitments made by parties have a direct fiscal impact. As the purpose of this report is to identify commitments that are expected to have a significant impact on the fiscal position, commitments that are not material have not been included in this report. There are 4 main reasons that an announcement meeting the other criteria for being a commitment might not be a material commitment for the purposes of the report.

- Commitments introduce regulatory changes (where they can be administered using the current regulatory arrangements).<sup>15</sup> The Green's commitments to ban political donations from certain industries and introduce truth in political advertising laws are examples of regulatory changes.
- The commitment involves only an increase in departmental expenses and this increase could reasonably be expected to be absorbed, or is already provided for, in existing agency budgets. For example, Labor's commitment to conduct a *Waste and Rorts Audit*, and the Coalition's commitment to work with stakeholders on the design of amending the criteria for the Home Equity Access Scheme, could be met within existing departmental resources.<sup>16</sup>
- The commitment is in the PEFO baseline because the announcement is a 'decision of government'. That is, the decision to implement the proposal was appropriately authorised by the Government prior to the start of the caretaker period.
- The commitment would have no material impact because it reallocates funds which are in the PEFO baseline, but not yet committed to a particular project. Both Labor and the Coalition announced commitments which were already included in the budget baseline, such as the Coalition's *Townsville Hydrogen Hub* and Labor's matching commitment. These were announced during the caretaker period but use existing uncommitted funding under the Energy Security and Regional Development Plan.

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<sup>15</sup> 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 I.

<sup>16</sup> While Labor's *Waste and Rorts Audit* may result in cost savings, these have not been identified in Labor's fiscal plan and are not included in this report.

## **Commitments with capped funding or savings**

Across all major 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. The PBO has not, however, assessed whether the specified amounts would be sufficient to achieve the announced policy outcomes.

The PBO adopts a similar approach with respect to capped savings proposals, where a specified amount of money is deemed to be saved from reducing the amount of an activity. That is, the PBO confirms that existing expenditure is equal to or greater than the specified saving but does not assess the impacts of reducing expenditure.

## **Additional detail by party**

Detail on the budget impacts of each party's election platform is set out in the next section, and in the summary tables at Appendices A (Coalition), B (Labor), C (Greens), and D (Independent member for Indi).

Individual costing documents are at Appendices E (Coalition), F (Labor), G (Greens), and H (Independent member for Indi) for all election commitments other than those involving specified (capped) amounts of funding. These costing documents provide the detailed specification, assumptions and methodologies applied in estimating the fiscal impacts of each commitment. The companion [\*Guide to reading PBO costings\*](#) provides a short overview of PBO costing documents with commentary and examples.

# Major party budget impacts: by party

This section provides more detail on the budget impacts of each major party's election platform.

Information is provided on the financial impacts over the forward estimates and medium term, as well as any interactions between costings and with the tax-to-GDP cap, where applicable. Detail is also included of any commitments that the PBO has identified through public announcements in addition to those identified by the parties through the lists they provided to the PBO.

## Coalition

### Key points:

- The Coalition's commitments make small improvements in the underlying cash, fiscal and headline cash balances over both the forward estimates and medium term, relative to PEFO.
- This is driven by a net decrease in payments, with small changes in tax receipts and non-tax receipts largely offsetting each other.
- There are no material differences between the PBO's estimates of the budget impacts of Coalition policies and those released by the Coalition prior to the election.
- No new commitments beyond those released prior to the election by the Coalition were identified by the PBO through the Election commitments report process.

### Budget impacts over the forward estimates

The combined impact of the Coalition's election commitments is estimated to slightly increase all 3 budget balances over the 2022–23 Budget forward estimates period (Table 4). For the underlying cash balance, this reflects a decrease in payments and tax receipts and an increase in non-tax receipts. The impacts on the fiscal balance are of a similar magnitude and nature. The increase in the headline cash balance results in a slight decrease of \$36 million in public debt interest payments over the forward estimates, reflecting the net decrease in payments.

The main commitment driving the difference between the headline cash balance and the underlying cash balance is the *Future Farmer Guarantee Scheme* (ECR001) which involves the use of balance sheet financing arrangements. This policy supports new farmers by guaranteeing 40% of a commercial loan, up to a maximum of \$1 million. This guarantee is accounted for in the headline cash balance but not the underlying cash balance.

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 over the forward estimates and those released by the Coalition prior to the election.<sup>17</sup>

Most of the Coalition's election commitments are payments measures with only minor impacts on tax and non-tax receipts. The Coalition commitment with the largest fiscal impact is *Agency Resourcing* (ECR002), a savings measure which reduces the existing annual funding for Australian Government

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<sup>17</sup> See the Coalition budget document [\*Our plan for Responsible Economic Management\*](#).

agencies for the years 2022–23 to 2025–26. While this commitment terminates at the end of 2025–26, it has an ongoing annual saving as the commitment results in a permanent reduction in the level of departmental funding for affected agencies. This commitment would increase the underlying cash balance by \$3.3 billion over the forward estimates period.

**Table 4: Financial implications of the Coalition’s election commitments, 2022–23 forward estimates, underlying cash, headline cash and fiscal balance basis (\$billion)**

	2022–23	2023–24	2024–25	2025–26	Total to 2025–26
<b>Cash balances</b>					
<b>Impact of election commitments</b>					
Receipts	..	..	..	..	..
Payments (excluding PDI)	0.1	0.1	0.4	0.4	1.0
Public debt interest (PDI)	..	..	..	..	..
Underlying cash balance	0.1	0.1	0.4	0.4	1.0
Net cash flows from investments in financial assets for policy purposes	..	..	..	..	0.1
Headline cash balance	0.2	0.2	0.4	0.4	1.1
<b>Final level</b>					
Receipts	548.6	585.2	615.2	643.9	2,392.8
Payments (excluding PDI)	-608.5	-621.3	-640.3	-660.1	-2,530.2
Public debt interest	-17.9	-20.3	-21.6	-26.3	-86.1
Underlying cash balance	-77.8	-56.4	-46.7	-42.5	-223.5
Net cash flows from investments in financial assets for policy purposes	-12.8	-3.8	-10.1	-6.8	-33.6
Headline cash balance	-90.6	-60.2	-56.9	-49.4	-257.1
<b>Fiscal balance</b>					
<b>Impact of election commitments</b>					
Revenue	..	..	..	..	..
Expenses (excluding PDI)	0.1	0.1	0.4	0.4	1.0
Public debt interest (PDI)	..	..	..	..	..
Fiscal balance	0.1	0.1	0.4	0.4	1.0
<b>Final level</b>					
Revenue	561.9	595.7	621.7	655.2	2,434.4
Expenses (excluding PDI)	-618.8	-631.7	-647.7	-668.5	-2,566.8
Public debt interest	-21.5	-22.6	-24.7	-25.9	-94.6
Fiscal balance	-78.4	-58.6	-50.7	-39.3	-227.0

Source: 2022 PEFO and PBO analysis.

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

.. Not zero but rounded to zero.

This savings measure more than offsets the 36 other Coalition commitments that decrease the underlying cash balance over the forward estimates, of which the 2 largest are *Reducing the PBS Co-Payment* (ECR004), which reduces the general patient maximum co-payment of the Pharmaceutical Benefits Scheme by about \$10, and *Super Home Buyer Scheme and Downsizer Contributions* (ECR010), which allows first home buyers to release a proportion of their superannuation as a contribution

towards a deposit for a home and reduces the eligibility age for downsizers' contributions into superannuation.

The Coalition made announcements during the election campaign that were not election commitments for the purposes of the report, because funding was already in the budget baseline. The PBO identified around 400 announcements that fell into this category.

- Some were decisions of government made prior to the commencement of the caretaker period. Decisions of government include any measures that were in the 2022–23 Budget as well as grants or fund allocations committed by the government through the relevant processes. One example is *Stanwell Corporation's Central Queensland Hydrogen Hub* which was announced during the caretaker period but funded under the existing Clean Hydrogen Hubs Program as a decision of government.
- The Coalition also announced several commitments during the election campaign to allocate uncommitted funding from within existing grants programs. Because the grants programs are already in the budget baseline, these commitments are not material.

The PBO seeks advice from all parties on the source of funding for announcements made during the election campaign. Where the party in government advises that an announcement was a decision of government, the PBO verifies this with the relevant government agency. Where any party allocates uncommitted funds in an existing program, the PBO verifies with the relevant government agency that sufficient uncommitted funding is available.

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 E.

The costing documentation prepared by the Department of Finance and the Treasury for the Coalition's election commitments is used in this report with the exception of 4 costing minutes.<sup>18</sup>

- The commitments *Future Farmer Guarantee Scheme* (ECR001) and *Rural Health and Medical Training, Far North Queensland* (ECR011) have PBO minutes for consistent presentation of public debt interest. The commitment *Regional Health Package* (ECR005) has a PBO minute to provide some additional information about departmental funding arrangements.
- In some circumstances, including where a policy is expected to have financial impacts over the medium term, the PBO has provided additional information in addenda to the Department of Finance and the Treasury costings.<sup>19</sup> The commitment *Super Home Buyer Scheme and Downsizer Contributions* (ECR010) has a PBO costing minute rather than just an addendum. This is to explain a costing assumption that applies over the period after the forward estimates (the period over which the PBO has extended the original costing).

In addition to the costing documentation prepared by the Department of Finance and the Treasury, this report includes 5 PBO costings. All of these commitments were included in the Coalition's fiscal plan and the financial implications in this report are consistent with that plan.

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<sup>18</sup> The Department of Finance costing for *Increase the Income Threshold for the Commonwealth Seniors Health Card* (ECR008) has been revised slightly from that originally published on the [www.electioncostings.gov.au](http://www.electioncostings.gov.au) website.

<sup>19</sup> The PBO's legislation does not require the Parliamentary Budget Officer to include the costing documentation prepared by the Department of Finance and the Treasury during the caretaker period if, in their professional judgement, it is considered more appropriate to include a new costing.



- PBO minutes are included for 3 unquantifiable commitments: *Maximum penalties under the Building and Construction Industry (Improving Productivity) ACT 2016* (ECR012), *Foreign criminals to face the cost of their own immigration detention* (ECR013) and *Junior Minerals Exploration Incentive* (ECR014). These were unquantifiable commitments in the Coalition's fiscal plan.
- Two capped funding commitments, *Infrastructure Investment Program – Additional Funding* and *Mental Health – Additional Funding*, are included in *Various capped costings – the Coalition* (ECR100).

### **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.

### **Medium-term budget impacts**

Tables 2 and 3 in the *Summary of major party budget impacts* section show the net impacts of the Coalition's election commitments over the medium term, which are consistent with those over the forward estimates period.

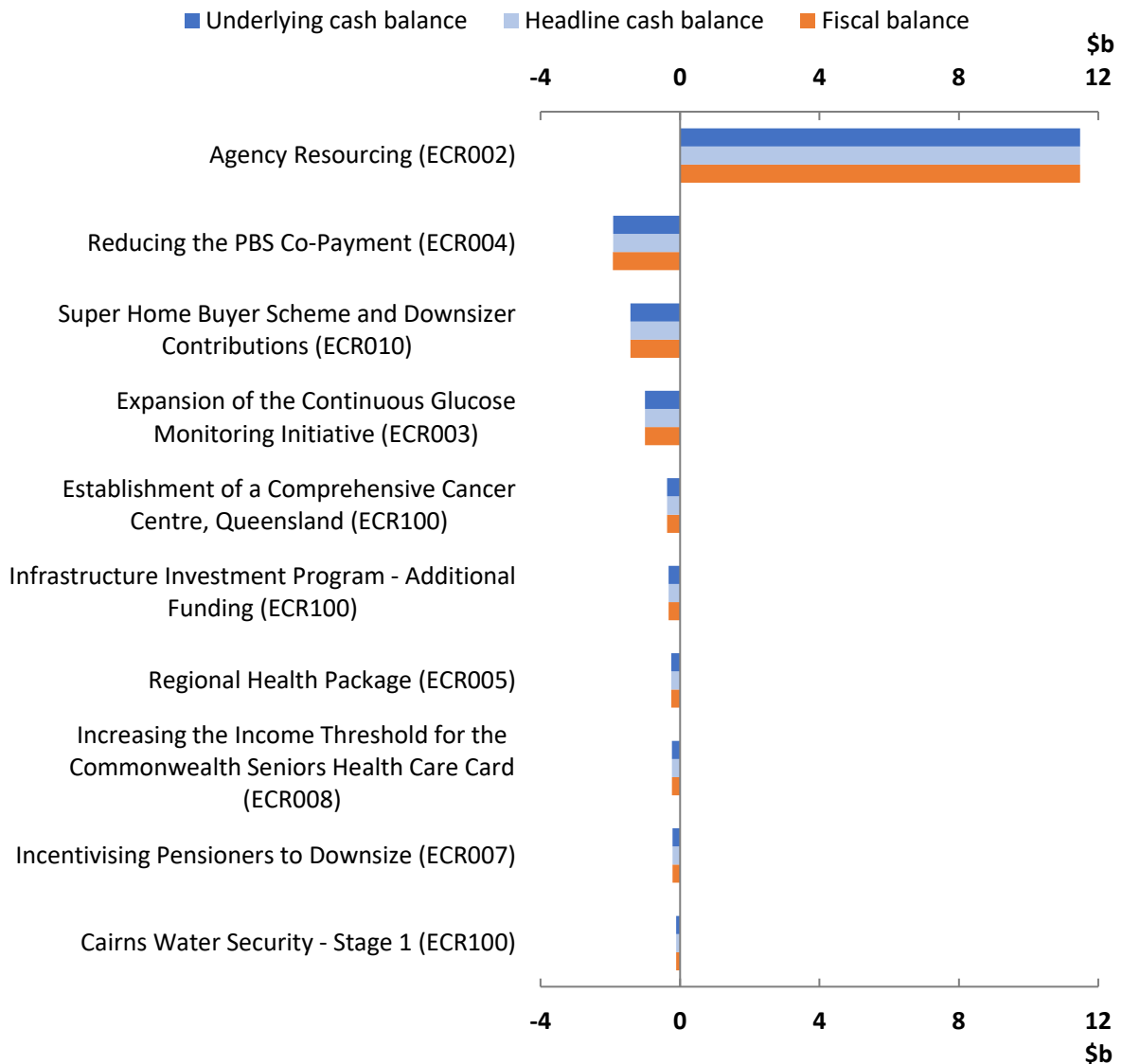
Figure 5 shows the 10 largest commitments by cumulative impact over the medium term across each budget balance.

Consistent with the forward estimates, the Coalition election commitment with the largest fiscal impact is the savings measure *Agency Resourcing* (ECR002).

The savings from this measure more than offset the \$7.0 billion increase in payments from all other Coalition commitments over the medium term. The most significant increase in payments is from the commitment *Reducing the PBS Co-payment* (ECR004). As this commitment increases the cost of the PBS on an ongoing basis, it decreases the underlying cash balance by \$1.9 billion over the medium term.

The second largest spending commitment over the medium term is *Super Home Buyer Scheme and Downsizer Contributions* (ECR010). This commitment reduces tax receipts on an ongoing basis, decreasing the underlying cash balance by \$1.4 billion over the medium term.

**Figure 5: The Coalition’s largest election commitments over the medium term**  
Cumulative impact on the underlying cash, headline cash and fiscal balance



Source: 2022 PEFO and PBO analysis.

Note: A positive impact indicates an increase in the budget balance. A negative impact indicates a decrease in the balance.

### Interaction with the tax cap

The Coalition’s policy is for taxation receipts to not exceed 23.9% of GDP. The impact of the Coalition’s election commitments on tax receipts over the medium term results in additional unspecified tax cuts being included from the year 2031–32, worth \$0.2 billion each year, to maintain tax receipts at or below the tax cap. This impact is negligible as a share of GDP.

### Additional Coalition commitments identified by the PBO

This report includes all but one of the election commitments identified by the Coalition in the list provided to the Parliamentary Budget Officer on the day before polling day. The commitment *Freeze Deeming Rates for Two Years* has not been included in this report as it has no material impact on the budget.

No additional commitments were identified by the Parliamentary Budget Officer.

# Australian Labor Party

## Key points:

- Labor's commitments are estimated to decrease each of the budget balances over the forward estimates and the medium term, relative to the PEFO baseline. Labor's platform, if fully delivered, would result in a decrease in the underlying cash balance of not more than 0.1% of GDP in any year, relative to PEFO.
- The underlying cash balance decrease over the forward estimates is largely driven by increases to payments, partially offset by savings proposals and an increase in taxation receipts. Commitments with large concessional loan and equity financing arrangements result in the headline cash balance decrease being larger than the underlying cash balance decrease over both the forward estimates and the medium term.
- Overall, the estimates presented in this report are not materially different from those published by Labor for the forward estimates prior to the election.
- The PBO identified 4 Labor election commitments additional to those in their party list. Each of these commitments is either fully offset or unquantifiable, so there is no additional estimated expenditure for these commitments.

## Budget impacts over the forward estimates

The combined impact of Labor's election commitments is estimated to decrease all 3 budget balances over the 2022–23 Budget forward estimates period (Table 5). For the underlying cash balance, this reflects an increase in receipts, exceeded by an increase in payments (including public debt interest). The impacts on the fiscal balance are of a similar magnitude and nature. The decrease in the headline cash balance is larger than that of the underlying cash balance, reflecting a net increase in payments on a headline cash basis. Overall, the commitments result in an increase of \$1.6 billion in public debt interest payments over the forward estimates, relative to PEFO.

The commitments driving the difference between the headline cash balance and the underlying cash balance are *Powering Australia – Rewiring the Nation* (ECR125), *Help to Buy* (ECR163), *National Reconstruction Fund* (ECR157) and *Housing Australia Future Fund* (ECR165), which involve the use of balance sheet financing arrangements through increases in loans and equity investments.

The PBO's estimates are not materially different from the costs for the forward estimates period released by Labor prior to the election.<sup>20</sup> While there are some material differences for individual commitments, when taken together, these differences amount to not more than 0.1% of GDP in any given year. The PBO's estimates increase the expected budget position in total over the forward estimates relative to those in Labor's fiscal plan.

Notable differences which increase the underlying cash balance relative to the estimates in Labor's fiscal plan include:

- *Abolish the Cashless Debit Card* (ECR129), where the PBO's costing estimates the savings arising from this measure

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<sup>20</sup> See [Labor's Plan for a Better Future](#).

- *Infrastructure Projects* (ECR181), where the PBO identified a small number of projects already funded within the budget baseline
- *Cutting the PBS General Co-Payment to \$30* (ECR143). For this commitment, the PBO costing in this report uses a costing methodology that accounts for the receipt of manufacturer rebates from drug sponsors under Special Pricing Agreements.

The commitment with the biggest decrease to the underlying cash balance relative to the estimates in Labor’s fiscal plan is *Fixing the Aged Care Crisis* (ECR146), where updated PEFO parameters have resulted in a small revision to costs (relative to the overall size of the proposal).

**Table 5: Financial implications of Labor’s election commitments, 2022–23 forward estimates, underlying cash, headline cash and fiscal balance basis (\$billion)**

	2022–23	2023–24	2024–25	2025–26	Total to 2025–26
<b>Cash balances</b>					
<b>Impact of election commitments</b>					
Receipts	0.8	1.8	3.8	4.1	10.4
Payments (excluding PDI)	-1.8	-3.5	-4.9	-5.5	-15.7
Public debt interest (PDI)	-0.1	-0.3	-0.5	-0.8	-1.6
Underlying cash balance	-1.0	-2.0	-1.6	-2.2	-6.9
Net cash flows from investments in financial assets for policy purposes	-6.1	-9.1	-10.6	-7.8	-33.6
Headline cash balance	-7.1	-11.1	-12.2	-10.0	-40.5
<b>Final level</b>					
Receipts	549.4	586.9	618.9	648.0	2,403.2
Payments (excluding PDI)	-610.4	-625.0	-645.5	-665.9	-2,546.8
Public debt interest	-18.0	-20.5	-22.2	-27.1	-87.8
Underlying cash balance	-79.0	-58.6	-48.7	-45.1	-231.4
Net cash flows from investments in financial assets for policy purposes	-18.9	-13.0	-20.7	-14.7	-67.3
Headline cash balance	-97.9	-71.5	-69.5	-59.8	-298.7
<b>Fiscal balance</b>					
<b>Impact of election commitments</b>					
Revenue	1.3	2.3	4.1	5.0	12.7
Expenses (excluding PDI)	-1.9	-3.8	-5.1	-5.7	-16.4
Public debt interest (PDI)	-0.1	-0.3	-0.6	-0.8	-1.7
Fiscal balance	-0.7	-1.7	-1.5	-1.5	-5.4
<b>Final level</b>					
Revenue	563.1	598.0	625.8	660.2	2,447.1
Expenses (excluding PDI)	-620.8	-635.6	-653.2	-674.6	-2,584.1
Public debt interest	-21.6	-22.9	-25.2	-26.8	-96.4
Fiscal balance	-79.2	-60.5	-52.6	-41.2	-233.4

Source: 2022 PEFO and PBO analysis.

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

The bulk of Labor's commitments affect payments, including both spending and savings measures. These comprise a large number of payments measures that would reduce the underlying cash balance, partially offset by 15 savings measures. Labor's platform also includes 10 commitments that would affect taxation receipts and 17 that would impact non-taxation receipts (noting commitments can affect all of payments, tax and non-tax receipts). Overall, the impact on receipts would have a positive impact on the underlying cash balance.

The Labor commitments contributing the most to the decrease in the underlying cash balance are *Cheaper Child Care* (ECR115) and *Fixing the Aged Care Crisis* (ECR146). They are estimated to have a net cost of \$5.1 billion and \$2.5 billion respectively over the forward estimates. These impacts are driven by increases to administered payments.

Labor's commitments with the largest increases to the underlying cash balance primarily feature higher taxation receipts, with *Extend and boost existing ATO programs* (ECR161) and *Plan to ensure Multinationals Pay Their Fair Share of Tax* (ECR167) improving the underlying cash balance by \$3.1 billion and \$1.9 billion over the forward estimates, respectively. There are also significant increases to the underlying cash balance from *Savings from External Labour* (ECR170), a measure to reduce Australian Public Service spending on contractors, consultants and labour hire companies, which would reduce payments by \$3.0 billion over the forward estimates.

Further information on 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 F.

### **Interactions between election commitments**

Seven of Labor's commitments would be expected to interact with each other. In particular, the expected savings from *Ending the 10% upfront fee discount* (ECR116) would be larger than originally costed when accounting for its impact on 2 other Higher Education Loan Program commitments – *20,000 More University Places* (ECR113) and *Rural Health and Medical Training for Far North Queensland* (ECR173). Interactions between these proposals would increase the underlying cash balance by \$2.3 million over the forward estimates period and by \$2.8 million over the medium term.

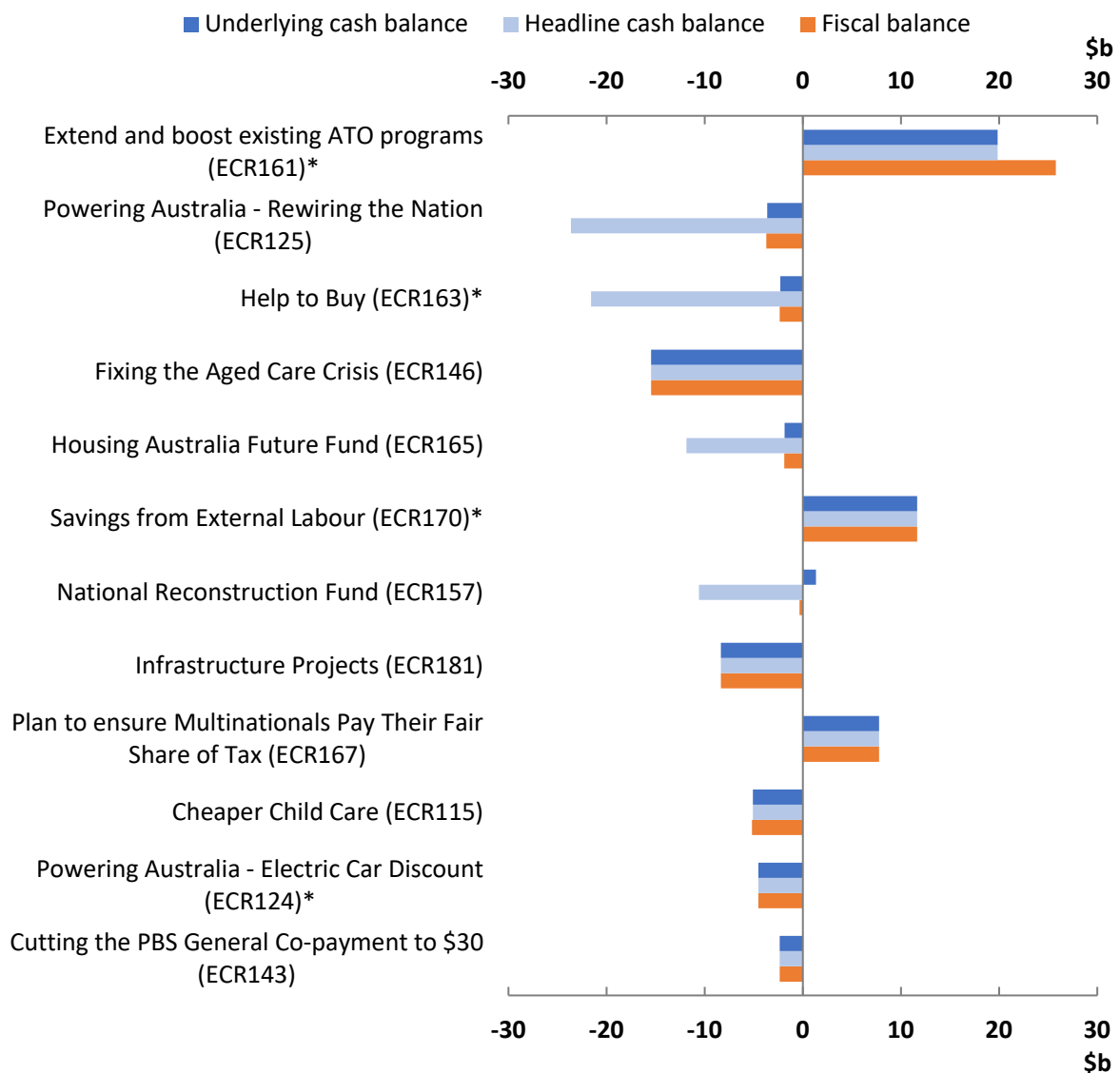
While the PBO has also identified 2 other potential interactions across 4 of Labor's commitments, these are either offsetting or unquantifiable, so no additional financial implications have been outlined in this report. More detail on these interactions is set out in *Budget analysis of interactions between the Australian Labor Party's election commitments* (ECR178).

### **Medium-term budget impacts**

Tables 2 and 3 in the *Summary of major party budget impacts* section show the net impacts of Labor's election commitments over the medium term, which are broadly consistent with those over the forward estimates period.

Figure 6 summarises Labor's largest election commitments over the medium term. The full list of medium-term impacts for each commitment is provided in Appendix B.

**Figure 6: Labor’s largest election commitments over the medium term**  
Cumulative impact on the underlying cash, headline cash and fiscal balance



Source: 2022 PEFO and PBO analysis.

Note: \* Denotes commitments assumed to be ongoing by the PBO, in line with PBO guidance. All commitments assumed to be ongoing for any party or independent are identified in Appendices A to D. Shows the largest 10 commitments on each budget balance, resulting in more than 10 total commitments because the largest 10 commitments differ across budget balances. A positive impact indicates an increase in the budget balance. A negative impact indicates a reduction in the budget balance.

Labor’s largest spending commitments over the medium term are largely consistent with those over the forward estimates. The following large commitments have differing impacts across the budget balances.

- The commitment with the most significantly different fiscal balance impact is *Extend and boost existing ATO programs (ECR161)*, which differs due to the timing of when revenues and expenses are recognised. Also notable is *National Reconstruction Fund (ECR157)*, which varies primarily due to the accounting treatment of concessional loans across the fiscal and underlying cash balances.
- Commitments with notably differing headline cash balance impacts include *Powering Australia – Rewiring the Nation (ECR125)*, *Help to Buy (ECR163)*, *National Reconstruction Fund (ECR157)* and *Housing Australia Future Fund (ECR165)*. These commitments all differ due to the treatment of equity and concessional loan transactions, where the equity injections or loan principal and repayments appear in the headline cash balance only.

## Interaction with the tax cap

The *Statement on Labor’s Economic Plan and Budget Strategy* outlined that ‘Labor is not attracted to the current [23.9% tax-to-GDP] cap and does not believe it needs to be revisited, given that both [the Coalition and Labor] will not approach it in the forward estimates’.<sup>21</sup> As such, the PBO has incorporated the tax cap in calculating Labor’s fiscal aggregates. The PBO estimates that unspecified tax cuts of \$9.2 billion over the medium term (0.1% of GDP in 2031–32 and 2032–33) would be required to satisfy this limit (Table 6).

**Table 6: Net impact of unspecified tax cuts due to tax cap (% of GDP)**

	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30	2030– 31	2031– 32	2032– 33
Unspecified tax cuts	-	-	-	-	-	-	-	-	-	-0.1	-0.1

Source: 2022 PEFO and PBO analysis.

- Indicates nil.

## Additional Labor commitments identified by the PBO

This report considered all election commitments identified by Labor in the list provided to the Parliamentary Budget Officer on the day before polling day. A number have been excluded from this report as they were deemed to not be material, or were matching Coalition commitments for which funding has already been provided for in the budget baseline. Appendix I provides further information on how the PBO assesses the materiality of election commitments for the purposes of this report.

The Parliamentary Budget Officer has included 4 additional commitments to the list provided by Labor. These are *Powering the Regions Fund and direct financial support measures* (ECR175), *Restore the role of the Climate Change Authority* (ECR176), *Roll Creative Partnerships Australia into the Australia Council* (ECR177) and *Hunter Super Hydrogen Hub* (ECR500). No additional costs associated with these commitments have been included in this report.

*Powering the Regions fund and direct financial support measures* (ECR175) would be funded by redirecting funds from the Emissions Reduction Fund. While the expenditure for this commitment is fully offset, the mandate, function and operation of the Powering the Regions Fund remain to be specified. The PBO has therefore assessed the overall budget impact of this commitment as unquantifiable.

The remaining 3 commitments would have no net cost, as they would all be funded by redirecting budgeted expenditure from other activities.

The largest quantifiable additional commitment is the creation of a *Hunter Super Hydrogen Hub* (ECR500), which would provide \$82 million to establish a single hydrogen hub in the Hunter region of New South Wales. Funding for this commitment is to be drawn from existing allocated but not yet contracted funding for the Clean Hydrogen Industrial Hubs program.

The Minister for Finance, Senator the Hon Katy Gallagher, noted agreement with the additional commitments included by the PBO, and that these items would have no net cost.

<sup>21</sup> See *Statement on Labor’s Economic Plan and Budget Strategy*, page 11.

## Australian Greens

### Key points:

- The Greens' commitments are projected to decrease all budget balances over the forward estimates period and the medium term, relative to the PEFO baseline. Due to large volumes of loans and equity in some commitments, the projected decline in the headline cash balance is much larger than the other budget balances.
- While large increases in receipts exceed the large increases in payments in 2022–23 itself, across both the forward estimates and medium-term periods, increases in payments are only partially offset by increases in receipts. If fully delivered, the Greens' platform would decrease the underlying cash balance by an average of 0.5% of GDP per year over the medium term, relative to PEFO.
- The impacts in this report are in line with those published by the Greens prior to polling day for the same commitments, after adjusting for differences in economic parameters.
- Additional commitments identified by the PBO further decrease each of the budget balances, with increases in payments of \$12.4 billion over the forward estimates, partially offset by a \$2.7 billion increase to receipts. The net impact of these additional commitments is small compared to the total impact of the Greens' platform, which increases payments by \$376.6 billion over the same period.

### Budget impacts over the forward estimates

The combined impact of the Greens' election commitments is estimated to decrease all 3 budget balances over the 2022–23 Budget forward estimates period (Table 7). For the underlying cash balance, this reflects a net increase in payments (including public debt interest) of \$376.6 billion, partially offset by a net increase in receipts of \$350.5 billion. The impacts on the fiscal balance are similar. The decrease in the headline cash balance results in an increase of \$2.8 billion in public debt interest (PDI) payments over the forward estimates. The difference between the headline and underlying cash balances primarily reflects increases in loans and equity investments as part of the commitments *Building One Million Homes* (ECR524) and *Finally Building High Speed Rail* (ECR512), partially offset by decreases in loan commitments in *Free TAFE and University* (ECR528).

While the Greens did not publish a consolidated fiscal plan prior to polling day, their announcements included estimated budget impacts and these are in line with the impacts in this report.<sup>22</sup> Differences in the estimates predominantly arose because the Greens' announced estimates were costed before the release of the 2022–23 Budget and therefore used slightly different economic parameters and a different forward estimates period.

The Greens announced commitments to significantly increase receipts and decrease payments. The commitment that makes the largest contribution to the increase in the underlying cash balance is "Tycoon" Super Profits Tax (ECR534), which would introduce a tax of 40% on company profits that exceed a specified threshold. This is expected to increase the underlying cash balance by \$87.0 billion over the forward estimates period. The commitment with the largest reduction in payments is *Peace Disarmament and Demilitarisation* (ECR565), which would reduce defence payments to 1.5% of GDP by

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<sup>22</sup> These announcements are available in the Greens [platform](#).



2025–26. This commitment is expected to increase the underlying cash balance by \$51.1 billion over the forward estimates period.

**Table 7: Financial implications of the Greens' election commitments, 2022–23 forward estimates, underlying cash, headline cash and fiscal balance basis (\$billion)**

	2022–23	2023–24	2024–25	2025–26	Total to 2025–26
<b>Cash balances</b>					
<b>Impact of election commitments</b>					
Receipts	62.7	72.2	102.1	113.5	<b>350.5</b>
Payments (excluding PDI)	-30.2	-113.3	-113.3	-117.0	<b>-373.8</b>
Public debt interest (PDI)	0.2	..	-1.1	-1.9	<b>-2.8</b>
Underlying cash balance	32.7	-41.1	-12.3	-5.5	<b>-26.1</b>
Net cash flows from investments in financial assets for policy purposes	-6.5	-20.2	-26.2	-33.2	<b>-86.0</b>
Headline cash balance	26.3	-61.2	-38.5	-38.7	<b>-112.1</b>
<b>Final level</b>					
Receipts	611.2	657.4	717.3	757.4	<b>2,743.3</b>
Payments (excluding PDI)	-638.8	-734.7	-754.0	-777.5	<b>-2,905.0</b>
Public debt interest	-17.7	-20.3	-22.7	-28.3	<b>-89.0</b>
Underlying cash balance	-45.2	-97.6	-59.4	-48.4	<b>-250.6</b>
Net cash flows from investments in financial assets for policy purposes	-19.3	-24.0	-36.3	-40.0	<b>-119.7</b>
Headline cash balance	-64.5	-121.6	-95.7	-88.5	<b>-370.3</b>
<b>Fiscal balance</b>					
<b>Impact of election commitments</b>					
Revenue	73.9	97.7	98.4	108.9	<b>378.9</b>
Expenses (excluding PDI)	-41.3	-123.4	-123.6	-128.4	<b>-416.7</b>
Public debt interest (PDI)	0.3	-0.1	-1.2	-2.1	<b>-3.2</b>
Fiscal balance	32.9	-25.9	-26.4	-21.6	<b>-41.0</b>
<b>Final level</b>					
Revenue	635.7	693.3	720.1	764.1	<b>2,813.3</b>
Expenses (excluding PDI)	-660.3	-755.2	-771.7	-797.3	<b>-2,984.5</b>
Public debt interest	-21.2	-22.7	-25.9	-28.1	<b>-97.9</b>
Fiscal balance	-45.7	-84.6	-77.5	-61.3	<b>-269.0</b>

Source: 2022 PEFO and PBO analysis.

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

Increases to receipts and reductions in payments announced by the Greens are more than offset by commitments to increase payments. The largest spending commitment is *No One in Poverty* (ECR558), which increases the maximum payment rate and removes some compliance measures for social welfare payments. This commitment is expected to decrease the underlying cash balance by \$134.5 billion over the forward estimates period. The next largest spending commitments are *Free TAFE and University* (ECR528) and *Quality Aged Care for All* (ECR563), which are expected to decrease the underlying cash balance by \$44.2 billion and \$25.0 billion respectively over the forward estimates period.

Further discussion of major 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 G.

### **Interactions between election commitments**

The PBO has identified and costed material interactions between 12 commitments:

- *End handouts for coal, oil and gas companies* (ECR502)
- *Make Gas Exporters Pay Taxes and Royalties* (ECR503)
- *Coal Export Levies* (ECR504)
- *Make Polluters Pay for the Damage they are doing* (ECR506)
- *End Tax Breaks for Property Investors* (ECR525)
- *Billionaires Tax* (ECR533)
- *“Tycoon” Super Profits Tax* (ECR534)
- *Mining Super Profits Tax* (ECR535)
- *Banking for People, Not Profit* (ECR537)
- *A Fair and Progressive Income Tax System* (ECR539)
- *No one in Poverty* (ECR558)
- *Paid Parental Leave* (ECR581).

While some of these commitments primarily affect payments, the interactions between them only affect receipts.

These overall interactions lower receipts relative to the impact of the commitments if these interactions were not taken into account. Receipts are lower in each year and decrease by \$10.3 billion over the forward estimates and \$27.4 billion over the medium term. The magnitude of the estimated interactions grows significantly in 2024–25 as the reversal of the Stage 3 tax cuts in *A Fair and Progressive Income Tax System* (ECR539) takes effect. The interactions then decline over the medium term as the changes to negative gearing and the capital gains tax discount in *End Tax Breaks for Property Investors* (ECR525) approach maturity.

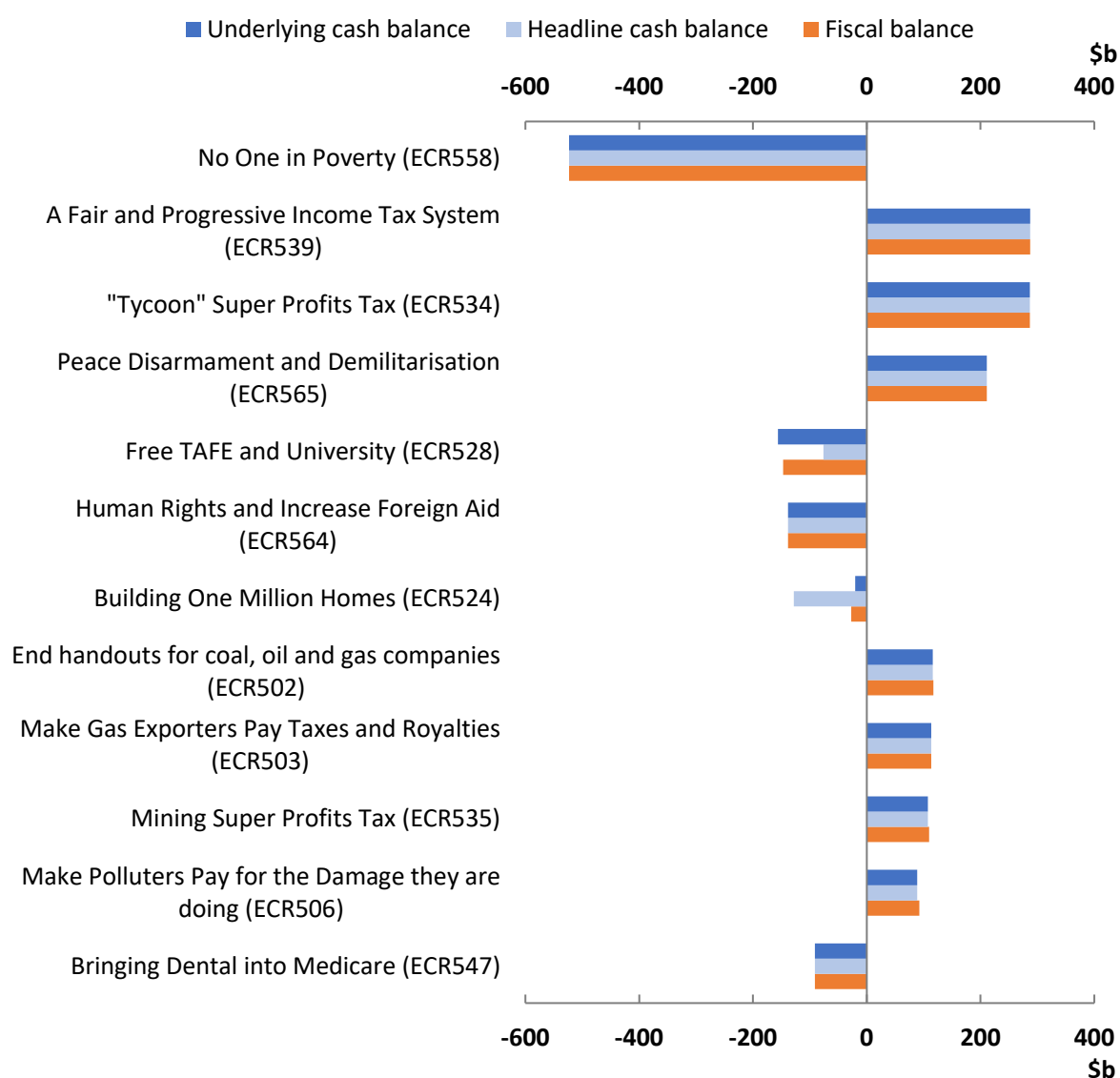
Further detail on these interactions, including the profile over the medium term, is set out in *Budget analysis of interactions between the Australian Greens' election commitments* (ECR589).

### **Medium-term budget impacts**

Tables 2 and 3 in the *Summary of major party budget impacts* section show the net impacts of the Greens' election commitments over the medium term, which are generally consistent with those over the forward estimates period.

Figure 7 shows the major commitments driving these impacts and summarises the Greens' largest election commitments over the medium term. The full list of medium-term impacts for each commitment is provided in Appendix C.

**Figure 7: The Greens' largest election commitments over the medium term**  
Cumulative impact on the underlying cash, headline cash and fiscal balance



Source: 2022 PEFO and PBO analysis.

Note: Shows the largest 10 commitments on each budget balance, resulting in more than 10 total commitments because the largest 10 commitments differ across budget balances. A positive impact indicates an increase in the budget balance. A negative impact indicates a reduction in the budget balance.

The following 2 large commitments have differing impacts across the budget balances.

- The commitment *Free TAFE and University* (ECR528) increases payments by \$155.2 billion over the medium term. This commitment would replace loan schemes with grants for eligible student tuition fees and increase ongoing funding to public universities. However, this commitment only decreases the headline cash balance by \$76.2 billion over the same period, as the principal paid under loan schemes is already captured in the headline cash balance under the baseline.
- The commitment with the largest difference between its impacts on different budget balances is *Building One Million Homes* (ECR524), which would build houses for rent and shared equity arrangements operated by the Australian Government. This commitment provides large amounts of equity and concessional loans. As these are only included in the headline cash balance, the commitment decreases the headline and underlying cash balances by \$128.3 billion and \$20.2 billion over the medium term, respectively.

## Interaction with the tax cap

The Greens do not support capping tax receipts as a share of GDP.<sup>23</sup> As such, the PBO's calculation of the Greens' fiscal impacts does not incorporate a tax cap. Due to the removal of this limit, the estimates of the Greens' fiscal impacts in this report incorporate the reversal of unspecified tax cuts of \$9.1 billion (0.2% of GDP in 2032–33), relative to the PEFO baseline (Table 8).

**Table 8: Reversal of unspecified tax cuts (% of GDP)**

	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30	2030– 31	2031– 32	2032– 33
Reversal of unspecified tax cuts	-	-	-	-	-	-	-	-	-	..	0.2

Source: 2022 PEFO and PBO analysis.

- Indicates nil.

.. Not zero but rounded to zero.

## Additional 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 26 additional commitments in this report, relative to the list of commitments that was provided by the Greens. Of these additional commitments, 24 have either individual costing minutes or line items in *Various capped costings – Australian Greens* (ECR600). The commitments *Impose penalties for the unlicensed sale of cannabis* and *End intensive factory farming* were incorporated into *Safer Drug Use* (ECR552) and *No More Animal Cruelty* (ECR522), respectively.

In total, these additional commitments would decrease the underlying cash balance by \$9.3 billion over the forward estimates period and \$33.5 billion over the medium term. This is only a small decrease compared to the total impact of the Greens' platform, which increases payments by \$376.6 billion over the forward estimates and \$1.5 trillion over the medium term. Eighteen of these additional commitments are payments measures and 2 are receipts measures. The remaining 4 are unquantifiable and are identified below.

The additional Greens' commitment with the largest fiscal impact is *Paid Parental Leave* (ECR581), which would increase the maximum Parental Leave Pay entitlement to 26 weeks, increase the payment rate to the parent's wage up to \$100,000 per year, and include superannuation contributions on Parental Leave Pay. This commitment is expected to decrease the underlying cash balance by \$6.4 billion over the forward estimates period and \$26.8 billion over the medium term.

The additional commitments *Ban the import and export of shark fins* (ECR570), *Cover funeral expenses for members of Youpla Group* (ECR571), *Legislate the minimum wage at 60% of the full time median wage* (ECR580), and *Stop companies claiming tax deductions for travel to tax havens* (ECR588) are expected to have financial implications but were determined to be unquantifiable by the PBO. The commitment *Ban live export of livestock* (ECR569) also has an unquantifiable impact in some years.

The Leader of the Greens, Mr Adam Bandt MP, noted the party's satisfaction with the additional commitments identified by the PBO.

<sup>23</sup> See '[Paying for the Greens' plans](#)'.

# Independent and minor parties: budget impacts

## Independent member for Indi

### Key points:

- The independent member for Indi's commitments are estimated to decrease the underlying cash, fiscal and headline cash balances over the forward estimates and medium term, relative to PEFO.
- The Parliamentary Budget Officer did not identify any additional commitments made by the member for Indi.
- This is the first time that an independent has chosen to be included in the PBO's election commitments process.

This chapter presents the budget impact of the election commitments made by the independent member for Indi, Dr Helen Haines MP, who chose to be included in the report. This is the first time an independent has chosen to be included in the PBO's election commitments process. This chapter adopts the same broad approach as for the major political parties that are required to be included in the report and has been prepared according to the PBO guidance on arrangements for minor parties and independents choosing to opt in to the report.<sup>24</sup> A detailed table outlining the source and budget impacts of each of the member for Indi's election commitments is provided at Appendix D and costing documentation is provided at Appendix H.

### Budget impact of election commitments

The combined impact of the member for Indi's election commitments is estimated to decrease all 3 budget balances over the 2022–23 Budget forward estimates period (Table 9). On an underlying cash balance basis, this decrease averages 0.1% of GDP over the medium term and largely reflects an increase in payments and a small increase in non-tax receipts (Table 10). For the underlying cash and fiscal balances, these decreases are mainly driven by 2 aged care commitments, *Minimum Aged Care Staff Times* (ECR611) and *Home Care Wait Times* (ECR610).

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<sup>24</sup> See the PBO's general election guidance note 1 of 4, [How minor parties and independents can opt in to the PBO's election commitments report.](#)

**Table 9: Financial implications of the independent member for Indi's election commitments, 2022–23 forward estimates, underlying cash, headline cash and fiscal balance basis (\$billion)**

	2022–23	2023–24	2024–25	2025–26	Total to 2025–26
<b>Cash balances</b>					
<b>Impact of election commitments</b>					
Receipts	..	..	..	..	..
Payments (excluding PDI)	-2.3	-1.7	-2.6	-3.2	-9.7
Public debt interest (PDI)	..	-0.1	-0.2	-0.3	-0.6
Underlying cash balance	-2.3	-1.8	-2.8	-3.5	-10.4
Net cash flows from investments in financial assets for policy purposes	-1.5	-1.5	-1.4	-1.4	-5.7
Headline cash balance	-3.8	-3.2	-4.2	-4.9	-16.1
<b>Final level</b>					
Receipts	548.5	585.2	615.2	643.9	2,392.8
Payments (excluding PDI)	-610.9	-623.1	-643.2	-663.7	-2,540.9
Public debt interest	-17.9	-20.4	-21.8	-26.6	-86.8
Underlying cash balance	-80.3	-58.3	-49.9	-46.4	-234.9
Net cash flows from investments in financial assets for policy purposes	-14.3	-5.3	-11.5	-8.2	-39.4
Headline cash balance	-94.6	-63.6	-61.4	-54.6	-274.3
<b>Fiscal balance</b>					
<b>Impact of election commitments</b>					
Revenue	..	..	..	..	0.1
Expenses (excluding PDI)	-2.4	-1.7	-2.6	-3.3	-10.0
Public debt interest (PDI)	..	-0.1	-0.2	-0.3	-0.7
Fiscal balance	-2.4	-1.8	-2.8	-3.5	-10.5
<b>Final level</b>					
Revenue	561.9	595.7	621.7	655.3	2,434.5
Expenses (excluding PDI)	-621.3	-633.5	-650.7	-672.2	-2,577.7
Public debt interest	-21.5	-22.7	-24.9	-26.3	-95.3
Fiscal balance	-80.9	-60.5	-53.9	-43.2	-238.5

Source: 2022 PEFO and PBO analysis.

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

.. Not zero but rounded to zero.

The decrease in the headline cash balance is slightly larger and results in an increase of \$0.6 billion in public debt interest payments over the forward estimates and \$6.5 billion over the medium term.

The main commitment driving the difference between the headline cash, fiscal and underlying cash balances is the *Home Ownership Uplift Scheme* (ECR612) which uses balance sheet financing arrangements. The policy supports first home buyers to purchase a house through a shared equity scheme with the Australian Government co-investing up to 25% of the property price. This equity injection is accounted for in the headline cash balance but not the fiscal or the underlying cash balance.

**Table 10: Financial implications of the independent member for Indi's election commitments on budget balances, receipts and payments, medium term, cash and fiscal balance basis (% of GDP)**

	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
<b>Cash balances</b>											
<b>Net impact of election commitments</b>											
Receipts	..	..	..	..	..	..	..	..	..	..	..
Payments	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2
Underlying cash balance	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2
Net cash flows from investments in financial assets for policy purposes	-0.1	-0.1	-0.1	-0.1	..	..	..	..	..	..	..
Headline cash balance	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
<b>Final share</b>											
Receipts	23.8	24.7	24.7	24.6	24.7	24.9	25.0	25.2	25.5	25.7	25.8
Payments	-27.4	-27.2	-26.7	-26.4	-26.3	-26.5	-26.6	-26.4	-26.6	-26.6	-26.6
Underlying cash balance	-3.5	-2.5	-2.0	-1.8	-1.5	-1.6	-1.6	-1.3	-1.1	-0.9	-0.9
Net cash flows from investments in financial assets for policy purposes	-0.6	-0.2	-0.5	-0.3	-0.4	-0.4	-0.4	-0.4	-0.3	-0.4	-0.4
Headline cash balance	-4.1	-2.7	-2.5	-2.1	-1.9	-1.9	-1.9	-1.7	-1.5	-1.2	-1.2
<b>Fiscal Balance</b>											
<b>Net impact of election commitments</b>											
Revenue	..	..	..	..	..	..	..	..	..	..	..
Expenses and net capital investment	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2
Fiscal balance	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2
<b>Final share</b>											
Revenue	24.4	25.2	25.0	25.1	25.2	25.4	25.4	25.6	26.0	26.2	26.3
Expenses and net capital investment	-27.9	-27.8	-27.1	-26.7	-26.6	-26.8	-26.8	-26.7	-26.9	-26.9	-26.9
Fiscal balance	-3.5	-2.6	-2.2	-1.7	-1.4	-1.4	-1.4	-1.1	-0.9	-0.7	-0.6

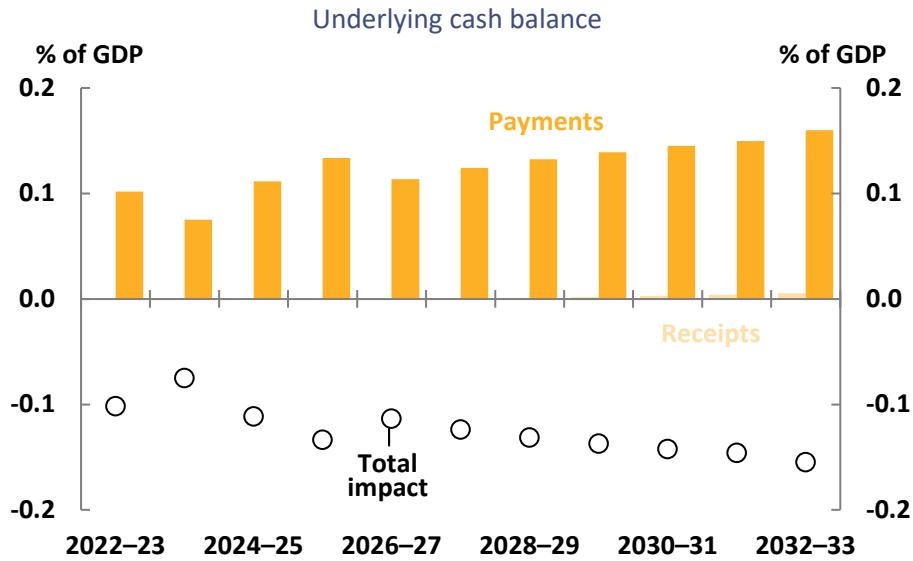
Source: 2022 PEFO and PBO analysis.

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

.. Not zero but rounded to zero.

Consistent with the forward estimates, the final level of the underlying cash balance is projected to be slightly lower (slightly more negative) over the medium term as a share of GDP under the member for Indi's platform compared to PEFO (Figure 8).

**Figure 8: Medium-term impact of the independent member for Indi’s election commitments**

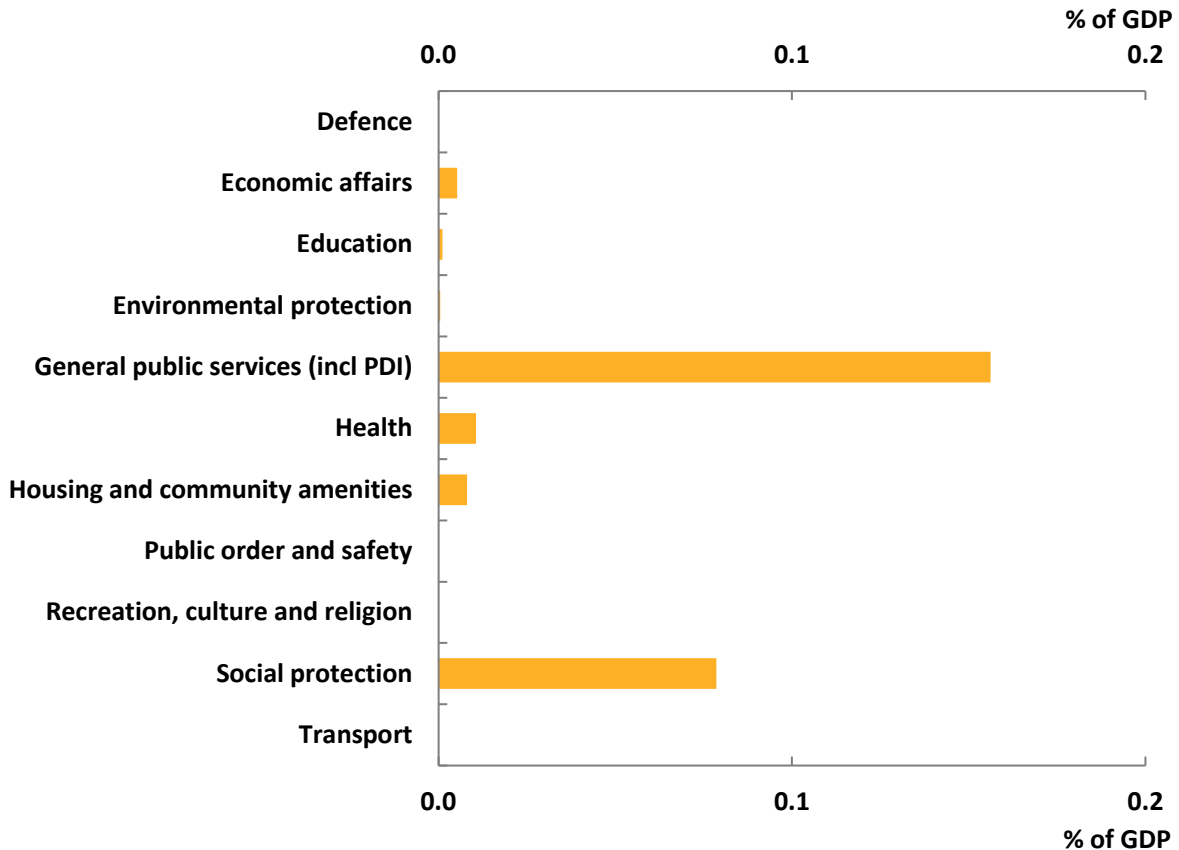


Source: 2022 PEFO and PBO analysis.

Most of the independent member for Indi’s election commitments are payments rather than receipts measures with the largest categories being general public services and social protection (Figure 9). The increase in general public services is driven by the increase in public debt interest as a result of the commitments.

**Figure 9: Impact of member for Indi’s commitments on payments according to purpose**

Underlying cash balance, average annual impact 2022-23 to 2032-33



Source: 2022 PEFO and PBO analysis.

Note: Spending is allocated according to the Classification of the Functions of Government – Australia, consistent with the framework underpinning the Australian Bureau of Statistics’ *Government Finance Statistics*. Where commitments cover multiple purposes, they have been allocated to the primary category according to the relative dollar value. Final levels of spending for 2020–21 were: Defence \$40.7bn; Economic affairs \$100.6bn; Education \$47.9bn; Environmental protection \$6.9bn; General public services \$115.7bn; Health \$97.0bn; Housing and community amenities \$2.8bn; Public order and safety \$6.9bn; Recreation, culture and religion \$4.1bn; Social protection \$226.1bn; and Transport \$12.1bn.



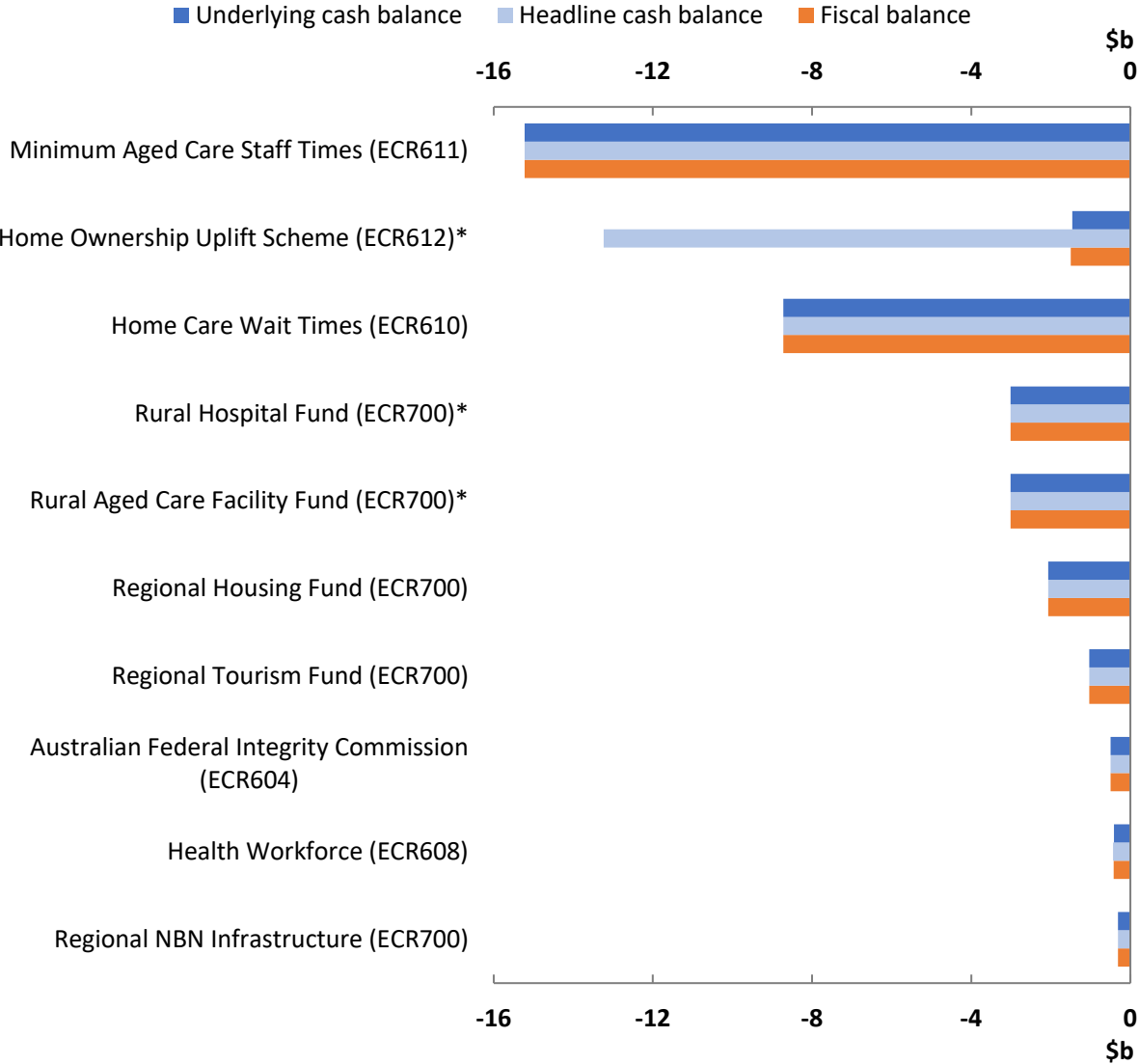
Figure 10 summarises the independent member for Indi’s 10 largest commitments by cumulative impact over the medium term across each budget balance.

The independent member for Indi’s commitment with the largest impact on each of the budget balances is *Minimum Aged Care Staff Times* (ECR611). This would require aged care providers to provide a minimum of 215 minutes of care for each resident per day and have a registered nurse onsite at all times. This commitment decreases the underlying and fiscal balances by \$2.3 billion over the forward estimates period and \$15.2 billion over the medium term.

On an underlying cash balance basis, the second largest commitment over the medium term is *Home Care Wait Times* (ECR610), which legislates a maximum wait time of 1 month for the delivery of home care packages. This commitment decreases the underlying cash balance by \$0.7 billion over the forward estimates period and \$8.7 billion over the medium term.

However, on a headline cash balance basis, the second largest commitment over the medium term is the *Home Ownership Uplift Scheme* (ECR612). This commitment decreases the headline cash balance by \$5.4 billion over the forward estimates period and \$13.2 billion over the medium term.

**Figure 10: The independent member for Indi’s largest election commitments over the medium term**  
Cumulative impact on the underlying cash, headline cash and fiscal balance

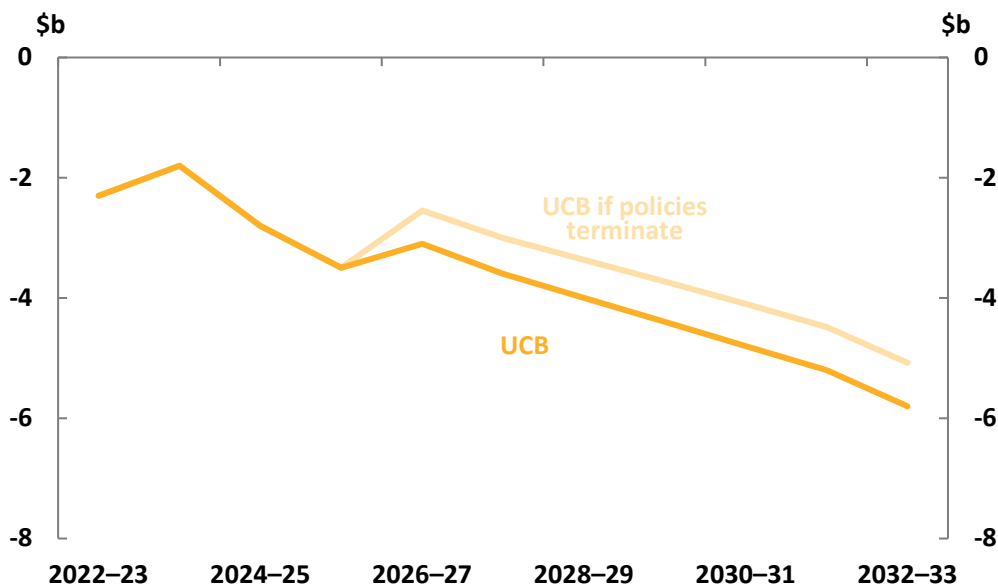


Source: 2022 PEFO and PBO analysis.  
Note: \* Denotes commitments assumed to be ongoing by the PBO, in line with PBO guidance. All commitments assumed to be ongoing for any party or independent are identified in Appendices A to D. A positive impact indicates an increase in the budget balance. A negative impact indicates a reduction in the balance.

## Impact of policies assumed ongoing

Where it is not clear from public announcements whether a policy would be ongoing or would cease (for example, at the end of the forward estimates), the PBO assumes that the policy would be ongoing for the purpose of estimating the medium-term impacts.<sup>25</sup> This assumption has been applied to 3 of the member for Indi's commitments.<sup>26</sup> The PBO's assumption means the medium-term impacts of the member for Indi's platform have an additional net cost of \$0.7 billion in underlying cash balance terms and \$1.3 billion in headline cash balance terms each year over the medium term (Figure 11). The additional cost on the underlying cash balance is driven predominately by *Rural Hospital Fund* (ECR700) and *Rural Aged Care Facility Fund* (ECR700). On the headline cash balance, it is driven by *Home Ownership Uplift Scheme* (ECR612).

**Figure 11: Net impact of PBO guidance on the underlying cash balance (UCB), independent member for Indi**



Source: 2022 PEFO and PBO analysis.

Note: See Appendix I for further information about the method for this sensitivity analysis.

## Additional commitments identified by the PBO

This report includes 20 of the 22 election commitments identified by the independent member for Indi in the list provided to the Parliamentary Budget Officer on the day before polling day. Two of the commitments (*Fast, Frequent & Reliable Trains* and *Good Connections*) have been excluded from the report, as they do not have a material impact on the Australian Government budget. No additional commitments were identified by the Parliamentary Budget Officer. Dr Haines released some financial information in her election commitment announcements, all of which is consistent with the estimates in this report.

## Interactions between election commitments

No significant budget impacts were identified as a result of interactions between the independent member for Indi's election commitments.

<sup>25</sup> See the PBO's general election guidance note 2 of 4, *The election commitments report: overview*, page 3.

<sup>26</sup> These policies would still appear in Figure 10 if that assumption had not been made, although the order would be different.

### **Interaction with the tax cap**

The independent member for Indi did not make any commitments regarding the tax cap. As per the PBO's published guidance, the PBO's approach in this case is to apply the tax cap from PEFO when calculating the net impact on the underlying cash balance of Dr Haines' overall election platform.<sup>27</sup>

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<sup>27</sup> See the PBO's general election guidance note 2 of 4, *The election commitments report: overview*, page 5.

# Glossary

For more explanation of these and other terms, see the PBO's [Online budget glossary](#).

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**Administered funding** Spending that is managed by government agencies but that they do not directly control. Administered funds include programs governed by eligibility rules and conditions that are set out in legislation, such as income and family support payments, and grant programs that are managed by agencies. In contrast, departmental funding is managed and controlled directly by departments and agencies. Typically, these funds are used for the purpose of day-to-day operations and program-support activities.

For example, government assistance for the costs of childcare as set out in the *A New Tax System (Family Assistance) (Administration) Act 1999* is an administered expense, and the costs associated with making the assistance payments, such as paying Services Australia staff to assess assistance claims, is a departmental expense.

**Accrual accounting** Accrual accounting records income when it is earned, and records costs when they are incurred, regardless of when the related cash is received or paid. Under accrual accounting, government income is called 'revenue' and costs are generally called 'expenses'. As an example, under accrual accounting, goods and services tax revenue is recorded in the financial year that the goods and services are purchased, even though the government may not receive the related tax amounts until the following financial year.

**Cash accounting** Cash accounting records income when cash is received, and records costs when cash is paid out, regardless of when those amounts are earned or incurred. For example, under cash accounting, goods and services tax receipts are recorded in the financial year they are received, even though those tax amounts may relate to goods and services purchased in the previous financial year. Under cash accounting, government income is called 'receipts' and costs are called 'payments'.

**Capped funding** Capped funding is where the government provides a fixed sum of money for a program. This means that the maximum amount of government spending on the program will not change, even if, for example, there are changes in the demand for the program or costs are higher than expected.

**Departmental funding** Departmental funding is managed and controlled directly by government agencies, with the head of the agency having responsibility for managing the funding. Typically, departmental funds are used for the purpose of day-to-day operations and to support programs for which the agency has responsibility. Departmental funding is distinguished from administered funding, which is managed by government agencies on behalf of the government as a whole.

For example, the government provides departmental funding to Services Australia, the government agency that provides income support payments such as the age pension. Services Australia uses this departmental funding to pay for the staff and equipment it needs to make income support payments to the public. The income support payments themselves are administered funding, which is governed by eligibility rules set out in legislation rather than being directly controlled by Services Australia.

**Election commitment** A policy that a party has publicly announced and intends to seek to have implemented after the election. Election commitments that would have a material effect on the Australian Government budget estimates are included in the Election commitments report.

<b>Expenses</b>	Expense, in the budget context, refers to the cost of providing government services, excluding costs related to revaluations such as the write down of assets. Examples include spending on programs such as the age pension or Medicare, funding provided to the states and territories for public hospitals, or the wages paid to Australian Government employees.
<b>Fiscal balance</b>	The fiscal balance is an accrual accounting measure of the budget balance equal to the government's revenue (for example from taxes) minus its expenses (from providing services such as Medicare and income support such as the age pension), adjusted for government capital investments such as military equipment (known as 'net capital investment in non-financial assets') when they are acquired or sold.
<b>Forward estimates</b>	The period over which the government presents its budget estimates. It includes the budget year, which commences from 1 July for the upcoming financial year, and the following 3 years. For example, the forward estimates period for the 2022–23 Budget is from 2022–23 through to 2025–26.
<b>Gross domestic product</b>	<p>The total value of all goods and services produced within an economy over a given period of time, usually 3 months or one year. Growth in gross domestic product (GDP) measures the change in the total value produced from one period to the next.</p> <p>GDP and GDP growth can be reported in nominal or real terms. Nominal GDP growth measures the change in the dollar value of all goods and services produced, which incorporates changes in both the quantity and prices of these goods and services. Real GDP growth, on the other hand, removes the effect of prices changing (known as 'inflation') and only measures the change in the quantity produced. This means that real GDP growth better reflects changes in how much a country is producing from one period to the next.</p> <p>GDP is used when comparing the government's financial position over time. Budget aggregates such as the fiscal balance, underlying cash balance and net debt are summary indicators that, together, give a picture of the financial situation of the government and how the government's finances are affecting the rest of the economy. Comparing the dollar values of these aggregates over time is complicated by factors such as inflation, population, and productivity growth, so they are often presented as a share of GDP.</p>
<b>Headline cash balance</b>	The headline cash balance is a cash measure of the budget balance equal to the government's receipts (for example from tax collections) minus payments for operations and investment activities (including certain investments in financial assets). If receipts are lower than payments, the headline cash balance is in deficit, meaning the government does not have sufficient cash to cover its activities and instead borrows from financial markets.
<b>Interactions</b>	An interaction arises when 2 or more proposals (or individual components of different proposals) would have different budgetary implications when implemented together, compared to the sum of the budgetary implications of implementing the proposals (or individual components of proposals) in isolation. For example, a policy to increase the age pension payment rate and a policy to lower the income test threshold for eligibility for the age pension would have a different (and larger) impact when implemented together because the second policy would increase the number of pensioners receiving the higher payment.
<b>Interest payments</b>	Interest payments are the cash payments on the government's debt liabilities which are recorded as a cost to government in the budget. Net interest payments are equal to interest payments minus the cash interest receipts earned by the government on investments in interest-bearing financial assets.
<b>Major party</b>	For the purposes of the Election commitments report, a major or 'designated' party is one with 5 or more sitting members at the time of the election.

<b>Medium term</b>	The period that includes the current budget year and the following ten years. For example, the medium term for the 2022–23 Budget is the period from 2022–23 to 2032–33. The medium-term period includes the forward estimates and the following 7 years.
<b>Ongoing policies</b>	<p>An ongoing policy is one that does not have a specified end date. Many important government programs are ongoing. Examples include the provision of income support and assistance to families such as the age pension and Child Care Subsidy, and assistance with the cost of higher education through the Higher Education Loan Program (HELP).</p> <p>An ongoing program will typically continue until there is a government decision to end the program. In many cases, ending the program will also require the approval of Parliament.</p> <p>For the Election commitments report, policies are assumed to be ongoing unless specified otherwise.</p>
<b>Payments</b>	Payments capture all outgoing cash transactions from the Australian Government to individuals, organisations or other levels of government. In the budget context, payments are those that affect the underlying cash balance and comprise cash transactions for operating activities and the purchase of non-financial assets. Examples include an age pension payment, a Medicare rebate for a doctor's visit, and the wages of a Centrelink employee.
<b>Pre-election Economic and Fiscal Outlook (PEFO)</b>	<p>A report produced under the <i>Charter of Budget Honesty</i> by the Secretary to the Treasury and the Secretary of the Department of Finance within 10 days of the issue of the writs for a general election. The purpose of PEFO is to provide updated information on the economic and fiscal outlook, taking into account, to the fullest extent possible, all government decisions and all other circumstances that may have a material effect on the economic and fiscal outlook that were in existence before the issue of the writs for the election.</p> <p>PEFO provides the starting point or 'baseline' budget estimates and economic parameters that underpin the analysis presented in the Election commitments report.</p>
<b>Public debt interest (PDI)</b>	The borrowing costs of the government, mainly incurred through issuing and servicing government debt, and recorded as a cost to government in the budget. Public debt interest estimates reflect the cost of both the government debt already issued and its expected future borrowings. These are calculated using the contracted interest rates incurred on existing debt and on projected interest rates for future borrowings.
<b>Receipts</b>	Receipts are the government's income, recorded at the time they are received as reported on a cash accounting basis. In the budget context, receipts are those that affect the underlying cash balance, so exclude the repayment of loans and other cash flows relating to the exchange of financial assets. The majority of government receipts are tax receipts, such as company tax, personal income tax, and goods and services tax. The government also receives non-tax receipts, such as interest earned on government loans and dividends from government investments.
<b>Revenue</b>	Revenue is government income, recorded at the time it is earned as reported on an accrual accounting basis. The majority of government income is made up of tax revenue, such as company tax, personal income tax, and goods and services tax. The government also receives non-tax revenue, such as interest earned on government loans and dividends from government investments.
<b>Tax cap</b>	<p>A commitment to maintain tax receipts at or below a specified per cent of GDP. In the 2022–23 Budget this cap was 23.9 per cent of GDP.</p> <p>Unconstrained tax receipts are the level of tax receipts that would be expected to be raised before any tax-to-GDP cap is applied.</p> <p>Constrained tax receipts are receipts after the application of the tax-to-GDP cap.</p> <p>Unspecified tax cuts refer to the value of additional unspecified tax adjustments that would be required to prevent taxes rising above the nominated tax-to-GDP cap in each year.</p>

<b>Terminating policies</b>	<p>A terminating policy is one that has a specified end date. An example would be a policy to provide funding over 4 years for a project. Fiscal stimulus measures designed to assist households and businesses in an economic downturn are generally examples of terminating policies. For example, as part of the response to the Global Financial Crisis of 2007-09, the government made one-off payments to low- and middle-income individuals and households with dependent children.</p> <p>For the election commitments report, policies are assumed to be ongoing unless specified otherwise.</p>
<b>Uncapped funding</b>	<p>Uncapped funding is where the government does not specify a limit to the sum of money allocated for a program. This means that the maximum amount of government spending on the program may change, for example if there are changes to the demand for the program or any other external factors. Uncapped funding is typically used by governments when delivering welfare and other demand-driven social benefits and programs. Examples are pensions like the age pension and income support payments like the JobSeeker payment. In each case, the total amount of spending depends on factors including the number of eligible recipients.</p>
<b>Underlying cash balance</b>	<p>The underlying cash balance (UCB) is a cash measure of the budget balance equal to the difference between the government's receipts and its payments. It is one of several indicators known as 'budget aggregates' that measure the impact of the government's budget on the economy. When the government or the media say the budget is in surplus or deficit, they are generally referring to the underlying cash balance, or sometimes the net operating balance or fiscal balance. More specifically, the underlying cash balance is equal to the government's receipts (for example from tax collections) minus its payments from providing services (such as Medicare) and support (such as the age pension). The types of receipts and payments used in the calculation include those from buying and selling non-financial assets, such as buildings or equipment. The term 'underlying' is used because it excludes some cash transactions that are captured in the broader, but less commonly used, headline cash balance.</p>