Parliamentary
Budget Office

APPENDIX F – COSTING DOCUMENTATION FOR THE AUSTRALIAN LABOR PARTY'S ELECTION COMMITMENTS

Contents

There may be gaps in the costing minute numbering sequence. This reflects adjustments during the Election commitments report compilation process and does not indicate missing documentation.

Parliamentary Budget Office

Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral	
Party:	Australian Labor Party
Summary of proposal: The proposal would defer the Hells Gates Dam project by one year.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $450 million over the 2022-23 Budget forward estimates period. This is entirely due to a decrease in administered expenses over the forward estimates period from deferring the Hells Gates Dam project by one year.

The proposal would have a financial impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

There is uncertainty around the funding profile of the Hells Gates project. While the total funding allocated is consistent with the 2022-23 Budget, the funding profiles for each year are only determined on the signing of agreements. As such, the funding in each year to 2032-33 is an estimate only.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	50	50	350	**450**
Underlying cash balance	-	50	50	350	**450**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- All existing contractual commitments would be honoured and would not be recoverable.
- Departmental funding is minimal and not included in this costing

Methodology

The PBO estimated the funding profile of the *Hells Gates Dam* over the medium term to 2032-33 in consultation with the Department of Infrastructure, Transport, Regional Development and Communications.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Australian Government (2022) *Budget 2022-23*, Australian Government.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral – financial implications

Table A1: Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Administered	-	*50*	*50*	*350*	*250*	*25*	-	*25*	-	*-100*	*-150*	***450***	***500***
Total – expenses	**-**	**50**	**50**	**350**	**250**	**25**	**-**	**25**	**-**	**-100**	**-150**	**450**	**500**
Total (excluding PDI)	**-**	**50**	**50**	**350**	**250**	**25**	**-**	**25**	**-**	**-100**	**-150**	**450**	**500**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	*0.6*	*1.7*	*6.3*	*13.5*	*17.3*	*18.1*	*19.0*	*20.0*	*19.0*	*15.2*	***8.6***	***130.7***
Underlying cash balance	-	*0.5*	*1.6*	*5.7*	*12.6*	*16.8*	*18.0*	*18.9*	*19.9*	*19.1*	*15.7*	***7.8***	***128.8***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Environment Assurance Commissioner – abolition	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Environment Assurance Commissioner from 1 July 2022 and subsume its functions into the Department of Agriculture, Water and the Environment's existing funding envelope.	

Costing overview

The proposal would be expected to increase both the fiscal and underlying cash balances by about $9.2 million over the 2022-23 Budget forward estimates period. This reflects a decrease in departmental expenses.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made an assessment as to whether the Department of Agriculture, Water and the Environment (DAWE) would be able to effectively deliver the functions of the Environment Assurance Commissioner with its existing resources.

Table 1: Financial implications ($m)(a)(b)

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	2.3	2.3	2.3	2.3	**9.2**
Underlying cash balance	2.3	2.3	2.3	2.3	**9.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing the proposal.

- The Environment Assurance Commissioner could be absorbed into DAWE with its existing resources.

Methodology

The financial implications from the measure in DAWE's 2021-22 Portfolio Budget Statements *Establish an independent, statutory office known as the Environment Assurance Commissioner* were indexed to the relevant wage cost index and efficiency dividend over the medium term.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Australian Government, 2021. *2021-22 Budget: Budget Paper No. 2*, Australian Government, accessed 1 April 2022.

Department of Agriculture, Water and the Environment, 2021. *2021-22 Portfolio Budget Statements*, DAWE, accessed 1 April 2022.

The Treasury provided economic parameters as at the *2022 Pre-election Economic and Fiscal Outlook*.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Environment Assurance Commissioner – abolition – financial implications

Table A1: Environment Assurance Commissioner – abolition – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Departmental													
Abolish the Environment Assurance Commissioner	*2.3*	*2.3*	*2.3*	*2.3*	*2.3*	*2.4*	*2.4*	*2.4*	*2.4*	*2.4*	*2.4*	**9.2**	**25.9**
Total – expenses	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	**2.4**	**2.4**	**2.4**	**2.4**	**2.4**	**2.4**	**9.2**	**25.9**
Total (excluding PDI)	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	**2.4**	**2.4**	**2.4**	**2.4**	**2.4**	**2.4**	**9.2**	**25.9**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Environment Assurance Commissioner – abolition – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	..	*0.1*	*0.1*	*0.2*	*0.2*	*0.3*	*0.4*	*0.5*	*0.6*	*0.7*	*0.8*	**0.4**	**3.9**
Underlying cash balance	..	*0.1*	*0.1*	*0.2*	*0.2*	*0.3*	*0.4*	*0.5*	*0.6*	*0.6*	*0.8*	**0.4**	**3.8**

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Return funding from the Great Barrier Reef Foundation	
Party:	Australian Labor Party
Summary of proposal: The proposal would return all uncommitted funds of the $443 million granted to the Great Barrier Reef Foundation (GBRF) in 2018-19, including interest earned, as at 1 July 2022. The funds would be returned in 2022-23.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $88.5 million over the 2022-23 Budget forward estimates period.

The proposal would not have a direct impact that extends beyond the 2022-23 Budget forward estimates, but it would have implications for public debt interest payments. A breakdown of these implications across the period 2022-23 to 2032-33 is at Attachment A.

The financial implications of the proposal are sensitive to assumptions around the level of funds committed as well as interest earned across the period.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	*88.5*	-	-	-	**88.5**
Underlying cash balance	*88.5*	-	-	-	**88.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing the proposal.

- The Government would be able to pass legislation that instructs the GBRF to return all funds that are not contractually committed as at 1 July 2022, including earned interest.
- The Department of Agriculture, Water and the Environment (DAWE) advises that all funds provided to the GBRF are notionally committed to various activities, but these funds are not contractually committed.
  - The PBO has treated these uncommitted funds as able to be returned to the Government.
- The GBRF would expend or contractually commit all funds budgeted in 2021-22 in accordance with the Reef Trust Partnership Annual Work Plan 2021-22.
- Interest earnings would follow historical observations.

- The ratio of funds expensed to those committed would remain consistent with the ratio as at 31 December 2021 across the period to 1 July 2022.
- No additional departmental funding would be required to implement the proposal.

Methodology

The increase in the budget balances represent the funds estimated to not be contractually committed as at 1 July 2022, inclusive of interest earnings.

The PBO utilised information provided by DAWE as well as public information to estimate the amount that could be returned to the Government. Projected expenditure and interest revenue in 2021-22 were based on the GBRF's budgeted commitments.

The financial implications of this proposal were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Agriculture, Water and the Environment provided financial information on the amount of grant funding committed and uncommitted by the Great Barrier Reef Foundation as at 31 December 2021 as well historical data as at 30 June 2021, 31 December 2021, and 31 December 2018.

Great Barrier Reef Foundation (GBRF) (2021) *2021-22 Annual Work Plan for the Reef Trust Partnership*, accessed 19 January 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Return funding from the Great Barrier Reef Foundation – financial implications

Table A1: Return funding from the Great Barrier Reef Foundation – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Return funding from the Great Barrier Reef Foundation	*88.5*	-	-	-	-	-	-	-	-	-	-	***88.5***	***88.5***
Total (excluding PDI)	**88.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**88.5**	**88.5**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Return funding from the Great Barrier Reef Foundation – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*1.0*	*2.0*	*2.1*	*2.1*	*2.2*	*2.2*	*2.3*	*2.4*	*2.4*	*2.5*	*3.2*	***7.2***	***24.4***
Underlying cash balance	*0.9*	*1.9*	*2.1*	*2.1*	*2.2*	*2.2*	*2.3*	*2.4*	*2.4*	*2.5*	*3.1*	***7.0***	***24.1***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Abolish TPVs and SHEVs and create a new permanent visa	
Party:	Australian Labor Party

Summary of proposal:

This proposal would abolish the Temporary Protection Visa (TPV) and Safe Haven Enterprise Visa (SHEV). Specifically, this proposal would:

- close TPV and SHEV to new applications from the start date
- establish a new permanent visa category, under which visa holders would receive similar benefits as TPV or SHEV holders and would be eligible to apply for citizenship. Current TPV or SHEV holders would automatically be granted this visa on the start date
- finish assessing all TPV and SHEV applications that were lodged before the start date but were still under review by 1 January 2023, with applicants who are assessed eligible for a TPV or SHEV to instead be granted the newly established visa
- repatriate all TPV and SHEV applicants who were deemed unsuccessful.

This proposal is ongoing with a start date of 1 January 2023.

Costing overview

This proposal would be expected to decrease the fiscal balance by around $405 million and the underlying cash balance by around $407 million over the 2022-23 Budget forward estimates period. In fiscal terms, this represents an increase of around $67 million in revenue and an increase of around $472 million in expenses.

This proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The departmental expenses of this proposal are immaterial and would be able to be absorbed by the relevant departments, as they would reallocate existing resources.

The differences between the fiscal and underlying cash balance impacts reflect timing differences between when goods and services taxes (GST) are recognised and collected and when welfare and income support payments are recognised and paid.

Uncertainty

The costing estimates for this proposal are particularly sensitive to the projection of TPV and SHEV applications lodged over the period to 2032-33. This projection is uncertain and may change if the number of individuals seeking protection increases, or if the Australian border were to close due to COVID-19.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-40.0	-47.0	-128.0	-190.0	**-405.0**
Underlying cash balance	-39.0	-48.0	-129.0	-191.0	**-407.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Under the proposal, all future first-time TPV and SHEV applicants would instead apply for Permanent Protection Visa (PPV).
- All visa holders would be granted their visa and arrive in Australia in the same financial year that their application was lodged. Specifically, visa holders are assumed to arrive in Australia on 1 July of the year that they applied and leave Australia on 30 June of the year that their visa would expire.
- In the absence of the proposal, TPV and SHEV holders would remain in Australia for the full length of their visa.
- In the absence of the proposal, current TPV and SHEV holders on 30 June 2022 would leave Australia at an even rate (i.e., the same number of visas would expire each year).
- Eligible visa holders would access the Adult Migrant English Program (AMEP) and would receive Settlement Services support for the first three years in Australia.
- TPV and SHEV holders and new visa holders would access Special Benefit payments for their first year in Australia.
- All new visa holders would apply for citizenship as soon as they are eligible.

Methodology

Changes in the composition of migrants and citizens in Australia

- The change in the number of citizens in Australia was based on the number of new visa holders who become eligible for citizenship after holding a permanent visa for 1 year and living in Australia for 4 years.
- The change in the number of new visa holders was based on the number of new visa holders and the period over which a visa holder would have to be a permanent visa holder before becoming eligible for citizenship.
- The change in the number of permanent residents is based on the number of future first-time TPV and SHEV applicants who apply for and are granted a PPV.
- The change in the number of residents in Australia (i.e., citizens and migrants in Australia either temporarily or permanently) is based on the following three affected cohorts:
  - Current TPV and SHEV holders who would be granted the new permanent visa on the start date under the proposal
  - Future applicants who would have applied for a TPV or SHEV in the absence of the proposal after 1 January 2023, and would now either be granted a PPV or would be repatriated

- Successful TPV and SHEV applicants whose visas are currently being processed and would receive the new permanent visa instead of a TPV or SHEV by 1 January 2023.

Visa Application Charge (VAC) revenue

The financial impact of VAC revenue represents an increase in VAC revenue of PPV, partially offset by the foregone VAC revenue of TPV and SHEV.

- The increase in VAC revenue from PPV was calculated by multiplying the price of a PPV by the estimated number of first-time TPV and SHEV applicants who would instead apply for a PPV as result of the proposal each year.
- The foregone VAC revenue of TPV and SHEV was calculated by multiplying the estimated number of future TPV and SHEV applications there would be in the absence of the proposal each year by their respective visa prices.

Personal income tax and indirect tax revenue

The financial impact of the increase in the personal income tax and indirect tax revenue was calculated by multiplying the estimated number of residents in Australia by the average amount of income tax, superannuation contributions tax, GST, customs, and excise paid by humanitarian migrants.

- The increase in GST revenue would be offset by an equivalent increase in GST payments to the states and territories.

Welfare and income support payments

The financial impact of the increase in welfare and income support payments mainly reflects an increase in the number of PPV holders and citizens in Australia as result of the proposal. This impact was calculated by multiplying the average level of transfer payments made to humanitarian migrants by the estimated number of recipients in each year. The estimated number of recipients was based on the proportion of new PPV holders and citizens who would be eligible for each transfer payment and the number of years over which they would receive each payment.

This impact includes:

- Age Pension
- Carer Payment
- Disability Support Pension
- Family Tax Benefit
- Jobseeker Payment.

Other government payments

Other government payments were based on the average level of expenditure for each recipient, the increase in the number of eligible recipients as a result of the proposal and the number of years over which each payment is received. These payments include funding for the following programs:

- Adult Migrant English Program (AMEP)
- Settlement Services
- Schools
- Child Care Subsidy

- Child Dental Benefits Scheme
- Pharmaceutical Benefits Scheme
- Public Hospitals
- Hearing Services
- Program of Assistance for Survivors of Torture and Trauma.

Repatriation of unsuccessful visa applicants

The financial impact of repatriating unsuccessful visa applicants has not been estimated, as agencies would already be funded for these activities. This impact is already included in the baseline.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Home Affairs provided the relevant data for estimating VAC revenue and AMEP and Settlement Services payments for PPV, TPV and SHEV holders.

The Department of Social Services provided data on the expenditure and take-up of transfer payments.

The Department of Finance provided relevant agency specific expenditure models for the humanitarian program delivered by the following agencies.

- The Department of Education, Skills and Employment
- The Department of Health
- Services Australia.

The Department of the Treasury provided data on the level of taxes paid by humanitarian migrants.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Abolish TPVs and SHEVs and create a new permanent visa – financial implications

Table A1: Abolish TPVs and SHEVs and create a new permanent visa – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered revenue	*-4.0*	*8.0*	*21.0*	*42.0*	*49.0*	*91.0*	*99.0*	*107.0*	*116.0*	*126.0*	*136.0*	***67.0***	***791.0***
Total – revenue	**-4.0**	**8.0**	**21.0**	**42.0**	**49.0**	**91.0**	**99.0**	**107.0**	**116.0**	**126.0**	**136.0**	**67.0**	**791.0**
Expenses													
Administered													
Administered expenses	*-36.0*	*-55.0*	*-149.0*	*-232.0*	*-355.0*	*-443.0*	*-405.0*	*-361.0*	*-330.0*	*-290.0*	*-236.0*	***-472.0***	***-2,892.0***
Total – expenses	**-36.0**	**-55.0**	**-149.0**	**-232.0**	**-355.0**	**-443.0**	**-405.0**	**-361.0**	**-330.0**	**-290.0**	**-236.0**	**-472.0**	**-2,892.0**
Total (excluding PDI)	**-40.0**	**-47.0**	**-128.0**	**-190.0**	**-306.0**	**-352.0**	**-306.0**	**-254.0**	**-214.0**	**-164.0**	**-100.0**	**-405.0**	**-2,101.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Abolish TPVs and SHEVs and create a new permanent visa – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered revenue	*-4.0*	*7.0*	*20.0*	*41.0*	*48.0*	*88.0*	*98.0*	*107.0*	*116.0*	*125.0*	*135.0*	***64.0***	***781.0***
Total – receipts	**-4.0**	**7.0**	**20.0**	**41.0**	**48.0**	**88.0**	**98.0**	**107.0**	**116.0**	**125.0**	**135.0**	**64.0**	**781.0**
Payments													
Administered													
Administered expenses	*-35.0*	*-55.0*	*-149.0*	*-232.0*	*-355.0*	*-443.0*	*-405.0*	*-361.0*	*-330.0*	*-290.0*	*-236.0*	***-471.0***	***-2,891.0***
Total – payments	**-35.0**	**-55.0**	**-149.0**	**-232.0**	**-355.0**	**-443.0**	**-405.0**	**-361.0**	**-330.0**	**-290.0**	**-236.0**	**-471.0**	**-2,891.0**
Total (excluding PDI)	**-39.0**	**-48.0**	**-129.0**	**-191.0**	**-307.0**	**-355.0**	**-307.0**	**-254.0**	**-214.0**	**-165.0**	**-101.0**	**-407.0**	**-2,110.0**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Abolish TPVs and SHEVs and create a new permanent visa – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.4*	*-1.5*	*-3.5*	*-7.2*	*-13.3*	*-22.2*	*-31.9*	*-41.1*	*-49.8*	*-57.9*	*-64.9*	***-12.6***	***-293.7***
Underlying cash balance	*-0.4*	*-1.3*	*-3.2*	*-6.8*	*-12.6*	*-21.1*	*-30.7*	*-40.0*	*-48.8*	*-56.9*	*-64.1*	***-11.7***	***-285.9***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Advanced Strategic Research Agency	
Party:	Australian Labor Party
Summary of proposal: This proposal would establish the Advanced Strategic Research Agency (ASRA) within the Defence Portfolio to fund research in technologies for national security. ASRA would be modelled off of the Defense Advanced Research Projects Agency within the US. Funding for ASRA would be redirected from currently unallocated funding under the Defence Innovation Hubs. This proposal would commence from 1 July 2022.	

Costing overview

This proposal would not be expected to impact the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period. This is due to funding for ASRA being offset from the Department of Defence's departmental funding. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)(a)(b)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-	-	-	-
Underlying cash balance	-	-	-	-	-

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key Assumptions

The PBO has made the following assumptions in costing this proposal.

- Funding for ASRA would be entirely departmental, consistent with existing funding arrangements for Defence.
- Consistent with the PBO's general election guidance, in the absence of a public statement specifying that this policy is terminating, the PBO has assumed that this policy is ongoing.

Methodology

The financial implications of this proposal were based on the level of uncommitted funding allocated towards the Defence Innovations Hub.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Defence provided the level of committed and uncommitted funding under the Defence Innovations Hub.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Advanced Strategic Research Agency – financial implications

Table A1: Advanced Strategic Research Agency – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Department of Defence	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Advanced Strategic Research Agency – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Improving Home Ownership for Defence Personnel and Veterans	
Party:	Australian Labor Party

Summary of proposal:

The proposal would expand access to the Defence Home Ownership Assistance Scheme (DHOAS).

It would reduce the minimum service thresholds for each DHOAS subsidy tier, according to the following schedule:

Tier	Current arrangements		Proposal	
	Minimum Permanent service	Minimum Reserve service	Minimum Permanent service	Minimum Reserve service
1	4 years	8 years	2 years	4 years
2	8 years	12 years	4 years	8 years
3	12 years	16 years	8 years	12 years

The proposal would also remove the requirement for someone who has left the Australian Defence Force (ADF) to apply for a Subsidy Certificate within 5 years of discharging.

The costs of implementing this proposal would be offset from within the Department of Defence's global budget.

The proposal would commence from 1 January 2023 and would be ongoing.

Costing overview

The proposal would be expected to have nil impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period.
A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are uncertain and highly sensitive to assumptions around the overall number of ADF personnel expected to access DHOAS, the number of ADF personnel formerly unable to access DHOAS who would do so as a result of this proposal, and assumptions around broader economic conditions. In particular, growth in average house prices and home loan interest rates are highly unpredictable, and even small movements would be expected to have significant implications for the cost of this proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-	-	-	**-**
Underlying cash balance	-	-	-	-	**-**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- All necessary legislation would be able to be passed in order to implement the proposal from 1 January 2023.
- Per-person payments and commission earned as a result of movements between tiers under this proposal would remain similar to those observed across the scheme under current policy settings.
- All new DHOAS members as a result of extension to the post-separation application time limit would receive the maximum subsidy provided within each tier.
- Under existing policy settings, DHOAS membership would grow in line with ADF workforce targets as outlined in the 2020 Force Structure Plan and the Australian Government's 10 March 2022 announcement titled *Defence Workforce to Grow Above 100,000*[1].
- Average house prices would continue to grow steadily over the medium term.
- Median interest rates used to calculate subsidy amounts would move in line with forecast changes to the Reserve Bank of Australia cash rate.
- The number of people accessing tier-1 subsidies under this proposal, as a result of lowering the minimum service period, would be the similar to the number of people accessing tier-1 subsidies under current policy settings.
- The number of new beneficiaries would be similar to the number of new beneficiaries that applied under the previous extension of the post-separation application time limit from 2 to 5 years.
- Any additional departmental spending would be able to be covered from within the Department of Defence's existing resources.

Methodology

The impact on subsidy payments was calculated by estimating the number of additional DHOAS members within each subsidy tier and applying the relevant subsidy amount to each of those members.

Commission received from financial institutions on loans was calculated based on the total value of loans taken out, using a commission rate of 0.25% (the predominant commission rate under existing agreements).

[1] https://www.pm.gov.au/media/defence-workforce-grow-above-100000

Under existing arrangements, the Department of Defence is liable to pay the Department of Veterans' Affairs an amount to cover administration costs for each loan managed. These impacts have not been included in this costing as they are transfers between Non-corporate Commonwealth Entities.

Likewise, fringe benefits tax impacts have not been factored into this costing. Under Section 84 of the *Defence Home Ownership Assistance Act 2008*[2], the consolidated revenue fund is appropriated to cover the cost of tax implications arising from the payment of subsidies, as well as the subsidies themselves. As it is expected that these funds would be returned to the consolidated revenue fund in full, this would have no net impact on the budget balances.

Fringe benefits tax can affect the personal taxation obligations of individuals receiving the benefit, in respect to child support payments and other government means tested benefits. These are second-round effects and have not been considered in this costing.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[3]

Data sources

The Department of Defence provided historical data on members, loans and subsidies paid under the Defence Home Ownership Assistance Scheme, and general policy information, as at March 2022.

The Department of Defence provided a breakdown of the Government's announcement Defence Workforce to Grow Above 100,000*,* as at November 2021.

The Treasury provided forecasts of average house price growth and RBA cash rate targets as at the Pre-election Economic and Fiscal Outlook 2022.

Department of Defence (2022), *Portfolio Budget Statements 2022-23*, Australian Government.

Department of Defence (2022), *Portfolio Additional Estimates Statements 2021-22*, Australian Government.

Department of Defence (2021), *Portfolio Budget Statements 2021-22*, Australian Government.

Department of Defence (2021), *Annual Report 2020-21*, Australian Government.

Department of Defence (2020), *Annual Report 2019-20*, Australian Government.

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[2] https://www.legislation.gov.au/Series/C2008A00027

[3] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Improving Home Ownership for Defence Personnel and Veterans – financial implications

Table A1: Improving Home Ownership for Defence Personnel and Veterans – Fiscal and underlying cash balances ($m)[a]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Commission on loans	*1.4*	*2.7*	*2.8*	*2.9*	*3.2*	*3.4*	*3.6*	*3.9*	*4.2*	*4.5*	*4.9*	***9.8***	***37.5***
Total – revenue	**1.4**	**2.7**	**2.8**	**2.9**	**3.2**	**3.4**	**3.6**	**3.9**	**4.2**	**4.5**	**4.9**	**9.8**	**37.5**
Expenses													
Administered													
Subsidy payments	*-9.3*	*-19.4*	*-20.2*	*-21.0*	*-22.6*	*-24.0*	*-25.9*	*-27.9*	*-29.9*	*-32.3*	*-34.8*	***-69.9***	***-267.3***
Total – administered	***-9.3***	***-19.4***	***-20.2***	***-21.0***	***-22.6***	***-24.0***	***-25.9***	***-27.9***	***-29.9***	***-32.3***	***-34.8***	***-69.9***	***-267.3***
Departmental													
Department of Defence	*7.9*	*16.7*	*17.4*	*18.1*	*19.4*	*20.6*	*22.3*	*24.0*	*25.7*	*27.8*	*29.9*	***60.1***	***229.8***
Total – departmental	***7.9***	***16.7***	***17.4***	***18.1***	***19.4***	***20.6***	***22.3***	***24.0***	***25.7***	***27.8***	***29.9***	***60.1***	***229.8***
Total – expenses	**-1.4**	**-2.7**	**-2.8**	**-2.9**	**-3.2**	**-3.4**	**-3.6**	**-3.9**	**-4.2**	**-4.5**	**-4.9**	**-9.8**	**-37.5**
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Improving Home Ownership for Defence Personnel and Veterans – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) As this table is presented as a memorandum item, these figures are not reflected in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[4].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[4] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Increasing penalty units	
Party:	Australian Labor Party
Summary of proposal: This proposal would increase the value of the penalty unit from its current amount of $222 to $275. Penalty unit values would continue to be indexed by inflation on the current three-year indexation cycle, with the next indexation year being 2023-24. The policy proposal has a start date of 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal balance by around $88.1 million and the underlying cash balances by around $30.7 million over the 2022-23 Budget forward estimates period. This represents a similar increase in both tax and non-tax revenue.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) table) over the period to 2032-33 is provided at Attachment A.

The fiscal balance and underlying cash balance differ for this proposal because of the timing of collections and the write-off of penalties that are issued against an individual or entity but are ultimately assessed as being unlikely to be paid (bad debt write-offs).

The revenue estimates for this proposal are subject to a high degree of uncertainty as they are based on the 2018-19 penalty unit liability. The Australian Taxation Office (ATO) has advised that 2018-19 is likely to be representative of future years, however historical data suggests that liabilities exhibit a high degree of volatility.

The estimated cost of this proposal is highly sensitive to the level of penalty unit liabilities incurred across the medium term. In addition, the estimates of the underlying cash balance are sensitive to the proportion of liabilities that are collected.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	25.8	24.4	20.0	17.9	**88.1**
Underlying cash balance	5.7	7.7	8.6	8.7	**30.7**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The total volume of penalty units for each year would be based on 2018-19 total unremitted penalty unit liabilities.
  - The ATO has advised that the number of penalties issued in 2018-19 is likely to be representative of the number of penalties issued over the medium term.
  - 50% of Commonwealth penalties would be issued by agencies other than the ATO.
- Two-thirds of penalties issued would be eventually written-off as bad debts.
  - 40% of penalty receivables are expected to be remitted in the first year, followed by further write-offs of 10% in the second year, 9% in the third year, 4% in the fourth year and 4% in the fifth year from when the penalties were first issued.

Methodology

The financial implications of this proposal were estimated by multiplying the difference between the current and proposed value of the penalty unit by the assumed volume of penalty units in that year.

The volume of ATO penalties were increased to account for other types of fines and penalties issued by the other departments based on analysis of past penalty unit charges. The estimates were then adjusted for the timing of bad debt write-offs and cash collections. The timing of bad debts leads to a sharp drop in revenue two years after the proposal is implemented.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The ATO provided historical information on total penalty unit liabilities, their timing and collection profiles as at 19 January 2022.

The Department of Finance and the Treasury provided the economic parameters as at the Pre-election Economic and Fiscal Outlook 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Increasing penalty units – financial implications

Table A1: Increasing penalty units – Fiscal balance ($m)[a]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Tax revenue													
Increase penalty unit value to $275 - ATO penalty units	*12.9*	*12.2*	*10.0*	*9.0*	*9.2*	*8.9*	*8.7*	*9.9*	*9.6*	*9.4*	*10.6*	***44.1***	***110.4***
Non – tax revenue													
Increase penalty unit value to $275 - Other agencies penalty units	*12.9*	*12.2*	*10.0*	*8.9*	*9.2*	*8.9*	*8.7*	*9.8*	*9.5*	*9.4*	*10.5*	***44.0***	***110.0***
Total – revenue	**25.8**	**24.4**	**20.0**	**17.9**	**18.4**	**17.8**	**17.4**	**19.7**	**19.1**	**18.8**	**21.1**	**88.1**	**220.4**
Total (excluding PDI)	**25.8**	**24.4**	**20.0**	**17.9**	**18.4**	**17.8**	**17.4**	**19.7**	**19.1**	**18.8**	**21.1**	**88.1**	**220.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Increasing penalty units – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Receipts													
Tax receipts													
Increase penalty unit value to $275 - ATO penalty units	*2.9*	*3.9*	*4.3*	*4.4*	*4.6*	*4.7*	*4.7*	*5.0*	*5.1*	*5.1*	*4.4*	***15.5***	***49.1***
Non-tax receipts													
Increase penalty unit value to $275 - Other agencies penalty units	*2.8*	*3.8*	*4.3*	*4.3*	*4.6*	*4.6*	*4.7*	*5.0*	*5.0*	*5.1*	*4.4*	***15.2***	***48.6***
Total – receipts	**5.7**	**7.7**	**8.6**	**8.7**	**9.2**	**9.3**	**9.4**	**10.0**	**10.1**	**10.2**	**8.8**	**30.7**	**97.7**
Total (excluding PDI)	**5.7**	**7.7**	**8.6**	**8.7**	**9.2**	**9.3**	**9.4**	**10.0**	**10.1**	**10.2**	**8.8**	**30.7**	**97.7**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Increasing penalty units – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*0.1*	*0.2*	*0.4*	*0.6*	*0.8*	*1.1*	*1.4*	*1.7*	*2.1*	*2.5*	*3.0*	***1.3***	***13.9***
Underlying cash balance	*0.1*	*0.2*	*0.4*	*0.6*	*0.8*	*1.1*	*1.4*	*1.7*	*2.0*	*2.5*	*2.9*	***1.3***	***13.7***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Increasing the Temporary Skilled Migration Income Threshold	
Party:	Australian Labor Party
Summary of proposal: This proposal would increase the Temporary Skilled Migration Income Threshold (TSMIT) from \$53,900 per year (unindexed) to \$65,000 and would be indexed annually by wage price index (WPI) which would effectively increase the minimum wage for temporary skilled migrants. Only new visa holders would be eligible for the increased threshold. This proposal would commence from 1 July 2022.	

Costing overview

This proposal would be expected to increase the fiscal and underlying cash balances by around \$132 million over the 2022-23 Budget forward estimates period. These impacts are driven by changes in both administered revenue and expenses.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The departmental expenses for this proposal are immaterial and would be expected to be absorbed by the Department of Home Affairs.

The small difference between the fiscal and underlying cash balance impacts of this proposal is due to a timing difference between when goods and services tax is recognised and when it is collected.

Uncertainties

The estimates provided are particularly sensitive to the following factors.

- The estimated number of visa applicants over the medium term. There is a high level of uncertainty regarding this projection, as it is heavily dependent on the impacts of COVID-19 on travel or migration.
- Broader economic effects on the labour market and domestic production associated with increasing the TSMIT have not been included in the costing due to their uncertainty. For example, increasing the TSMIT would be expected to reduce demand for migrant labour in the short term, and it is uncertain how the Australian labour market would respond.
- The increase in consumption (and therefore, increase in indirect taxes paid) by 482, 187 and 186 visa holders who experience an increase in salary because of this proposal is uncertain and has not been included in this costing.
- Income support and transfer payments made to affected visa holders are expected to decrease in response to this proposal. However, the rate of this change is uncertain, and therefore this impact has not been included in this costing.

- It would be expected that this proposal would result in an increase in the level of expenditure for the Pharmaceutical Benefits Scheme, Medicare Benefits Scheme and other healthcare programs. However, these impacts are uncertain, and have not been included in this costing.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	6.8	21.7	38.0	65.6	**132.1**
Underlying cash balance	6.8	21.7	38.0	65.6	**132.1**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The projected baseline number of visa applications lodged from 2026-27 to 2032-33 would remain fixed at the estimated number of visa applications in 2025-26; this reflects the significant uncertainty surrounding visa application projections.
- All prospective 482, 186 and 187 visa holders who would have earned between the current and proposed TSMIT would have their incomes increased to the proposed TSMIT.
- Employers of skilled migrants would be able to pass on the net cost of the increased TSMIT to consumers.
- Visa holders will remain in Australia for the entire length of their visa.

Methodology

The number of 482, 186 and 187 visa applications and visa holders in Australia would be expected to decline reflecting a decrease in demand for migrant labour due to the proposed increase in the TSMIT. The decrease in demand was estimated by multiplying the number of individuals affected by this proposal (i.e., those currently earning between the current and proposed TSMIT) by the change in their average salary and the respective price elasticity of labour demand.

- The price elasticity of labour demand for 482 visa holders was estimated to be -0.5, and -0.4 for 186 and 187 visa holders over the period to 2032-33.[1] This is based on research from the Australian Fair Pay Commission. It is assumed that the labour demand for permanent migrants (i.e., 186 and 187 holders) would be more inelastic than the demand for temporary migrants.

The financial implications of decreased visa application charge (VAC) revenue were calculated by multiplying the decrease in the number of estimated 482, 186 and 187 visa applications by their respective indexed VACs.

The decrease in 186, 187 and 482 visa applications would also result in a decrease in Skilling Australia Fund (SAF) levy revenue. This was calculated by multiplying the decrease in the number of estimated

[1] The labour demand elasticity is a measure of the responsiveness of labour demand to changes in wages. It measures the percentage change in the number of people employed after percentage change in employees' wages. An elasticity of -0.5 means that for a 1% increase in wages, there would be a 0.5% decrease in the number of people employed.

482, 186 and 187 visa applicants by their respective SAF levy amounts. This impact would be offset by a decrease in payments under the SAF.

The income and indirect tax related financial implications were calculated as the sum of:

- a decrease in income and indirect taxes collected because of a decrease in the demand for migrant labour. This was calculated by multiplying the average income and indirect taxes paid by affected migrants by the decrease in the number of estimated 482, 186 and 187 visa holders.
- an increase in income taxes collected because of an increase in the salary for 482, 186 and 187 holders who stay in Australia for the length of their visa. This was calculated by multiplying the additional income and contributions tax that would be paid after an increase in salary (due to the increased TSMIT) received by the number of remaining affected 482, 186 and 187 visa holders in Australia. The increase in indirect taxes has not been estimated, as the increase in consumption is uncertain.

The reduction in GST collected by the Australian Government (and paid to the states and territories) was estimated based on the decrease in the number of estimated 482, 186 and 187 visa holders.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Data sources

The Department of Home Affairs provided estimated visa application lodgement and VAC prices over the 2022-23 Budget forward estimates period.

The Treasury provided data on the average incomes, superannuation and level of consumption for 186 visa holders, as well as economic parameters, as at the 2022-23 Budget.

Australian Government, *2019-20 Budget*, Australian Government, 2019.

Department of Home Affairs, *Temporary resident (skilled) report 30 September 2021 – summary of key statistics and trends*, Department of Home Affairs, Australian Government, 2021.

Department of Home Affairs, *Australian Migration Statistics, 2019-20,* Department of Home Affairs, Australian Government, 2020.

N Mowbray, D Rozenbes, T Wheatley, and K Yuen, *Changes in the Australian Labour market over the Economic Cycle, Research Report No. 9/09*, Australian Fair Pay Commission, 2009.

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Increasing the Temporary Skilled Migration Income Threshold – financial implications

Table A1: Increasing the Temporary Skilled Migration Income Threshold – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
VAC revenue	*-1.0*	*-1.5*	*-2.0*	*-2.8*	*-3.5*	*-4.5*	*-5.5*	*-6.7*	*-8.1*	*-9.6*	*-11.3*	***-7.3***	***-56.5***
SAF levy revenue	*-0.9*	*-1.4*	*-1.8*	*-2.5*	*-3.1*	*-3.9*	*-4.6*	*-5.5*	*-6.4*	*-7.4*	*-8.5*	***-6.6***	***-46.0***
Income and indirect tax revenue	*7.0*	*21.0*	*36.0*	*62.0*	*96.0*	*129.0*	*168.0*	*213.0*	*267.0*	*330.0*	*402.0*	***126.0***	***1,731.0***
Total – revenue	**5.1**	**18.1**	**32.2**	**56.7**	**89.4**	**120.6**	**157.9**	**200.8**	**252.5**	**313.0**	**382.2**	**112.1**	**1,628.5**
Expenses													
Administered													
GRA – Payments to the States	*0.8*	*2.2*	*4.0*	*6.4*	*9.4*	*12.8*	*16.7*	*21.3*	*26.7*	*32.9*	*40.0*	***13.4***	***173.2***
SAF Levy Payments	*0.9*	*1.4*	*1.8*	*2.5*	*3.1*	*3.9*	*4.6*	*5.5*	*6.4*	*7.4*	*8.5*	***6.6***	***46.0***
Total – expenses	**1.7**	**3.6**	**5.8**	**8.9**	**12.5**	**16.7**	**21.3**	**26.8**	**33.1**	**40.3**	**48.5**	**20.0**	**219.2**
Total (excluding PDI)	**6.8**	**21.7**	**38.0**	**65.6**	**101.9**	**137.3**	**179.2**	**227.6**	**285.6**	**353.3**	**430.7**	**132.1**	**1,847.7**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Increasing the Temporary Skilled Migration Income Threshold – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
VAC revenue	*-1.0*	*-1.5*	*-2.0*	*-2.8*	*-3.5*	*-4.5*	*-5.5*	*-6.7*	*-8.1*	*-9.6*	*-11.3*	***-7.3***	***-56.5***
SAF levy revenue	*-0.9*	*-1.4*	*-1.8*	*-2.5*	*-3.1*	*-3.9*	*-4.6*	*-5.5*	*-6.4*	*-7.4*	*-8.5*	***-6.6***	***-46.0***
Income and indirect tax revenue	*7.0*	*21.0*	*36.0*	*62.0*	*96.0*	*129.0*	*168.0*	*214.0*	*268.0*	*330.0*	*402.0*	***126.0***	***1,733.0***
Total – receipts	**5.1**	**18.1**	**32.2**	**56.7**	**89.4**	**120.6**	**157.9**	**201.8**	**253.5**	**313.0**	**382.2**	**112.1**	**1,630.5**
Payments													
Administered													
GRA – Payments to the States	*0.8*	*2.2*	*4.0*	*6.4*	*9.4*	*12.8*	*16.7*	*21.3*	*26.7*	*32.9*	*40.0*	***13.4***	***173.2***
SAF Levy Payments	*0.9*	*1.4*	*1.8*	*2.5*	*3.1*	*3.9*	*4.6*	*5.5*	*6.4*	*7.4*	*8.5*	***6.6***	***46.0***
Total – payments	**1.7**	**3.6**	**5.8**	**8.9**	**12.5**	**16.7**	**21.3**	**26.8**	**33.1**	**40.3**	**48.5**	**20.0**	**219.2**
Total (excluding PDI)	**6.8**	**21.7**	**38.0**	**65.6**	**101.9**	**137.3**	**179.2**	**228.6**	**286.6**	**353.3**	**430.7**	**132.1**	**1,849.7**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Increasing the Temporary Skilled Migration Income Threshold – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*0.10*	*0.4*	*1.1*	*2.3*	*4.4*	*7.6*	*12.2*	*18.6*	*27.3*	*39.0*	*54.4*	***3.9***	***167.4***
Underlying cash balance	*0.10*	*0.4*	*1.0*	*2.2*	*4.1*	*7.2*	*11.6*	*17.8*	*26.3*	*37.6*	*52.6*	***3.7***	***160.9***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Increasing the Totally and Permanently Incapacitated Payment for Veterans	
Party:	Australian Labor Party
Summary of proposal: The proposal would increase the Department of Veteran Affairs (DVA) Disability Compensation Payment Special Rate (the Special Rate), also known as the totally and permanently incapacitated pension, by $1,000 per year. The proposal is ongoing and would be in effect from 1 January 2023.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by $97.8 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses.

The estimates are largely based on the recipient forecasts by the DVA. The proposal is not expected to have any impact on departmental expenses, as forecasts suggest no growth in the payment population.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-13.4	-27.4	-28.1	-28.9	**-97.8**
Underlying cash balance	-13.4	-27.4	-28.1	-28.9	**-97.8**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal:

- The number of veterans receiving the Special Rate would move in line with the overall number of veterans receiving the DVA disability pension.
  - The number of disability pension recipients is projected to decline at a rate between 0.5% to 1.2% per annum over the period to 2032-33.
  - The proposed fortnightly payments are indexed to Male Total Average Weekly Earnings (MTAWE), which is projected to increase by between 2.8% and 4% per annum over the period to 2032-33.

- There would be no impact on departmental expenses as the proposal is not expected to have an impact on the number of recipients of the Special Rate.

Methodology

The administered cost of this proposal was calculated by multiplying the number of Special Rate compensation recipients forecast to be present in each year, by the difference between the increased fortnightly Special Rate (proposed rate), and the current rate. The proposed and current rates were indexed by growth in MTAWE at the beginning of the proposal and over the medium term.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Department of Veteran Affairs, 2021. *Pensioner summary statistics September 2021* [data set], https://www.dva.gov.au/about-us/overview/research/statistics-about-veteran-population#pensioner-summary-statistics-vea-only, accessed 8 March 2022.

Department of Veteran Affairs, 2021. *Population projections – Executive Summary – June 2021* [data set], https://www.dva.gov.au/about-us/overview/research/statistics-about-veteran-population#population-projections-executive-summary, accessed 8 March 2022.

Department of Veteran Affairs, 2022. *Disability Pension Rates & Supplements 20 March 2022,* https://clik.dva.gov.au/compensation-and-support-reference-library/payment-rates/current-payment-rates/20-march-2022/disability-pension-rates-supplements-20-march-2022, accessed 11 April 2022.

The Treasury provided economic parameters as at the 2022-23 Budget.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Increasing the Totally and Permanently Incapacitated Payment for Veterans – financial implications

Table A1: Increasing the Totally and Permanently Incapacitated Payment for Veterans – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered expenses	*-13.4*	*-27.4*	*-28.1*	*-28.9*	*-29.7*	*-30.6*	*-31.5*	*-32.5*	*-33.6*	*-34.7*	*-35.9*	***-97.8***	***-326.3***
Total (excluding PDI)	**-13.4**	**-27.4**	**-28.1**	**-28.9**	**-29.7**	**-30.6**	**-31.5**	**-32.5**	**-33.6**	**-34.7**	**-35.9**	**-97.8**	**-326.3**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Increasing the Totally and Permanently Incapacitated Payment for Veterans – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*-0.2*	*-0.6*	*-1.3*	*-1.9*	*-2.7*	*-3.5*	*-4.5*	*-5.6*	*-6.8*	*-8.2*	*-9.8*	***-4.0***	***-45.1***
Underlying cash balance	*-0.1*	*-0.6*	*-1.2*	*-1.9*	*-2.6*	*-3.4*	*-4.4*	*-5.4*	*-6.6*	*-8.0*	*-9.6*	***-3.8***	***-43.8***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's Online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Native Title Respondents Scheme - abolition	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Native Title Respondents Scheme and return all uncommitted funds to the budget. This proposal has a start date of 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $7.1 million over the 2022-23 Budget forward estimates period. This entirely reflects a decrease in administered expenses for the Attorney-General's Department.

Consistent with the Attorney-General's Department's 2022-23 Portfolio Budget Statements, there is no departmental appropriation associated with the Native Title Respondents Scheme (the Scheme). Therefore, there would be no departmental savings associated with the Scheme's abolition.

The proposal would be expected to have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	1.7	1.8	1.8	1.8	**7.1**
Underlying cash balance	1.7	1.8	1.8	1.8	**7.1**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office has made the following assumption in costing this proposal.

- All current uncommitted funding from 1 July 2022 would be available to be returned to the budget.

Methodology

Estimated uncommitted funding for the Scheme over the 2022-23 forward estimates period was based on information provided by the Attorney-General's Department. The projection over the medium term was calculated by using the appropriate wage indexation factor.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Attorney-General's Department provided committed and uncommitted funding data for the Scheme as at 23 March 2022.

The Treasury provided economic parameters as at the Budget 2022-23.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Native Title Respondents Scheme – abolition – financial implications

Table A1: Native Title Respondents Scheme - abolition – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Native Title Respondents Scheme - abolition	*1.7*	*1.8*	*1.8*	*1.8*	*1.8*	*1.9*	*1.9*	*1.9*	*2.0*	*2.0*	*2.0*	***7.1***	***20.6***
Total (excluding PDI)	**1.7**	**1.8**	**1.8**	**1.8**	**1.8**	**1.9**	**1.9**	**1.9**	**2.0**	**2.0**	**2.0**	**7.1**	**20.6**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Native Title Respondents Scheme - abolition – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	*0.1*	*0.1*	*0.1*	*0.2*	*0.2*	*0.3*	*0.4*	*0.4*	*0.5*	*0.6*	***0.3***	***2.9***
Underlying cash balance	..	*0.1*	*0.1*	*0.1*	*0.2*	*0.2*	*0.3*	*0.4*	*0.4*	*0.5*	*0.6*	***0.3***	***2.9***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Tackling Modern Slavery	
Party:	Australian Labor Party

Summary of proposal:

This proposal has 2 components which would take effect from 1 January 2023.

Component 1: Establish an office of the Australian Independent Anti-Slavery Commissioner, which would reside within the Attorney General's Department.

This body would be modelled on the United Kingdom's Independent Anti-Slavery Commissioner. It would be responsible for monitoring the efforts and effectiveness of all state institutions to tackle modern slavery, funding modern slavery research, and for maintaining a constant exchange with civil society and stakeholders.

The Independent Anti-Slavery Commissioner would receive a similar salary to the Australian Human Rights Commissioner.

In addition to the Commission, the body would employ five additional full-time equivalent staff members:

- Chief of Staff (SES B1 / EL2)
- Research and Policy Officer (EL2)
- Victim Support and Stakeholder Office (EL1)
- Communications Officer (APS6)
- Office Manager (APS5).

The body would have a travel budget equivalent to £17,852 per year (2019-20 figure) in the first two years, followed by £55,887 per year (2016-17 figure), indexed to the consumer price index (CPI). These travel expense amounts are modelled off the travel expenses of the UK's Office of the Independent Anti-Slavery Commissioner before and during the pandemic.

The body would also require funding for IT and telecommunications, office supplies and publishing, research, and training.

Component 2: Boost resources for the Ambassador to Counter Modern Slavery, People Smuggling and Human Trafficking to work with partners in our region to build awareness and help countries strengthen their responses to modern slavery – including forced labour and forced marriage. Funding amounts will be worked out through government consultation.

Both components would be funded from existing departmental resources and would be split equally between the Department of Home Affairs and the Attorney General's Department.

Costing overview

The proposal would be expected to have nil impact on the fiscal and underlying cash balance over the 2022-23 Budget forward estimates period.

The proposal would not have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-	-	-	**-**
Underlying cash balance	-	-	-	-	**-**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The expenses of the body would be incurred evenly throughout the year.
- The Chief of Staff would be employed at the SES B1 level.
- Wage expenses would be indexed by wage cost index WCI 1, while non-wage expenses would be indexed by CPI as specified.
- The commission would be housed within existing real estate overseen by the Attorney General's Department and so no additional costs would be incurred for real estate.

Methodology

- The remuneration of the Commissioner was based on that of the Australian Human Rights Commissioner (as specified).
- The financial implications for the five additional full-time equivalent staff were estimated using a departmental cost calculator provided by the Department of Finance. The calculator captures non-salary related staffing expenses such as staff training and development, ICT services, properties operations and organisational services.
- The specified capped travel expenses were converted into Australia Dollars (using the exchange rate as at 19 April 2022) and then indexed by CPI.
- As specified, funding arrangements for Component 2 will be worked out through government consultation and have not been presented in Attachment A Table A1.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Anti-Slavery Commissioner (2020) *Independent Anti-Slavery Commissioner Annual Report 2019-20*, Anti-Slavery Commission, accessed 14 June 2022.

Australian Human Rights Commission (2021) *Australian Human Rights Commission Annual Report 2020-21*, Australian Human Rights Commission, accessed 14 June 2022.

Commonwealth of Australia (2022) *Budget 2022-23*, Commonwealth of Australia: Canberra.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Exchange Rates (2022) *British Pound to Australian Dollar Exchange Rate* accessed 19 April 2022.

Department of Finance provided data on the average level of departmental costs per APS employee.

Attachment A – Tackling Modern Slavery – financial implications

Table A1: Tackling Modern Slavery – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Commissioner remuneration	*-0.2*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.5*	***-1.4***	***-4.3***
Staffing and additional expenses	*-0.5*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	***-3.5***	***-10.5***
Travel expense	*..*	*..*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.2***	***-0.9***
Offset from Attorney General's Department	*0.35*	*0.70*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.80*	***2.55***	***7.85***
Offset from Department of Home Affairs	*0.35*	*0.70*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.75*	*0.80*	***2.55***	***7.85***
Total – expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Tackling Modern Slavery – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

20,000 More University Places	
Party:	Australian Labor Party
Summary of proposal: The proposal would fund Commonwealth Supported Places (CSPs) for an additional 20,000 undergraduates commencing enrolments, with 10,000 in 2022-23 and 10,000 in 2023-24. Places, cross-band funding distributions and indexation arrangements would be consistent with those for the 2020-21 Budget measure *JobMaker Plan — higher education — additional support for students and education providers,* with additional Commonwealth Grants Scheme (CGS) funding for commencing enrolments being provided for four years after commencement. The proposal would commence on 1 July 2022.	

Costing overview

The proposal would be expected to decrease the fiscal balance by around $570 million, the underlying cash balance by around $524 million, and the headline cash balance by around $850 million over the 2022-23 Budget forward estimates period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are uncertain and highly sensitive to assumptions around the demand for CSPs, and inherent uncertainties in the baseline estimates for the relevant student loan programs, including uncertainties around existing estimates of debts not expected to be repaid and limited information regarding loan repayment profiles.

Consistent with the *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the concessional loans affected by this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest payments and the flow of loan principal. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan waivers, and only the headline cash balance includes transactions related to loan principal amounts. The impact on net debt will be broadly consistent with movements in the headline cash balance. A note on the accounting treatment of concessional loans is included at Attachment B.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-106.7	-172.7	-166.8	-123.2	**-569.5**
Underlying cash balance	-96.1	-156.7	-153.8	-117.2	**-523.8**
Headline cash balance	-161.8	-259.4	-248.4	-180.2	**-849.8**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- There would be sufficient capacity and demand for the additional CSPs.
- The rate of debts not expected to be repaid across the Higher Education Loan Program would remain unchanged under this proposal.
- The ratio of students expected to make up-front payments towards their student contributions across the Higher Education Loan Program would remain unchanged under this proposal.
- Deferral of enrolments would be marginal and has not been factored into this costing.

Methodology

The financial implications of this proposal were calculated using the Department of Education, Skills and Employment's Higher Education Loan Program and CGS models.

The distribution of additional CSPs across course bands was matched up with the 2020-21 Budget measure *JobMaker Plan — higher education — additional support for students and education providers*, as specified by the requestor.

- These numbers were then multiplied by the applicable funding amount under the CGS, per the financial and indexation arrangements specified.

The Higher Education Loan Program model used the estimated number of additional CSPs to derive the impact on student loans.

Additional departmental resource requirements for the Department of Education, Skills and Employment were estimated according to the ratio of administered to departmental expenses under the Outcome 2 estimates published in its *Portfolio Budget Statement 2022-23*.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Education, Skills and Employment provided the:

- Higher Education Loan Program and CGS modelling as at the 2022-23 Budget

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

- Modelling for the 2020-21 Budget Measure *JobMaker Plan — higher education — additional support for students and education providers.*

Department of Education, Skills and Employment, 2022. *Portfolio Budget Statements 2022–23, Budget Related Paper No. 1.4, Education, Skills and Employment Portfolio,* Australian Government, Canberra.

Attachment A – 20,000 More University Places – financial implications

Table A1: 20,000 More University Places – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
Indexation on loans	*0.4*	*1.9*	*4.3*	*6.5*	*8.2*	*9.1*	*9.5*	*9.8*	*10.0*	*10.4*	*10.7*	***13.1***	***80.8***
Unwinding concessional loan discount	-	-	-	-	-	-	*0.01*	*0.01*	*0.01*	*0.01*	*0.01*	-	***0.05***
Total – revenue	**0.4**	**1.9**	**4.3**	**6.5**	**8.2**	**9.1**	**9.5**	**9.8**	**10.1**	**10.4**	**10.7**	**13.1**	**80.9**
Expenses													
Administered													
Personal benefits	*-0.5*	*-0.7*	*-0.7*	*-0.5*	*-0.2*	*-0.1*	-	-	-	-	-	***-2.3***	***-2.6***
Remissions	..	..	..	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.1***	***-0.8***
Concessional loan discount	-	-	-	-	-	*-0.1*	-	-	-	-	-	-	***-0.1***
Other loan financing	*-10.8*	*-17.4*	*-16.6*	*-11.7*	*-5.8*	*-1.3*	-	-	-	-	-	***-56.5***	***-63.6***
Additional CGS funding	*-94.0*	*-149.0*	*-140.0*	*-99.0*	*-50.0*	*-12.0*	-	-	-	-	-	***-482.0***	***-544.0***
Total – administered	***-105.2***	***-167.1***	***-157.3***	***-111.3***	***-56.1***	***-13.6***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-540.9***	***-611.1***
Departmental													
Departmental costs	*-0.1*	*-1.0*	*-1.5*	*-1.4*	*-1.0*	*-0.5*	*-0.1*	..	..	..	..	***-4.0***	***-5.6***
Total – departmental	***-0.1***	***-1.0***	***-1.5***	***-1.4***	***-1.0***	***-0.5***	***-0.1***	***..***	***..***	***..***	***..***	***-4.0***	***-5.6***
Total – expenses	**-105.3**	**-168.1**	**-158.8**	**-112.7**	**-57.1**	**-14.1**	**-0.2**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-544.9**	**-616.7**
Total (excluding PDI)	**-104.9**	**-166.2**	**-154.5**	**-106.1**	**-49.0**	**-5.0**	**9.3**	**9.7**	**10.0**	**10.3**	**10.6**	**-531.8**	**-535.9**
PDI impacts	***-1.8***	***-6.5***	***-12.3***	***-17.1***	***-20.3***	***-21.9***	***-22.5***	***-22.7***	***-22.8***	***-22.9***	***-24.1***	***-37.7***	***-194.9***
Total (including PDI)	**-106.7**	**-172.7**	**-166.8**	**-123.2**	**-69.3**	**-26.9**	**-13.2**	**-13.0**	**-12.8**	**-12.6**	**-13.5**	**-569.5**	**-730.8**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: 20,000 More University Places – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Receipts													
Administered non-tax													
Interest receipts	-	..	..	0.2	0.3	0.6	0.9	1.3	1.8	1.8	1.9	***0.2***	***8.8***
Total – receipts	**-**	**..**	**..**	**0.2**	**0.3**	**0.6**	**0.9**	**1.3**	**1.8**	**1.8**	**1.9**	**0.2**	**8.8**
Payments													
Administered													
Personal benefits	-0.4	-0.7	-0.7	-0.5	-0.2	-0.1	-	-	-	-	-	***-2.3***	***-2.6***
Additional CGS funding	-94.0	-149.0	-140.0	-99.0	-50.0	-12.0	-	-	-	-	-	***-482.0***	***-544.0***
Total – administered	***-94.4***	***-149.7***	***-140.7***	***-99.5***	***-50.2***	***-12.1***	***-***	***-***	***-***	***-***	***-***	***-484.3***	***-546.6***
Departmental													
Departmental costs	-0.1	-1.0	-1.5	-1.4	-1.0	-0.5	-0.1	..	..	..	..	***-4.0***	***-5.6***
Total – departmental	***-0.1***	***-1.0***	***-1.5***	***-1.4***	***-1.0***	***-0.5***	***-0.1***	***..***	***..***	***..***	***..***	***-4.0***	***-5.6***
Total – payments	**-94.5**	**-150.7**	**-142.2**	**-100.9**	**-51.2**	**-12.6**	**-0.1**	**..**	**..**	**..**	**..**	**-488.3**	**-552.2**
Total (excluding PDI)	**-94.5**	**-150.7**	**-142.2**	**-100.7**	**-50.9**	**-12.0**	**0.8**	**1.3**	**1.8**	**1.8**	**1.9**	**-488.1**	**-543.4**
PDI impacts	***-1.6***	***-6.0***	***-11.6***	***-16.5***	***-19.9***	***-21.7***	***-22.4***	***-22.7***	***-22.8***	***-22.9***	***-23.9***	***-35.7***	***-192.0***
Total (including PDI)	**-96.1**	**-156.7**	**-153.8**	**-117.2**	**-70.8**	**-33.7**	**-21.6**	**-21.4**	**-21.0**	**-21.1**	**-22.0**	**-523.8**	**-735.4**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: 20,000 More University Places – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Interest receipts	*-*	*..*	*..*	*0.2*	*0.3*	*0.6*	*0.9*	*1.3*	*1.8*	*1.8*	*1.9*	***0.2***	***8.8***
Loan principal repayments	*0.3*	*1.3*	*3.4*	*6.0*	*8.5*	*10.9*	*13.3*	*15.9*	*18.4*	*20.4*	*21.5*	***11.0***	***119.9***
Total – receipts	**0.3**	**1.3**	**3.4**	**6.2**	**8.8**	**11.5**	**14.2**	**17.2**	**20.2**	**22.2**	**23.4**	**11.2**	**128.7**
Payments													
Administered													
Personal benefits	*-0.4*	*-0.7*	*-0.7*	*-0.5*	*-0.2*	*-0.1*	*-*	*-*	*-*	*-*	*-*	***-2.3***	***-2.6***
Total loans	*-66.0*	*-104.0*	*-98.0*	*-69.0*	*-35.0*	*-8.0*	*-*	*-*	*-*	*-*	*-*	***-337.0***	***-380.0***
Additional CGS funding	*-94.0*	*-149.0*	*-140.0*	*-99.0*	*-50.0*	*-12.0*	*-*	*-*	*-*	*-*	*-*	***-482.0***	***-544.0***
Total – administered	***-160.4***	***-253.7***	***-238.7***	***-168.5***	***-85.2***	***-20.1***	***-***	***-***	***-***	***-***	***-***	***-821.3***	***-926.6***
Departmental													
Departmental costs	*-0.1*	*-1.0*	*-1.5*	*-1.4*	*-1.0*	*-0.5*	*-0.1*	*..*	*..*	*..*	*..*	***-4.0***	***-5.6***
Total – departmental	***-0.1***	***-1.0***	***-1.5***	***-1.4***	***-1.0***	***-0.5***	***-0.1***	***..***	***..***	***..***	***..***	***-4.0***	***-5.6***
Total – payments	**-160.5**	**-254.7**	**-240.2**	**-169.9**	**-86.2**	**-20.6**	**-0.1**	**..**	**..**	**..**	**..**	**-825.3**	**-932.2**
Total (excluding PDI)	**-160.2**	**-253.4**	**-236.8**	**-163.7**	**-77.4**	**-9.1**	**14.1**	**17.2**	**20.2**	**22.2**	**23.4**	**-814.1**	**-803.5**
PDI impacts	***-1.6***	***-6.0***	***-11.6***	***-16.5***	***-19.9***	***-21.7***	***-22.4***	***-22.7***	***-22.8***	***-22.9***	***-23.9***	***-35.7***	***-192.0***
Total (including PDI)	**-161.8**	**-259.4**	**-248.4**	**-180.2**	**-97.3**	**-30.8**	**-8.3**	**-5.5**	**-2.6**	**-0.7**	**-0.5**	**-849.8**	**-995.5**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Attachment B – Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Australian Government.

Budget impact[2]

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[3] Table B1 provides information about the detail provided in a costing. The provision of concessional loans decreases the Australian Government's net worth if the liabilities issued (the value of Australian Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

[2] The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

[3] This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.

Abolish PaTH Internships	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Youth Jobs PaTH Internship Program from 1 July 2022.	

Costing overview

The proposal would increase the fiscal and underlying cash balances by around $22.5 million over the 2022-23 Budget forward estimates period. This entirely reflects a decrease in administered expenses.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to assumptions underpinning current budget estimates for the Youth Jobs PaTH Internship Program, including labour force projections, indexation growth factors, and the number of participants in the program. The transition from the existing jobactive program to the New Employment Services Model may also affect activity rates across the program.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	3.1	6.7	6.3	6.4	**22.5**
Underlying cash balance	3.1	6.7	6.3	6.4	**22.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Abolishing the Youth Jobs PaTH Internship Program from 1 July 2022 would not have departmental funding implications for the Department of Education, Skills and Employment (DESE) as its contract management workload across the New Employment Services Model would be expected to remain largely unchanged.
- Only 50% of uncommitted funding for the Youth Jobs PaTH Internship Program would be recovered in 2022-23, and 100% of uncommitted funding would be recovered in following years.
- The uncommitted funding of Youth Jobs PaTH Internship Program in 2032-33 would be consistent with the funding level in 2031-32.
- The flow-on impact on social security payments and labour market would be insignificant.

Methodology

The funding profile of Youth Jobs PaTH Internship Program for 2022-23 to 2031-32 as at Budget 2022-23 was provided by DESE.

The administered impacts were estimated by reversing the uncommitted funding by the assumed percentage each year.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Department of Education, Skills and Employment provided the funding profile for the Youth Jobs PaTH Internship Program as at Budget 2022-23.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Abolish PaTH Internships – financial implications

Table A1: Abolish PaTH Internships – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
PaTH internship program	*3.1*	*6.7*	*6.3*	*6.4*	*6.4*	*6.4*	*6.8*	*6.8*	*6.8*	*7.2*	*7.2*	***22.5***	***70.1***
Total – expenses	**3.1**	**6.7**	**6.3**	**6.4**	**6.4**	**6.4**	**6.8**	**6.8**	**6.8**	**7.2**	**7.2**	**22.5**	**70.1**
Total (excluding PDI)	**3.1**	**6.7**	**6.3**	**6.4**	**6.4**	**6.4**	**6.8**	**6.8**	**6.8**	**7.2**	**7.2**	**22.5**	**70.1**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Abolish PaTH Internships – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	*0.1*	*0.3*	*0.5*	*0.6*	*0.8*	*1.0*	*1.2*	*1.5*	*1.8*	*2.1*	***0.9***	***9.9***
Underlying cash balance	..	*0.1*	*0.3*	*0.4*	*0.6*	*0.8*	*1.0*	*1.2*	*1.5*	*1.7*	*2.1*	***0.8***	***9.7***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Cheaper Child Care	
Party:	Australian Labor Party

Summary of proposal:

This option would provide families with either the Child Care Subsidy (CCS) rates as set out in the table below, or the existing baseline CCS rates, depending on the subsidy calculation which is most generous to the family. The revised CCS rates would apply from 1 July 2023 to 30 June 2026, at which point the program would revert to existing policy settings.

Second (or subsequent) children of families with more than one child under six in child care would receive:

<table>
<tr><th>Family Income</th><th>Current Child Care Subsidy rate (%)</th><th>Proposed Child Care Subsidy rate (%)</th></tr>
<tr><td>Up to $72,466</td><td rowspan="3">95</td><td rowspan="3">95</td></tr>
<tr><td>Between $72,467 and $80,000</td></tr>
<tr><td>Between $80,001 and $132,466</td></tr>
<tr><td>Between $132,467 and $177,466</td><td>Tapered reduction from 95 to 80. (The percentage goes down by 1% for every $3,000 increase in family income.)</td><td>Tapered reduction from 95 to 80. (The percentage goes down by 1% for every $3,000 increase in family income.)</td></tr>
<tr><td>Between $177,467 and $256,756</td><td>80</td><td>80</td></tr>
<tr><td>Between $256,757 and $346,756</td><td>Tapered reduction from 80 to 50. (The percentage goes down by 1% for every $3,000 increase in family income.)</td><td>Tapered reduction from 80 to 50. (The percentage goes down by 1% for every $3,000 increase in family income.)</td></tr>
<tr><td>Between $346,757 and $356,756</td><td>50</td><td>50</td></tr>
<tr><td>Between $356,757 and $532,000</td><td>0</td><td>Tapered reduction from 35 to 0. (The percentage goes down by 0.2% for every $1,000 increase in family income.)</td></tr>
</table>

Other children would receive:

<table>
<tr><th>Family Income</th><th>Current Child Care Subsidy rate (%)</th><th>Proposed Child Care Subsidy rate (%)</th></tr>
<tr><td>Up to $72,466</td><td>85</td><td>90</td></tr>
<tr><td>Between $72,467 and $80,000</td><td rowspan="2">Tapered reduction from 85 to 50. (The percentage goes down by 1% for every $3,000 increase in family income.)</td><td>90</td></tr>
<tr><td>Between $80,001 and $177,466</td><td rowspan="3">Tapered reduction from 90 to 0. (The percentage goes down by 0.2% for every $1,000 increase in family income.)</td></tr>
<tr><td>Between $177,467 and $256,756</td><td>50</td></tr>
<tr><td>Between $256,757 and $346,756</td><td>Tapered reduction from 50 to 20. (The percentage goes down by 1% for every $3,000 increase in family income.)</td></tr>
</table>

Between $346,757 and $356,756	20	
Above $356,756	0	

The Productivity Commission would be provided $1 million in 2022-23 to conduct a comprehensive review of the sector with the aim of implementing a universal 90 per cent subsidy for all families and the Australian Competition and Consumer Commission would be tasked with designing a price regulation mechanism to reduce out of pocket costs.

Costing overview

The proposal would be expected to decrease the fiscal balance by $5,166 million and the underlying cash balance by $5,073 million over the 2022-23 Budget forward estimates period. The impact reflects an increase in administered and departmental expenses over this period.

The proposal would have ongoing impacts beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The underlying cash balance impact differs from the fiscal balance impact because of a timing difference between when expenses are recognised and when they are paid. This timing difference is a result of 5% of CCS entitlements in a financial year being withheld and paid in the following year under the current system. This withholding amount allows any overpaid amounts to be recovered when entitlements and payments are reconciled at the end of the year.

The family income thresholds for CCS rates in 2023-24 are different to the original proposal specification due to the updated indexation parameters as of the *Pre-election Economic and Fiscal Outlook 2022*.

The financial implications of this proposal are sensitive to several factors, including:

- uncertainty around the baseline data due to limited information about the operation of the new child care system that only commenced in July 2018
- significant uncertainty around the behavioural response of parents in response to the proposal
- uncertainty around the actual child care expenditures by family income over the 2022-23 Budget forward estimates period and the medium term.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-6.0	-1,604.7	-1,715.4	-1,839.4	**-5,165.5**
Underlying cash balance	-6.0	-1,523.8	-1,710.8	-1,832.6	**-5,073.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Child care use would increase under the proposal, reflecting the additional incentives (above those already reflected in the baseline policy) for parents to change their behaviour and use more child care.[1] This would largely reflect an increase in the number of subsidised days and hours used.
  - It has been assumed that the behavioural impact would apply evenly across all income levels.
- Child care fees would grow in line with the Department of Education, Skills and Employment estimates over the 2022-23 Budget forward estimates period and the Treasury's child care expenditure estimates over the remaining years of the medium term.

Methodology

Administered expense estimates were calculated over the 2022-23 Budget forward estimates period using the Department of Education, Skills and Employment's child care model. The PBO then adjusted for the behavioural response using the methodology outlined above. The model estimates child care administered expenses under both the current child care system and the proposal. The difference between the proposed and baseline expense amounts represents the financial impact of the proposal.

Departmental expense estimates were calculated based on similar proposals to reflect the initial implementation costs ($5 million) and the $1 million provided to the Productivity Commission to undertake the review of the sector.

The underlying cash balance implications were estimated by applying a 5% timing difference to the fiscal balance implications to reflect the withholding rule that applies under the current child care arrangements.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costing and budget information webpage.[2]

Data sources

The Department of Education, Skills and Employment provided the *2022-23 Budget* child care model.

The Department of Treasury provided the child care expenditure projections as at *2022-23 Budget*.

The Department of Education, Skills and Employment, *Child Care in Australia report Financial year 2018-19*. [Online] Available at: https://www.education.gov.au/child-care-australia-report-financial-year-2018-19.

The Treasury, 2012. *Estimating net child care price elasticities of partnered women with pre-school children using a discrete structural labour supply-child care model.* [Online] Available at: https://treasury.gov.au/publication/estimating-net-child-care-price-elasticities-of-partnered-women-with-pre-school-children-using-a-discrete-structural-labour-supply-child-care-model.

[1] The Treasury, 2012. *Estimating net child care price elasticities of partnered women with pre-school children using a discrete structural labour supply-child care model.*

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Cheaper Child Care – financial implications

Table A1: Cheaper Child Care – Fiscal balance ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Total – administered	-	***-1,604.7***	***-1,715.4***	***-1,839.4***	-	-	-	-	-	-	-	***-5,159.5***	***-5,159.5***
Departmental													
Total – departmental	***-6.0***	-	-	-	-	-	-	-	-	-	-	***-6.0***	***-6.0***
Total – expenses	**-6.0**	**-1,604.7**	**-1,715.4**	**-1,839.4**	-	-	-	-	-	-	-	**-5,165.5**	**-5,165.5**
Total (excluding PDI)	**-6.0**	**-1,604.7**	**-1,715.4**	**-1,839.4**	-	-	-	-	-	-	-	**-5,165.5**	**-5,165.5**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Income thresholds are as at 2022-23 Budget.

\- Indicates nil.

Table A2: Cheaper Child Care – Underlying cash balance ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Payments													
Administered													
Total – administered	-	***-1,523.8***	***-1,710.8***	***-1,832.6***	-	-	-	-	-	-	-	***-5,067.2***	***-5,067.2***
Departmental													
Total – departmental	***-6.0***	-	-	-	-	-	-	-	-	-	-	***-6.0***	***-6.0***
Total – payments	**-6.0**	**-1,523.8**	**-1,710.8**	**-1,832.6**	-	-	-	-	-	-	-	**-5,073.2**	**-5,073.2**
Total (excluding PDI)	**-6.0**	**-1,523.8**	**-1,710.8**	**-1,832.6**	-	-	-	-	-	-	-	**-5,073.2**	**-5,073.2**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Income thresholds are as at 2022-23 Budget.

\- Indicates nil.

Table A3: Cheaper Child Care – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	*-17.0*	*-54.0*	*-96.0*	*-119.0*	*-122.0*	*-126.0*	*-130.0*	*-134.0*	*-138.0*	*-143.0*	***-167.0***	***-1,079.0***
Underlying cash balance	..	*-15.0*	*-50.0*	*-91.0*	*-116.0*	*-122.0*	*-125.0*	*-129.0*	*-133.0*	*-138.0*	*-143.0*	***-156.0***	***-1,062.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Ending the 10% upfront fee discount	
Party:	Australian Labor Party
Summary of proposal: The proposal would remove the 10% fee discount available to students who make up-front payments of $500 or more towards their Higher Education Contribution Scheme – Higher Education Loan Program (HECS-HELP) student contributions. The proposal would start from 1 January 2023.	

Costing overview

The proposal would be expected to increase the fiscal balance by around $134 million, increase the underlying cash balance by $145 million and increase the headline cash balance by around $65 million over the 2022-23 Budget forward estimates period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this costing are extremely sensitive to inherent uncertainties in the baseline estimates for HELP and the projected student payment behaviour. In particular, it is unknown to what degree COVID-19, and various recent changes to higher education policy, will have on the rate of upfront HELP payments in the absence of the 10% discount.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest (PDI) expense impacts have been included in this costing because the concessional loans provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest, and the flow of loan principal amount. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan write-downs, and only the headline cash balance includes transactions related to loan principal amounts. The impact on net debt will be broadly consistent with movements in the headline cash balance. A note on the accounting treatment of concessional loans is included at Attachment B.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	17.8	36.6	38.6	40.6	**133.6**
Underlying cash balance	19.6	40.0	41.7	43.4	**144.7**
Headline cash balance	8.4	17.3	18.7	20.2	**64.6**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The proportion of students making upfront payments without any fee discount would return to the level observed prior to the re-introduction of the 10% fee discount in 2020-21 when policy settings were similar to the proposal.
  - Likewise, the proportion of students who defer their tuition fees would return to the 2020-21 levels.
- The rate of debts not expected to be repaid would remain unchanged from current estimates.

Methodology

The financial estimates were estimated by the Department of Education, Skills and Employment's (DESE) HELP model, updated with the 2022-23 Budget parameters.

- The returning proportion of students expected to make voluntary repayments without receiving any discount and those who would defer payments to historical levels are discussed in *Key assumptions*.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Education, Skills and Employment provided the Higher Education Loan Program estimate model as at the 2022-23 Budget.

The Treasury provided economic parameters as at the 2022-23 Budget.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Ending the 10% upfront fee discount – financial implications

Table A1: Ending the 10% upfront fee discount – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
Indexation on loans	-	0.3	0.8	1.3	1.9	2.4	3.0	3.7	4.3	5.0	5.8	**2.4**	**28.5**
Unwinding concessional loan discount	-	-	-	-	-	-	..	0.1	0.1	0.2	0.3	**-**	**0.7**
Total – revenue	**-**	**0.3**	**0.8**	**1.3**	**1.9**	**2.4**	**3.0**	**3.8**	**4.4**	**5.2**	**6.1**	**2.4**	**29.2**
Expenses													
Administered													
Discount for upfront payments	19.5	39.7	41.0	42.2	43.4	44.5	45.7	46.9	48.2	49.5	50.8	**142.4**	**471.4**
Remissions	-	..	..	..	..	..	..	..	..	-0.1	-0.1	**..**	**-0.2**
Concessional loan discount	-	-	-	-	-	-0.2	-0.5	-0.8	-1.2	-1.7	-2.2	**-**	**-6.6**
Other loan financing	-1.8	-3.8	-4.0	-4.1	-4.2	-4.3	-4.4	-4.6	-4.7	-4.8	-4.9	**-13.7**	**-45.6**
Total – expenses	**17.7**	**35.9**	**37.0**	**38.1**	**39.2**	**40.0**	**40.8**	**41.5**	**42.3**	**42.9**	**43.6**	**128.7**	**419.0**
Total (excluding PDI)	**17.7**	**36.2**	**37.8**	**39.4**	**41.1**	**42.4**	**43.8**	**45.3**	**46.7**	**48.1**	**49.7**	**131.1**	**448.2**
PDI impacts	***0.1***	***0.4***	***0.8***	***1.2***	***1.7***	***2.3***	***3.0***	***3.8***	***4.7***	***5.8***	***7.2***	***2.5***	***31.0***
Total (including PDI)	**17.8**	**36.6**	**38.6**	**40.6**	**42.8**	**44.7**	**46.8**	**49.1**	**51.4**	**53.9**	**56.9**	**133.6**	**479.2**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Ending the 10% upfront fee discount – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Receipts													
Administered non-tax													
Interest receipts	*-*	*-*	*..*	*..*	*0.1*	*0.1*	*0.2*	*0.3*	*0.4*	*0.5*	*0.5*	***..***	***2.1***
Total – receipts	**-**	**-**	**..**	**..**	**0.1**	**0.1**	**0.2**	**0.3**	**0.4**	**0.5**	**0.5**	**..**	**2.1**
Payments													
Administered													
Discount for upfront payments	*19.5*	*39.7*	*41.0*	*42.2*	*43.4*	*44.5*	*45.7*	*46.9*	*48.2*	*49.5*	*50.8*	***142.4***	***471.4***
Total – payments	**19.5**	**39.7**	**41.0**	**42.2**	**43.4**	**44.5**	**45.7**	**46.9**	**48.2**	**49.5**	**50.8**	**142.4**	**471.4**
Total (excluding PDI)	**19.5**	**39.7**	**41.0**	**42.2**	**43.5**	**44.6**	**45.9**	**47.2**	**48.6**	**50.0**	**51.3**	**142.4**	**473.5**
PDI impacts	***0.1***	***0.3***	***0.7***	***1.2***	***1.7***	***2.2***	***2.9***	***3.7***	***4.6***	***5.7***	***7.0***	***2.3***	***30.1***
Total (including PDI)	**19.6**	**40.0**	**41.7**	**43.4**	**45.2**	**46.8**	**48.8**	**50.9**	**53.2**	**55.7**	**58.3**	**144.7**	**503.6**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Ending the 10% upfront fee discount – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Interest receipts	-	-	..	..	*0.1*	*0.1*	*0.2*	*0.3*	*0.4*	*0.5*	*0.5*	**..**	***2.1***
Loan principal repayments	-	*0.2*	*0.6*	*1.1*	*1.8*	*2.6*	*3.6*	*4.8*	*6.2*	*7.7*	*9.1*	***1.9***	***37.7***
Total – receipts	**-**	**0.2**	**0.6**	**1.1**	**1.9**	**2.7**	**3.8**	**5.1**	**6.6**	**8.2**	**9.6**	**1.9**	**39.8**
Payments													
Administered													
Discount for upfront payments	*19.5*	*39.7*	*41.0*	*42.2*	*43.4*	*44.5*	*45.7*	*46.9*	*48.2*	*49.5*	*50.8*	***142.4***	***471.4***
Total loans	*-11.2*	*-22.9*	*-23.6*	*-24.3*	*-25.0*	*-25.6*	*-26.3*	*-27.0*	*-27.8*	*-28.5*	*-29.3*	***-82.0***	***-271.5***
Total – payments	**8.3**	**16.8**	**17.4**	**17.9**	**18.4**	**18.9**	**19.4**	**19.9**	**20.4**	**21.0**	**21.5**	**60.4**	**199.9**
Total (excluding PDI)	**8.3**	**17.0**	**18.0**	**19.0**	**20.3**	**21.6**	**23.2**	**25.0**	**27.0**	**29.2**	**31.1**	**62.3**	**239.7**
PDI impacts	***0.1***	***0.3***	***0.7***	***1.2***	***1.7***	***2.2***	***2.9***	***3.7***	***4.6***	***5.7***	***7.0***	***2.3***	***30.1***
Total (including PDI)	**8.4**	**17.3**	**18.7**	**20.2**	**22.0**	**23.8**	**26.1**	**28.7**	**31.6**	**34.9**	**38.1**	**64.6**	**269.8**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Attachment B – Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Australian Government.

Budget impact[2]

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[3] Table B1 provides information about the detail provided in a costing. The provision of concessional loans decreases the Australian Government's net worth if the liabilities issued (the value of Australian Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

[2] The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

[3] This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.

Parliamentary Budget Office

Fee-Free TAFE	
Party:	Australian Labor Party

Summary of proposal:

The proposal would increase Australian Government funding for vocational education and training in the following ways.

- The proposal would provide free Technical and Further Education (TAFE) (no-fee places) for Australians, giving priority to areas of skills shortage and future labour market demand, to be determined in consultation with the states and territories.
  - The annual number of free TAFE places is based on 105,365 commencements. This reflects National Centre for Vocational Education and Research (NCVER) data on commencements in areas of strong future labour market demand.
  - These places are currently subsidised by the Australian Government and state and territory governments, but attract student fees, which would be removed by this proposal.
- The proposal would also provide funding for additional free TAFE places across all TAFE courses under a joint funding arrangement with the states and territories, with the Australian Government contributing 54% of required funding for the additional places.
  - The number of places would be according to the following schedule:

	2023	2024	2025	2026	**Total**
No-fee places – existing	105,365	105,365	105,365	105,365	**421,460**
No-fee places – additional	15,000	15,000	15,000	-	**45,000**
Total	**120,365**	**120,365**	**120,365**	**105,365**	**466,460**

- Indicates nil.

The proposal would commence on 1 January 2023, with funding ceasing on 31 December 2026.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $783 million, the underlying cash balance by around $793 million, and the headline cash balance by around $709 million over the 2022-23 Budget forward estimates period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period.
A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are uncertain and sensitive to assumptions around course costs, the distribution of course types, and the distribution of qualification levels. Additionally, it is uncertain how the demand for the qualified teachers required under the proposal would be met. The Parliamentary Budget Office (PBO) has not assessed:

- potential supply constraints of qualified teachers, due to the complex nature of the educational labour market and interactions with this proposal
- any implications for the education system and broader labour market under the proposal.

Further, it is uncertain how responsive the states and territories would be in co-funding new places.

The vocational education and training (VET) student loan program provides income-contingent concessional loans to eligible tertiary students to cover the cost of their fees. Typically, the government's cost of borrowing exceeds the consumer price index (CPI), however, with interest rates at historical lows, this is not currently the case. This does not mean that such loans are no longer concessional from the borrower's perspective, simply that the standard way of calculating the value of the concession from the Australian Government's perspective is no longer approximating this concession.

Consistent with the approach adopted by the Department of Finance, for this costing, the concessional loan discount expenses and the associated unwinding have been zeroed out over the period when the CPI is estimated to be higher than the 10-year bond rates. Similar adjustments in the Budget are incorporated in the 'other economic flows' in the operating statement.

Consistent with the *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the proposal would reduce the amount of concessional loan funding that would otherwise be provided to students to support them in meeting course fees.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest payments and the flow of loan principal. In particular, only the fiscal balance reflects the loan waivers, and only the headline cash balance includes transactions related to loan principal amounts. The impact on net debt will be broadly consistent with movements in the headline cash balance. A note on the accounting treatment of concessional loans is included at Attachment B.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-110.1	-226.0	-234.3	-213.1	**-783.5**
Underlying cash balance	-111.9	-229.1	-236.8	-215.3	**-793.1**
Headline cash balance	-99.8	-204.9	-212.6	-191.3	**-708.6**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Any enabling legislation would be passed before the commencement of the proposal.
- The ratio of fees paid by students for existing courses to the full cost of courses, based on the National Skills Commission (NSC) estimates, would be 24% for non-apprentice qualifications and 13% for apprentice and trainee places.
- The unit cost per enrolment would be consistent with the average subsidy, fee ratio, and price data reported by the NSC for relevant courses.
- TAFE institutions would be able to source all necessary additional teachers to deliver this proposal.

- The distribution of course types and qualifications would be consistent with existing trends in the vocational education sector.
- The impact on VET student loans would be consistent with the ratio of loans to tuition fees observed across relevant TAFE qualifications.
- The additional no-fee places would be fully subscribed in each year they are available.
- All state and territory governments would provide the necessary co-funding.

Methodology

Financial implications were calculated by multiplying the number of no-fee places specified by the average additional funding to be provided for those places.

- The average additional funding was calculated using subsidy and fee ratios, based on NSC benchmark data for existing places, and the specified Australian Government funding ratio and the average cost per relevant course for wholly new places. Full course funding was allocated in the year of commencement for each place.
- The impact on VET student loans was calculated by applying the expected reduction in VET student loans under the proposal to the VET student loan model provided by the Department of Education, Skills and Employment, and considering historical rates of up-front tuition payment.
- Departmental expenses were based on ratios of administered to departmental funding for similar observed activities.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Education, Skills and Employment provided VET student loan modelling as at the 2022-23 Budget.

The Treasury provided indexation parameters as at the Pre-election Economic and Fiscal Outlook 2022.

Department of Education, Skills and Employment (2020), *VSL Annual report Jan-Dec 2019*, accessed 14 April 2022.

Department of Education, Skills and Employment (2022), *Portfolio Budget Statements 2022-23, Budget Related Paper No. 1.4, Education Skills and Employment Portfolio*, Australian Government.

National Skills Commission (2021), *VET average price benchmarks*, accessed 14 April 2022.

National Skills Commission (2021), *2021 Skills Priority List | National Skills Commission*, accessed 14 April 2022.

National Centre for Vocational Education Research (2021), *DataBuilder (ncver.edu.au)*, accessed 14 April 2021.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Fee-Free TAFE – financial implications

Table A1: Fee-Free TAFE – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
Indexation on Loans	-	-0.3	-0.9	-1.4	-2.0	-2.3	-2.4	-2.5	-2.5	-2.6	-2.7	**-2.6**	**-19.6**
Unwinding concessional loan discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Student Loan fees	-2.4	-4.9	-5.0	-5.0	-2.5	-	-	-	-	-	-	**-17.3**	**-19.8**
Total – revenue	**-2.4**	**-5.2**	**-5.9**	**-6.4**	**-4.5**	**-2.3**	**-2.4**	**-2.5**	**-2.5**	**-2.6**	**-2.7**	**-19.9**	**-39.4**
Expenses													
Administered													
No-fee places	-110.0	-223.0	-226.0	-200.0	-86.0	-	-	-	-	-	-	**-759.0**	**-845.0**
Remissions	-	..	0.01	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	**0.03**	**0.23**
Concessional loan discount	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loan financing	4.3	8.7	8.8	8.9	4.5	-	-	-	-	-	-	**30.7**	**35.2**
Total – administered	***-105.7***	***-214.3***	***-217.2***	***-191.1***	***-81.5***	..	..	..	..	..	..	***-728.3***	***-809.6***
Departmental													
Departmental costs	-0.9	-2.0	-2.0	-1.8	-0.8	-	-	-	-	-	-	**-6.7**	**-7.5**
Total – departmental	***-0.9***	***-2.0***	***-2.0***	***-1.8***	***-0.8***	-	-	-	-	-	-	***-6.7***	***-7.5***
Total – expenses	**-106.6**	**-216.3**	**-219.2**	**-192.9**	**-82.3**	..	..	..	..	..	..	**-735.0**	**-817.1**
Total (excluding PDI)	**-109.0**	**-221.5**	**-225.1**	**-199.3**	**-86.8**	**-2.3**	**-2.4**	**-2.5**	**-2.5**	**-2.6**	**-2.7**	**-754.9**	**-856.5**
PDI impacts	***-1.1***	***-4.5***	***-9.2***	***-13.8***	***-17.1***	***-18.5***	***-19.2***	***-19.9***	***-20.7***	***-21.6***	***-23.3***	***-28.6***	***-168.9***
Total (including PDI)	**-110.1**	**-226.0**	**-234.3**	**-213.1**	**-103.9**	**-20.8**	**-21.6**	**-22.4**	**-23.2**	**-24.2**	**-26.0**	**-783.5**	**-1,025.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Fee-Free TAFE – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Interest receipts	-	..	-0.1	-0.3	-0.5	-0.6	-0.8	-1.0	-1.3	-1.3	-1.3	***-0.4***	***-7.2***
Total – receipts	**-**	**..**	**-0.1**	**-0.3**	**-0.5**	**-0.6**	**-0.8**	**-1.0**	**-1.3**	**-1.3**	**-1.3**	**-0.4**	**-7.2**
Payments													
Administered													
No-fee places	-110.0	-223.0	-226.0	-200.0	-86.0	-	-	-	-	-	-	***-759.0***	***-845.0***
Total – administered	***-110.0***	***-223.0***	***-226.0***	***-200.0***	***-86.0***	-	-	-	-	-	-	***-759.0***	***-845.0***
Departmental													
Departmental costs	-0.9	-2.0	-2.0	-1.8	-0.8	-	-	-	-	-	-	***-6.7***	***-7.5***
Total – departmental	***-0.9***	***-2.0***	***-2.0***	***-1.8***	***-0.8***	-	-	-	-	-	-	***-6.7***	***-7.5***
Total – payments	**-110.9**	**-225.0**	**-228.0**	**-201.8**	**-86.8**	**-**	**-**	**-**	**-**	**-**	**-**	**-765.7**	**-852.5**
Total (excluding PDI)	**-110.9**	**-225.0**	**-228.1**	**-202.1**	**-87.3**	**-0.6**	**-0.8**	**-1.0**	**-1.3**	**-1.3**	**-1.3**	**-766.1**	**-859.7**
PDI impacts	***-1.0***	***-4.1***	***-8.7***	***-13.2***	***-16.7***	***-18.4***	***-19.1***	***-19.8***	***-20.6***	***-21.5***	***-23.1***	***-27.0***	***-166.2***
Total (including PDI)	**-111.9**	**-229.1**	**-236.8**	**-215.3**	**-104.0**	**-19.0**	**-19.9**	**-20.8**	**-21.9**	**-22.8**	**-24.4**	**-793.1**	**-1,025.9**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Fee-Free TAFE – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Interest receipts	-	..	-0.1	-0.3	-0.5	-0.6	-0.8	-1.0	-1.3	-1.3	-1.3	**-0.4**	**-7.2**
Loan principal repayments	-	-0.2	-0.6	-1.2	-1.9	-2.6	-3.1	-3.7	-4.4	-5.0	-5.4	**-2.0**	**-28.1**
Total – receipts	**-**	**-0.2**	**-0.7**	**-1.5**	**-2.4**	**-3.2**	**-3.9**	**-4.7**	**-5.7**	**-6.3**	**-6.7**	**-2.4**	**-35.3**
Payments													
Administered													
No-fee places	-110.0	-223.0	-226.0	-200.0	-86.0	-	-	-	-	-	-	**-759.0**	**-845.0**
Loans made	12.1	24.4	24.8	25.2	12.7	-	-	-	-	-	-	**86.5**	**99.2**
Total – administered	**-97.9**	**-198.6**	**-201.2**	**-174.8**	**-73.3**	-	-	-	-	-	-	**-672.5**	**-745.8**
Departmental													
Departmental costs	-0.9	-2.0	-2.0	-1.8	-0.8	-	-	-	-	-	-	**-6.7**	**-7.5**
Total – departmental	**-0.9**	**-2.0**	**-2.0**	**-1.8**	**-0.8**	-	-	-	-	-	-	**-6.7**	**-7.5**
Total – payments	**-98.8**	**-200.6**	**-203.2**	**-176.6**	**-74.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-679.2**	**-753.3**
Total (excluding PDI)	**-98.8**	**-200.8**	**-203.9**	**-178.1**	**-76.5**	**-3.2**	**-3.9**	**-4.7**	**-5.7**	**-6.3**	**-6.7**	**-681.6**	**-788.6**
PDI impacts	**-1.0**	**-4.1**	**-8.7**	**-13.2**	**-16.7**	**-18.4**	**-19.1**	**-19.8**	**-20.6**	**-21.5**	**-23.1**	**-27.0**	**-166.2**
Total (including PDI)	**-99.8**	**-204.9**	**-212.6**	**-191.3**	**-93.2**	**-21.6**	**-23.0**	**-24.5**	**-26.3**	**-27.8**	**-29.8**	**-708.6**	**-954.8**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Attachment B – Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Australian Government.

Budget impact[2]

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[3] Table B1 provides information about the detail provided in a costing. The provision of concessional loans decreases the Australian Government's net worth if the liabilities issued (the value of Australian Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

[2] The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

[3] This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.

Fix Teacher Shortages and Stop the Slide in School Results	
Party:	Australian Labor Party

Summary of proposal:

The proposal would consist of the following 3 components.

Component 1 would provide a $10,000 per year bursary to high-achieving students who undertake either an undergraduate or post-graduate teaching education qualification. The bursary would be tax-free and would not count as assessable income for the purposes of other Australian Government payments.

- Each bursary would be available for a maximum of 4 years for undergraduate students and 2 years for post-graduate students. Each recipient would also need to meet ongoing academic requirements to remain eligible. The split between undergraduate and post-graduate places would be in line with current enrolments. A loading of 20% would apply to students who undertake their teaching placement in a remote area of Australia in the year they undertake their placement.
- The proposal would begin on 1 February 2023 and would fund 5,000 places with 1,000 places commencing per year over 5 years starting in 2023.

Component 2 would provide a boost to the High Achieving Teachers Program and support up to 1,500 high achieving professionals – including mathematicians and scientists – to retrain as teachers by paying them a part-time salary as teachers' aides and getting them into fast-tracked masters programs. The funding profile would be as shown below.

$m	2022-23	2023-24	2024-25	2025-26	2026-27
High Achieving Teachers Program	-7.9	-18.4	-21.0	-21.0	-10.5

- This would include 700 new Teach for Australia teachers and 60 new teachers through LaTrobe's Nexus Program.

Component 3 would respond to the Quality Initial Teacher Education Review, including by expanding Quality Teaching Rounds and developing new micro-credentials of classroom management and phonics. The funding profile would be as shown below.

$m	2022-23	2023-24	2024-25	2025-26
Quality Initial Teacher Education Review response	-9.3	-6.1	-6.1	-6.1

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $159 million over the 2022-23 Budget forward estimates period, primarily due to an increase in administered expenses.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The implications of Component 1 are sensitive to the assumptions on enrolment splits between undergraduate and post-graduate students, as well as remote teaching placements.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-18.6	-36.2	-48.8	-54.9	**-158.5**
Underlying cash balance	-18.6	-36.2	-48.8	-54.9	**-158.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

Component 1

- Bursaries would be paid at the end of each academic year, as the eligibility of a bursary is dependent upon a student's academic results.
- About 60% would be paid to undergraduate students, studying 4-year degrees.
- About 40% would be paid to post-graduate students, studying 2-year degrees.
- This assumed split is consistent with commencements data for 2019 and 2020 published by the Department of Education, Skills and Employment.
- Around 5% of eligible university students would undertake their teaching placements in a remote area of Australia.
- This is informed by the number of remote school students and education commencements at rural universities.
- It is assumed that this remote placement would occur in the 4th year of the undergraduate degree and the 2nd year of the post-graduate degree.

Component 2

- The capped cost would be for administered expenses and be non-ongoing, given the specified target of supporting up to 1,500 high achieving professionals.

Component 3

- The capped cost would be for administered expenses and be ongoing. Indexation to the consumer price index would occur from 2026-27.

All components

Departmental costs would be in addition to administered costs and similar in size to other programs.

Methodology

For Component 1, financial implications were estimated by multiplying the number of subsidised places by the bursary amount (both specified by the requestor), taking into account the expected splits between undergraduate and post-graduate enrolments and remote teaching placements as discussed in *Key assumptions*.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Department of Education, Skills and Employment, 2020. *Selected Higher Education Statistics – 2019 Student data*, accessed 11 May 2022.

Department of Education, Skills and Employment, 2021. *Selected Higher Education Statistics – 2020 Student data*, accessed 11 May 2022.

Researchgate, 2020. *Remote and very remote schools in Australia: Overlooked and Neglected*, accessed 11 May 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Fix Teacher Shortages and Stop the Slide in School Results – financial implications

Table A1: Fix Teacher Shortages and Stop the Slide in School Results – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Component 1 - Bursaries	-	-10.0	-20.2	-26.1	-32.0	-32.0	-22.0	-11.9	-6.0	-	-	**-56.3**	**-160.2**
Component 2 - High Achieving Teachers Program	-7.9	-18.4	-21.0	-21.0	-10.5	-	-	-	-	-	-	**-68.3**	**-78.8**
Component 3 - Quality Initial Teacher Education Review response	-9.3	-6.1	-6.1	-6.1	-6.2	-6.4	-6.5	-6.7	-6.9	-7.1	-7.2	**-27.6**	**-74.6**
Total – administered	**-17.2**	**-34.5**	**-47.3**	**-53.2**	**-48.7**	**-38.4**	**-28.5**	**-18.6**	**-12.9**	**-7.1**	**-7.2**	**-152.2**	**-313.6**
Departmental													
Departmental expenses	-1.4	-1.7	-1.5	-1.7	-1.6	-1.1	-1.0	-0.9	-0.6	-0.4	-0.4	**-6.3**	**-12.3**
Total – departmental	**-1.4**	**-1.7**	**-1.5**	**-1.7**	**-1.6**	**-1.1**	**-1.0**	**-0.9**	**-0.6**	**-0.4**	**-0.4**	**-6.3**	**-12.3**
Total (excluding PDI)	**-18.6**	**-36.2**	**-48.8**	**-54.9**	**-50.3**	**-39.5**	**-29.5**	**-19.5**	**-13.5**	**-7.5**	**-7.6**	**-158.5**	**-325.9**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Fix Teacher Shortages and Stop the Slide in School Results – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.2*	*-0.8*	*-1.8*	*-3.0*	*-4.4*	*-5.6*	*-6.7*	*-7.6*	*-8.4*	*-9.1*	*-9.8*	***-5.8***	***-57.4***
Underlying cash balance	*-0.2*	*-0.8*	*-1.7*	*-2.9*	*-4.2*	*-5.5*	*-6.6*	*-7.5*	*-8.3*	*-9.0*	*-9.7*	***-5.6***	***-56.4***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Startup Year	
Party:	Australian Labor Party
Summary of proposal: This proposal would extend the current Higher Education Loan Program (HELP) to support students undertaking postgraduate studies in accelerators or entrepreneurship education facilities run by successful entrepreneurs linked to universities. This proposal would provide up to 2,000 additional places per year. The student contribution for these studies would be capped at the Band 3 student contribution cap. The studies would not be eligible for funding under the Commonwealth Grants Scheme. The proposal would commence from 1 January 2023 and would be ongoing.	

Costing overview

This proposal would be expected to decrease the fiscal balance by around $25.6 million, the underlying cash balance by around $14.6 million, and the headline cash balance by around $89.9 million over the 2022-23 Budget forward estimates period.

The proposal would not be expected to result in additional departmental expenditure, as the administration of HELP, Austudy and Youth Allowance would remain largely unchanged.

This proposal would be expected to have an ongoing impact that extends beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided in Attachment A.

Consistent with the *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the concessional loans provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ due to how they treat the concessional interest rate, the flow of loan principal and interest repayment amounts. Only the fiscal balance includes an estimate of the change in the value of the concessional loan being provided. Only the headline cash balance includes changes in the value of loans issued and principal repayments. The impact of net debt will be broadly consistent with movements in the headline cash balance.

A note explaining the accounting treatment of income contingent loans, such as those provided under HELP, is included in Attachment B.

Inherent uncertainties in the baseline estimates for HELP and limited information regarding loan repayment profiles contribute to uncertainty of the estimated financial implications of this proposal.

The estimated financial implications are based on relevant higher education and income support payment estimates and economic parameters as at the *2022-23 Budget.*

Table 1: Startup Year – Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-3.5	-7.1	-7.3	-7.7	**-25.6**
Underlying cash balance	-1.7	-3.6	-4.3	-5.0	**-14.6**
Headline cash balance	-12.4	-25.0	-25.9	-26.6	**-89.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Universities would offer the eligible studies at the capped amount of the Band 3 student contribution level.
- All students would undertake the entrepreneurship studies on a full-time basis over a calendar year.
- Based on the experience of current university students, approximately 10% of the students would pay their fees upfront.
- Approximately 10% of the students undertaking these entrepreneurship studies would also access Austudy or Youth Allowance (Student) for the duration of their study.[1]
- There would be full uptake of the 2,000 places per year from the first calendar year of the policy implementation.
  - This is informed by the number of students enrolled in Masters by coursework and graduate diplomas in areas of commerce, information technology and management, who are likely to be eligible for the proposed loans. In 2019, more than 50,000 domestic students were enrolled in these courses.

Methodology

The financial implications of this proposal are the combined effect of providing additional HELP loans and the increased number of expected recipients accessing Austudy or Youth Allowance (Student).

The value of additional HELP loans was estimated by multiplying the number of additional students by the Band 3 student contribution cap, adjusted for the 10% of students that would pay their fees upfront.

- This is modelled based on the HELP estimates model provided by the Department of Education, Skills and Employment as at the *2022-23 Budget*, adjusted for the repayment profile of new HECS-HELP loans from the Australian Taxation Office.

The value of the additional income support payments was estimated by multiplying:

- the proportion of students in postgraduate studies who are assumed to access Austudy or Youth Allowance (Student)

[1] The proportion was derived from the allowance recipients microdata provided by the Department of Social Services and higher education statistics provided by the Department of Education, Skills and Employment.

- the number of students undertaking eligible studies
- the average rate of Austudy and Youth Allowance (Student).

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Data sources

The Department of Education, Skills and Employment provided the HELP estimates model as at the *2022-23 Budget.*

The Department of Social Services provided estimates of Austudy and Youth Allowance payment rates and recipients as at the *2022-23 Budget.*

Department of Education, Skills and Employment (DESE), *"uCube" student data series*, DESE, Australian Government, 2019, accessed 12 April 2022.

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Startup Year – financial implications

Table A1: Startup Year – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
Indexation on loans	-	0.2	0.7	1.2	1.8	2.3	2.9	3.4	4.0	4.7	5.4	**2.1**	**26.6**
Unwinding concessional loan discount	-	-	-	-	-	-	..	0.1	0.1	0.2	0.3	-	**0.7**
Total – revenue	**-**	**0.2**	**0.7**	**1.2**	**1.8**	**2.3**	**2.9**	**3.5**	**4.1**	**4.9**	**5.7**	**2.1**	**27.3**
Expenses													
Administered													
Personal benefits	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	**-0.5**	**-1.9**
Remissions	-	..	..	..	..	..	..	..	..	..	-0.1	**..**	**-0.1**
Concessional loan discount	-	-	-	-	-	-0.2	-0.5	-0.7	-1.1	-1.6	-2.0	-	**-6.1**
Other loan financing	-1.8	-3.6	-3.7	-3.8	-3.9	-4.0	-4.1	-4.2	-4.3	-4.4	-4.5	**-12.9**	**-42.3**
Student payment impact	-1.5	-3.0	-3.1	-3.2	-3.3	-3.3	-3.4	-3.5	-3.6	-3.7	-3.8	**-10.8**	**-35.4**
Total – expenses	**-3.4**	**-6.7**	**-6.9**	**-7.2**	**-7.4**	**-7.7**	**-8.2**	**-8.6**	**-9.2**	**-9.9**	**-10.6**	**-24.2**	**-85.8**
Total (excluding PDI)	**-3.4**	**-6.5**	**-6.2**	**-6.0**	**-5.6**	**-5.4**	**-5.3**	**-5.1**	**-5.1**	**-5.0**	**-4.9**	**-22.1**	**-58.5**
PDI impacts	***-0.1***	***-0.6***	***-1.1***	***-1.7***	***-2.4***	***-3.0***	***-3.8***	***-4.6***	***-5.5***	***-6.5***	***-7.6***	**-3.5**	**-36.9**
Total (including PDI)	**-3.5**	**-7.1**	**-7.3**	**-7.7**	**-8.0**	**-8.4**	**-9.1**	**-9.7**	**-10.6**	**-11.5**	**-12.5**	**-25.6**	**-95.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Startup Year – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Interest receipts	*-*	*-*	*..*	*..*	*0.1*	*0.1*	*0.2*	*0.3*	*0.4*	*0.4*	*0.4*	***..***	***1.9***
Total – receipts	**-**	**-**	**..**	**..**	**0.1**	**0.1**	**0.2**	**0.3**	**0.4**	**0.4**	**0.4**	**..**	**1.9**
Payments													
Administered													
Personal benefits	*-0.1*	*-0.1*	*-0.1*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-0.5***	***-1.9***
Student payment impact	*-1.5*	*-3.0*	*-3.1*	*-3.2*	*-3.3*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	***-10.8***	***-35.4***
Total – payments	**-1.6**	**-3.1**	**-3.2**	**-3.4**	**-3.5**	**-3.5**	**-3.6**	**-3.7**	**-3.8**	**-3.9**	**-4.0**	**-11.3**	**-37.3**
Total (excluding PDI)	**-1.6**	**-3.1**	**-3.2**	**-3.4**	**-3.4**	**-3.4**	**-3.4**	**-3.4**	**-3.4**	**-3.5**	**-3.6**	**-11.3**	**-35.4**
PDI impacts	***-0.1***	***-0.5***	***-1.1***	***-1.6***	***-2.3***	***-3.0***	***-3.7***	***-4.5***	***-5.4***	***-6.4***	***-7.4***	***-3.3***	***-36.0***
Total (including PDI)	**-1.7**	**-3.6**	**-4.3**	**-5.0**	**-5.7**	**-6.4**	**-7.1**	**-7.9**	**-8.8**	**-9.9**	**-11.0**	**-14.6**	**-71.4**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Startup Year – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Interest receipts	-	-	..	..	0.1	0.1	0.2	0.3	0.4	0.4	0.4	..	***1.9***
Loan principal repayments	-	0.2	0.5	1.1	1.7	2.4	3.4	4.5	5.8	7.1	8.5	***1.8***	***35.2***
Total – receipts	**-**	**0.2**	**0.5**	**1.1**	**1.8**	**2.5**	**3.6**	**4.8**	**6.2**	**7.5**	**8.9**	**1.8**	**37.1**
Payments													
Administered													
Personal benefits	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	***-0.5***	***-1.9***
Total loans	-10.7	-21.6	-22.1	-22.7	-23.2	-23.8	-24.4	-24.9	-25.5	-26.2	-26.8	***-77.1***	***-251.9***
Student payment impact	-1.5	-3.0	-3.1	-3.2	-3.3	-3.3	-3.4	-3.5	-3.6	-3.7	-3.8	***-10.8***	***-35.4***
Total – payments	**-12.3**	**-24.7**	**-25.3**	**-26.1**	**-26.7**	**-27.3**	**-28.0**	**-28.6**	**-29.3**	**-30.1**	**-30.8**	**-88.4**	**-289.2**
Total (excluding PDI)	**-12.3**	**-24.5**	**-24.8**	**-25.0**	**-24.9**	**-24.8**	**-24.4**	**-23.8**	**-23.1**	**-22.6**	**-21.9**	**-86.6**	**-252.1**
PDI impacts	***-0.1***	***-0.5***	***-1.1***	***-1.6***	***-2.3***	***-3.0***	***-3.7***	***-4.5***	***-5.4***	***-6.4***	***-7.4***	***-3.3***	***-36.0***
Total (including PDI)	**-12.4**	**-25.0**	**-25.9**	**-26.6**	**-27.2**	**-27.8**	**-28.1**	**-28.3**	**-28.5**	**-29.0**	**-29.3**	**-89.9**	**-288.1**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Attachment B – Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Commonwealth.

Budget impact[4]

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[5] Table B1 provides information about the detail provided in a costing. The provision of concessional loans decreases the Commonwealth Government's net worth if the liabilities issued (the value of Commonwealth Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

[4] The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

[5] This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.

Parliamentary
Budget Office

Ensuring Certainty for Kurri Kurri	
Party:	Australian Labor Party
Summary of proposal: The proposal would provide an additional $700 million in equity for the Hunter Power Project ($350 million in each of 2022-23 and 2023-24) and would start on 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal balance by around $55 million, increase the underlying cash balance by around $57 million, and decrease the headline cash balance by around $643 million over the 2022-23 Budget forward estimates period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to assumptions on the return profile resulting from the additional equity, as past returns may not be a perfect indication of future returns. There may or may not be diminishing returns from the additional investment particularly over the medium term.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest (PDI) expense impacts have been included in this costing because the equity injection provided under this proposal involves financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of dividend gains, PDI and equity amounts. In particular, only the headline cash balance includes transactions related to equity injections. The impact on net debt will be broadly consistent with movements in the headline cash balance.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-4.0	-12.0	18.2	53.1	**55.3**
Underlying cash balance	-3.5	-11.0	18.6	53.0	**57.1**
Headline cash balance	-353.5	-361.0	18.6	53.0	**-642.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Dividend returns would begin from 2024-25 and at 50% for the first year.

- This timeframe is informed by the *Hunter Power Project overview booklet* which suggests the gas plant in Kurri Kurri, at the heart of the Hunter Power Project, would begin generating power around the end of 2023. The 50% assumption for 2024-25 provides allowance for the scaling up of power generation over time and accounts for the staged equity injection.

- The annual rate of return on equity would be similar to the average return on equity for the Snowy Hydro company over the last 3 financial years.
- Dividends would be recognised and paid in the same financial year.

Methodology

The financial implications were calculated by multiplying the $700 million equity injection by the assumed rate of return on equity as per *Key assumptions.*

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Snowy Hydro, *Annual Report: For the Year Ended 30 June 2021*, Snowy Hydro 2021, accessed 8 April 2022.

Snowy Hydro, *Annual Report: For the Year Ended 30 June 2020*, Snowy Hydro 2020,accessed 8 April 2022.

Snowy Hydro, *Annual Report: For the Year Ended 30 June 2019*, Snowy Hydro 2019,accessed 8 April 2022.

Snowy Hydro, *Hunter Power Project overview booklet*, Snowy Hydro, n.d., accessed 8 April 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Ensuring Certainty for Kurri Kurri – financial implications

Table A1: Ensuring Certainty for Kurri Kurri – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Return on equity (dividends)	-	-	*34.0*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	***102.1***	***578.8***
Total (excluding PDI)	**-**	**-**	**34.0**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**102.1**	**578.8**
PDI impacts	***-4.0***	***-12.0***	***-15.8***	***-15.0***	***-13.8***	***-12.4***	***-10.9***	***-9.2***	***-7.4***	***-5.4***	***-5.5***	***-46.8***	***-111.4***
Total (including PDI)	**-4.0**	**-12.0**	**18.2**	**53.1**	**54.3**	**55.7**	**57.2**	**58.9**	**60.7**	**62.7**	**62.6**	**55.3**	**467.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

\- Indicates nil.

Table A2: Ensuring Certainty for Kurri Kurri – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Return on equity (dividends)	-	-	*34.0*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	***102.1***	***578.8***
Total (excluding PDI)	**-**	**-**	**34.0**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**102.1**	**578.8**
PDI impacts	***-3.5***	***-11.0***	***-15.4***	***-15.1***	***-14.0***	***-12.6***	***-11.1***	***-9.4***	***-7.6***	***-5.6***	***-5.5***	***-45.0***	***-110.8***
Total (including PDI)	**-3.5**	**-11.0**	**18.6**	**53.0**	**54.1**	**55.5**	**57.0**	**58.7**	**60.5**	**62.5**	**62.6**	**57.1**	**468.0**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A3: Ensuring Certainty for Kurri Kurri – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Receipts													
Return on equity (dividends)	-	-	*34.0*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	*68.1*	***102.1***	***578.8***
Payments													
$700 million equity	*-350.0*	*-350.0*	-	-	-	-	-	-	-	-	-	***-700.0***	***-700.0***
Total – payments	**-350.0**	**-350.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-700.0**	**-700.0**
Total (excluding PDI)	**-350.0**	**-350.0**	**34.0**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**68.1**	**-597.9**	**-121.2**
PDI impacts	***-3.5***	***-11.0***	***-15.4***	***-15.1***	***-14.0***	***-12.6***	***-11.1***	***-9.4***	***-7.6***	***-5.6***	***-5.5***	***-45.0***	***-110.8***
Total (including PDI)	**-353.5**	**-361.0**	**18.6**	**53.0**	**54.1**	**55.5**	**57.0**	**58.7**	**60.5**	**62.5**	**62.6**	**-642.9**	**-232.0**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

\- Indicates nil.

Parliamentary Budget Office

Powering Australia – Commonwealth fleet leases	
Party:	Australian Labor Party
Summary of proposal: The proposal would reduce the level of emissions by the Australian Public Service by transitioning 75% of new Australian Government fleet procurements to be low-emissions vehicles by 2025. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $15.9 million over the 2022-23 Budget forward estimates period, reflecting an increase in expenses.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-1.3	-3.1	-5.2	-6.3	**-15.9**
Underlying cash balance	-1.3	-3.1	-5.2	-6.3	**-15.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- All new low-emissions vehicles added to the Australian Government fleet would be leased rather than purchased.
  - The average lease period for all new low-emissions vehicles is 5 years.
- The total number of new vehicles acquired each year by the Australian Government fleet would be approximately 1,500.
  - This figure is based on information provided by the Department of Finance around the estimated size of the Australian Government fleet as of January 2021. The number of new vehicles each year is assumed to stay constant over the period to 2032-33.
- The proportion of new low-emissions vehicles leased would increase to 25% in 2022-23, to 50% in 2023-24, and to 75% in 2024-25. After this, the proportion of low-emissions vehicles leased does not change over the period to 2032-33.

- The total cost of leasing a low-emissions vehicle in 2022-23 is around $1,400 higher per year than leasing a vehicle with an internal-combustion engine. This cost difference would gradually decrease to around $340 by 2032-33.
  - This reflects the difference in running costs (including fuel and energy consumption), rental payments and maintenance costs.
- The transition of the Australian Government fleet would include a one-off capital outlay for charging infrastructure which can be reused after the lease term of the vehicle expires. On average it would cost around $2,000 to purchase and install charging equipment for each additional low-emissions vehicle added to the fleet. The infrastructure cost is spread evenly over the period from 2024-25 to 2030-31.
  - The Government will still need to purchase and install charging infrastructure points for the addition of new low-emissions vehicles in the fleet after the lease period ends (after 2026-27).
  - The cost of purchasing and installing charging infrastructure stations is based on an electric vehicle update report by the Department of Infrastructure, Transport, Regional Development and Communications.

Methodology

The financial impact was calculated by adding the charging infrastructure costs and the additional lease costs for low-emissions vehicles during the 5-year lease period. The additional cost for low-emissions vehicles was calculated by multiplying the estimated number of new low-emissions vehicles added in the fleet by the difference of the lease costs between individual low-emissions vehicles and equivalent internal combustion engine vehicles.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided information on the Australian Government fleet as of January 2021.

Department of Infrastructure, Transport, Regional Development and Communications (2019), Electric Vehicle Uptake: Modelling a Global Phenomenon, Australian Government.

Smartleasing (n.d.) *Novated car leasing*, Smartleasing website, accessed 12 April 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Powering Australia – Commonwealth fleet leases – financial implications

Table A1: Powering Australia – Commonwealth fleet leases – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Department of Finance	*-1.3*	*-3.1*	*-5.2*	*-6.3*	*-7.3*	*-7.7*	*-7.5*	*-6.8*	*-6.2*	*-3.4*	*-2.8*	***-15.9***	***-57.6***
Total (excluding PDI)	**-1.3**	**-3.1**	**-5.2**	**-6.3**	**-7.3**	**-7.7**	**-7.5**	**-6.8**	**-6.2**	**-3.4**	**-2.8**	**-15.9**	**-57.6**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Powering Australia – Commonwealth fleet leases – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	*-0.1*	*-0.2*	*-0.3*	*-0.5*	*-0.7*	*-0.9*	*-1.1*	*-1.4*	*-1.6*	*-1.8*	***-0.6***	***-8.6***
Underlying cash balance	..	*-0.1*	*-0.1*	*-0.3*	*-0.4*	*-0.6*	*-0.9*	*-1.1*	*-1.3*	*-1.6*	*-1.7*	***-0.5***	***-8.1***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any of the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Powering Australia – Electric Car Discount	
Party:	Australian Labor Party

Summary of proposal:

This proposal has 2 components for temporary concessions for passenger electric vehicles (EVs) priced below the luxury car tax (LCT) threshold for fuel efficient vehicles.

- Component 1 – Eligible EVs would be exempt from remaining import tariffs.
- Component 2 – Eligible EVs would be exempt from Fringe Benefits Tax (FBT).

This proposal would be announced and take effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $360 million and underlying cash balance by around $357 million over the 2022-23 Budget forward estimates period. In fiscal balance terms, this reflects a decrease of around $321 million in revenue and an increase of around $40 million in expenses.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The costing estimates for this proposal are particularly sensitive to assumptions about the magnitude and timing of the take up of new electric passenger vehicles. These assumptions are highly uncertain and are dependent upon a number of factors, such as:

- technological improvement in electric vehicle manufacturing
- breakthroughs in new electric vehicle battery chemistries
- the continued impact of COVID-19 on the motor vehicle manufacturing industry and automakers' commitment to EVs
- investment in charging infrastructure (including public, home and workplace fast charging facilities) across Australia
- fuel economy regulation and policies restricting new internal combustion vehicle sales, as well as policies to support electric vehicle uptake in different states and territories
- fluctuations in global and Australian oil prices.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-47.0	-72.9	-99.7	-140.8	**-360.4**
Underlying cash balance	-45.9	-71.8	-99.5	-139.7	**-356.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Consistent with guidance provided prior to the election[1], in the absence of a clear public statement to the contrary the PBO has assumed that this commitment would be ongoing.
- A decrease in the cost of ownership would cause an increase in the number of passenger EVs sold in Australia.
  - The behavioural response would not be expected to have a material impact on the price of eligible vehicles.

Tariff exemption for passenger EVs

- The country of origin for imported electric vehicles would not materially change over the medium term.

FBT exemption for passenger EVs

- That car fringe benefits are provided to employees mostly through salary packaging in a novated car leasing arrangement. The FBT collected from other forms of car fringe benefits would be minimal.
- Most salary packaging arrangements, where employees choose to forego cash salary in favour of payments toward the lease and operating costs of a private vehicle, would use the statutory formula method for the calculation of the taxable value for car fringe benefits.
- The average term of a novated car lease for salary packaging arrangements would be 4 years.
- In the absence of this proposal, there would be no FBT revenue collected on EVs as employees would make post-tax contributions from their salary to reduce the taxable value of car fringe benefits to zero. The salary sacrificing for any additional finance and operating costs of a novated car lease would be made on a pre-tax basis.
  - Under the proposal, where eligible EVs are made exempt from FBT, employees would no longer need to avoid an FBT liability so would increase their pre-tax contributions by the same amount they were previously making post-tax contributions. This would reduce their effective taxable income by a corresponding amount.
- In the absence of a behavioural response to the proposal, the proportion of new vehicle purchases made under salary packaging arrangements would be the same for electric and non-electric vehicles.

[1] PBO general election guidance 2 of 4, 2021 - The election commitments report: overview

- Around 12% of new passenger vehicles were purchased under salary packaging arrangements in 2020-21.

Methodology

Tariff exemption for electric passenger vehicles

The number and value of electric vehicles expected to be imported from each relevant country of origin under the current policy was estimated for each year, adjusted for the assumed behavioural responses. The relevant tariff rate for each country of origin was then applied to these estimates to derive forgone revenue under the proposal.

FBT exemption for electric passenger vehicles

This proposal would effectively remove the requirement to make a post-tax contribution for eligible vehicles. It would allow all finance and operating costs associated with electric passenger vehicles to be deducted from pre-tax salary and give rise to a reduction in taxable income.

The personal income tax revenue forgone as result of this change is derived by multiplying the reduction in taxable income by the average marginal tax rate for individuals. The reduction in taxable income is equivalent to the employee contribution which was made from their post-tax salaries to reduce their FBT liabilities in the absence of this proposal.

The average marginal tax rate for individuals who are able to benefit from salary packaging arrangements was estimated based on a 16 per cent sample of personal income tax returns for the 2018-19 financial year.

Interaction with fuel excise

Removing import tariff and FBT for eligible EVs would reduce the cost of purchasing these vehicles, increase the take-up of electric passenger vehicles and as a result, decrease in consumption of fuel. This would lead to a reduction in expected fuel excise revenue as less fuel is consumed. The additional take-up of passenger EVs as a result of the proposal was calculated as the assumed behaviour responses above.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Data sources

Australian Bureau of Statistics, *Survey of Motor Vehicle Use, Australia, 12 months ended 30 June 2020*, Australian Government, 2020, accessed 02.03.2021.

Australian Bureau of Statistics, *Motor Vehicle Census, Australia, 31 Jan 2021*, Australian Government, 2021, accessed 02.03.2021.

Department of the Treasury, *2010-11 Budget*, Australian Government, 2010.

Department of the Treasury, *2022-23 Budget*, Australian Government, 2022.

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[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Climate Works Australia, *The State of Electric Vehicles in Australia*, Climate Works Australia, Melbourne, 2018.

Department of the Environment and Energy, *Australia's Emissions Projections 2017,* Australian Government, 2017.

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Electric Vehicle Council, *State of Electric Vehicles 2020*, Electric Vehicle Council, Sydney, 2020.

Energeia, *Australian Electric Vehicle Market Study*, Energeia, Sydney, 2018.

International Energy Agency, *Global EV Outlook 2020,* International Energy Agency, Paris, 2020.

SL Mabit and M Fosgerau, *Demand for alternative-fuel vehicles when registration taxes are high,* Technical University of Denmark, Lyngby, 2010.

Selectus, 2021. Novated lease calculator. [Online]
Available at: https://www1.selectus.com.au [Accessed 02.03.2021].

The ATO provided the latest data on electric and non-electric vehicle sales, LCT and FBT.

The Treasury provided the motor vehicle sales projection as at the 2022-23 Budget.

Attachment A – Powering Australia – Electric Car Discount – financial implications

Table A1: Powering Australia – Electric Car Discount – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Tax revenue													
Administered tax													
Forgone tariff	*-20.0*	*-28.0*	*-40.0*	*-58.0*	*-78.0*	*-103.0*	*-133.0*	*-168.0*	*-350.0*	*-423.0*	*-497.0*	***-146.0***	***-1,898.0***
Forgone personal income tax	*-15.0*	*-30.0*	*-46.0*	*-70.0*	*-104.0*	*-144.0*	*-196.0*	*-258.0*	*-360.0*	*-487.0*	*-639.0*	***-161.0***	***-2,349.0***
Interaction with fuel excise	*-0.8*	*-2.3*	*-4.5*	*-6.1*	*-8.5*	*-11.7*	*-16.2*	*-22.1*	*-30.5*	*-41.0*	*-55.8*	***-13.7***	***-199.5***
Total – revenue	**-35.8**	**-60.3**	**-90.5**	**-134.1**	**-190.5**	**-258.7**	**-345.2**	**-448.1**	**-740.5**	**-951.0**	**-1,191.8**	**-320.7**	**-4,446.5**
Expenses													
Departmental													
Australian Taxation Office	*-11.2*	*-12.6*	*-9.2*	*-6.7*	*-6.8*	*-6.8*	*-6.8*	*-6.8*	*-6.9*	*-6.9*	*-6.9*	***-39.7***	***-87.6***
Total – expenses	**-11.2**	**-12.6**	**-9.2**	**-6.7**	**-6.8**	**-6.8**	**-6.8**	**-6.8**	**-6.9**	**-6.9**	**-6.9**	**-39.7**	**-87.6**
Total (excluding PDI)	**-47.0**	**-72.9**	**-99.7**	**-140.8**	**-197.3**	**-265.5**	**-352.0**	**-454.9**	**-747.4**	**-957.9**	**-1,198.7**	**-360.4**	**-4,534.1**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Powering Australia – Electric Car Discount – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Tax receipts													
Administered tax													
Forgone tariff	*-19.0*	*-27.0*	*-40.0*	*-57.0*	*-77.0*	*-103.0*	*-133.0*	*-167.0*	*-346.0*	*-421.0*	*-495.0*	***-143.0***	***-1,885.0***
Forgone personal income tax	*-15.0*	*-30.0*	*-46.0*	*-70.0*	*-104.0*	*-144.0*	*-196.0*	*-258.0*	*-360.0*	*-487.0*	*-639.0*	***-161.0***	***-2,349.0***
Interaction with fuel excise	*-0.7*	*-2.2*	*-4.3*	*-6.0*	*-8.3*	*-11.4*	*-15.8*	*-21.6*	*-29.8*	*-40.2*	*-54.5*	***-13.2***	***-194.8***
Total – receipts	**-34.7**	**-59.2**	**-90.3**	**-133.0**	**-189.3**	**-258.4**	**-344.8**	**-446.6**	**-735.8**	**-948.2**	**-1,188.5**	**-317.2**	**-4,428.8**
Payments													
Departmental													
Australian Taxation Office	*-11.2*	*-12.6*	*-9.2*	*-6.7*	*-6.8*	*-6.8*	*-6.8*	*-6.8*	*-6.9*	*-6.9*	*-6.9*	***-39.7***	***-87.6***
Total – payments	**-11.2**	**-12.6**	**-9.2**	**-6.7**	**-6.8**	**-6.8**	**-6.8**	**-6.8**	**-6.9**	**-6.9**	**-6.9**	**-39.7**	**-87.6**
Total (excluding PDI)	**-45.9**	**-71.8**	**-99.5**	**-139.7**	**-196.1**	**-265.2**	**-351.6**	**-453.4**	**-742.7**	**-955.1**	**-1,195.4**	**-356.9**	**-4,516.4**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Powering Australia – Electric Car Discount – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-1.0*	*-2.0*	*-4.0*	*-7.0*	*-11.0*	*-17.0*	*-26.0*	*-39.0*	*-59.0*	*-90.0*	*-131.0*	***-14.0***	***-387.0***
Underlying cash balance	*..*	*-2.0*	*-4.0*	*-6.0*	*-10.0*	*-16.0*	*-25.0*	*-37.0*	*-57.0*	*-86.0*	*-126.0*	***-12.0***	***-369.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Powering Australia - Rewiring the Nation	
Party:	Australian Labor Party
Summary of proposal: The proposal would provide $20 billion of equity equally over 3 years, from 1 January 2023 to 31 December 2025 to create a new public non-financial corporation, which would be: • responsible for building, managing and operating the Australian Energy Market Operator Integrated System Plan transmission network • mandated to earn a rate of return that is sufficient to cover its financial and operational costs.	

Costing overview

The proposal would be expected to decrease the fiscal balance by around $330 million, the underlying balance by around $307 million, and the headline cash balance by around $10,307 million over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are uncertain and highly sensitive to assumptions about the speed at which capital is deployed, the rate of return earned, the time required for project approval and the average maturity period of investments.

Consistent with *Parliamentary Budget Office Guidance 02/2015*, public debt interest (PDI) expense impacts have been included in this costing because the equity injections provided under this proposal involve financial asset transactions.

As funding would be provided as equity injections to a public non-financial corporation, there would be a direct impact on the headline cash balance, with no direct impact on the fiscal and underlying cash balances (apart from PDI) – as these investments would be treated as the Australian Government exchanging one financial asset (cash) for another (equity in the public non-financial corporation).

The headline cash balance impact of the proposal shows the full amount of the equity injection into the public non-financial corporation. The impact on net debt will be broadly consistent with movements in the headline cash balance.

Net revenue received from the assets constructed does not appear in the fiscal or underlying cash balance as the public non-financial corporation is outside the general government sector. Australian Government revenue from assets constructed would only arise if the public non-financial corporation were to pay a dividend.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-8.0	-38.0	-99.0	-185.0	**-330.0**
Underlying cash balance	-7.0	-34.0	-92.0	-174.0	**-307.0**
Headline cash balance	-677.0	-2,034.0	-3,422.0	-4,174.0	**-10,307.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Committed funding would not impact consolidated revenue until funding is deployed or drawn down for investment or operational purposes.
  - Each new tranche of committed funding would be deployed evenly over five years due to the time needed to assess whether projects meet investment requirements.
- Assets controlled by the public non-financial corporation would generate sufficient revenue to fund operating and financing costs and this level of revenue would be permissible under regulatory arrangements related to network transmission charges.
  - The public non-financial corporation would retain any surplus but would not pay a dividend to the Australian Government over the costing period.
- Establishment costs for the public non-financial corporation would come out of the equity funding provided to the newly established public non-financial corporation. These costs form part of the administered equity funding and are not listed separately in the financial implication tables.

Methodology

Approximately $3.33 billion of funding would be committed in 2022-23 and 2025-26 each, and $6.67 billion of funding would be committed in 2023-24 and 2024-25 each ($20 billion in total), with each tranche being deployed evenly over 5 years.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of the Treasury and the Department of Finance provided economic parameters as at the *Pre-election Economic and Fiscal Outlook 2022.*

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Powering Australia - Rewiring the Nation – financial implications

Table A1: Powering Australia - Rewiring the Nation – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
PDI impacts	***-8.0***	***-38.0***	***-99.0***	***-185.0***	***-284.0***	***-385.0***	***-469.0***	***-522.0***	***-549.0***	***-568.0***	***-593.0***	***-330.0***	***-3,700.0***
Total (including PDI)	**-8.0**	**-38.0**	**-99.0**	**-185.0**	**-284.0**	**-385.0**	**-469.0**	**-522.0**	**-549.0**	**-568.0**	**-593.0**	**-330.0**	**-3,700.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Powering Australia - Rewiring the Nation – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
PDI impacts	***-7.0***	***-34.0***	***-92.0***	***-174.0***	***-272.0***	***-373.0***	***-459.0***	***-516.0***	***-546.0***	***-566.0***	***-590.0***	***-307.0***	***-3,629.0***
Total (including PDI)	**-7.0**	**-34.0**	**-92.0**	**-174.0**	**-272.0**	**-373.0**	**-459.0**	**-516.0**	**-546.0**	**-566.0**	**-590.0**	**-307.0**	**-3,629.0**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Powering Australia - Rewiring the Nation – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Administered													
Equity funding	*-670.0*	*-2,000.0*	*-3,330.0*	*-4,000.0*	*-4,000.0*	*-3,330.0*	*-2,000.0*	*-670.0*	-	-	-	***-10,000.0***	***-20,000.0***
Total – payments	**-670.0**	**-2,000.0**	**-3,330.0**	**-4,000.0**	**-4,000.0**	**-3,330.0**	**-2,000.0**	**-670.0**	**-**	**-**	**-**	**-10,000.0**	**-20,000.0**
Total (excluding PDI)	**-670.0**	**-2,000.0**	**-3,330.0**	**-4,000.0**	**-4,000.0**	**-3,330.0**	**-2,000.0**	**-670.0**	**-**	**-**	**-**	**-10,000.0**	**-20,000.0**
PDI impacts	***-7.0***	***-34.0***	***-92.0***	***-174.0***	***-272.0***	***-373.0***	***-459.0***	***-516.0***	***-546.0***	***-566.0***	***-590.0***	***-307.0***	***-3,629.0***
Total (including PDI)	**-677.0**	**-2,034.0**	**-3,422.0**	**-4,174.0**	**-4,272.0**	**-3,703.0**	**-2,459.0**	**-1,186.0**	**-546.0**	**-566.0**	**-590.0**	**-10,307.0**	**-23,629.0**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

\- Indicates nil.

Parliamentary
Budget Office

Abolish the Australian 5G Innovation Initiative	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Australian 5G Innovation Initiative from 1 July 2022. All existing contractual commitments at that time would be honoured.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $22.0 million over the 2022-23 Budget forward estimates period. This is primarily due to a decrease in administered expenses.

A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)(a)(b)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	8.9	8.6	4.5	-	**22.0**
Underlying cash balance	8.9	8.6	4.5	-	**22.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- No funding would be recoverable from the first round of Australian 5G Innovation Initiative grants.
- All of the funding allocated to the second round of grants under the initiative would be recoverable.

The Department of Infrastructure, Regional Development and Communications was consulted on these assumptions.

Methodology

Funding allocated to the second Australian 5G Innovation Initiative Grant round in the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) measure *Digital Economy Strategy – additional funding* was reversed from 1 July 2022 onwards.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Australian Government (2021), *MYEFO 2021-22*, Australian Government.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Abolish the Australian 5G Innovation Initiative – financial implications

Table A1: Abolish the Australian 5G Innovation Initiative – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Abolish the 5G Innovation Initiative	*8.0*	*8.0*	*4.0*	-	-	-	-	-	-	-	-	***20.0***	***20.0***
Departmental													
Abolish the 5G Innovation Initiative	*0.9*	*0.6*	*0.5*	-	-	-	-	-	-	-	-	***2.0***	***2.0***
Total (excluding PDI)	**8.9**	**8.6**	**4.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22.0**	**22.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Abolish the Australian 5G Innovation Initiative – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*0.1*	*0.3*	*0.5*	*0.5*	*0.5*	*0.5*	*0.6*	*0.6*	*0.6*	*0.6*	*0.7*	***1.4***	***5.5***
Underlying cash balance	*0.1*	*0.3*	*0.4*	*0.5*	*0.5*	*0.5*	*0.6*	*0.6*	*0.6*	*0.6*	*0.7*	***1.3***	***5.4***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Boost Fibre and Fast-Track the NBN Repair Job	
Party:	Australian Labor Party
Summary of proposal: The proposal would expand full-fibre National Broadband Network (NBN) access to 1.5 million premises by 2025. The proposal has a start date of 1 July 2022.	

Costing overview

The Parliamentary Budget Office (PBO) has determined that the financial impact of this proposal is unquantifiable due to the uncertainty in the financing mechanism to be developed in consultation with the NBN Co.

The financial impact of this proposal on the budget could vary significantly depending upon the method of financing chosen. Financing methods range from fully commercial borrowings (with no impact on the budget), through concessional loans from the Australian Government to an equity injection. The potential financing methods impact differently on the budget and involve different levels of expense and risk for the Australian Government.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

Consistent with *PBO Guidance 02/2015*, public debt interest expense impacts have been included in this costing. This is because the financing methods such as equity injections and concessional loans in this proposal would involve financial asset transactions.

Table 1: Financial implications ($m)

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*
Headline cash balance	*	*	*	*	*

* Unquantifiable.

Attachment A – Boost Fibre and Fast-Track the NBN Repair Job – financial implications

Table A1: Boost Fibre and Fast-Track the NBN Repair Job – Fiscal balance ($m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*
PDI impacts	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (including PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable impact.

Table A2: Boost Fibre and Fast-Track the NBN Repair Job – Underlying cash balance ($m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*
PDI impacts	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (including PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable impact.

Table A3: Boost Fibre and Fast-Track the NBN Repair Job – Headline cash balance ($m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*
PDI impacts	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (including PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable impact.

Attachment B – Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Australian Government.

Budget impact[1]

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[2] Table B1 provides information about the detail provided in a costing. The provision of concessional loans decreases the Australian Government's net worth if the liabilities issued (the value of Australian Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

[1] The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

[2] This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.

Parliamentary
Budget Office

Abolish the Cashless Debit Card	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Cashless Debit Card and mandatory Income Management from 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $287 million over the 2022-23 Budget forward estimates period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to indexation growth factors and growth in the number of eligible income support recipients over the period to 2032-33. They are also sensitive to flow-on impacts on social security payments as a result of this proposal.

Table 1: Financial implications ($m)(a)(b)

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	85.8	69.1	65.0	66.6	**286.5**
Underlying cash balance	85.8	69.1	65.0	66.6	**286.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing the proposal.

- The proportion of people voluntarily accessing income management would follow historical trends.
- Costs for the Cashless Debit Card and Income Management would grow over the medium term according to the relevant indexation factors.

Methodology

As the budget baseline financial implications of the Cashless Debit Card and Income Management programs is not-for-publication, the PBO has formed its own estimate of the savings expected from this program based on publicly available information, supported by historical information from the Department of Social Services and Services Australia. These figures are PBO estimates and may not match the amounts reflected in the budget baseline.

- Given the extensive interaction between the Cashless Debit Card and Income Management programs, the financial implications for these programs have been combined.

The termination costs for this program were calculated based on terminating costs of similar programs.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance and the Treasury provided indexation parameters as at the *Pre-election Economic and Fiscal Outlook 2022*.

Department of Social Services, 2022. Australian Government Income Management Program, accessed 5 June 2022.

Department of Social Services, 2022. Australian Government Cashless Debit Card Program, accessed 5 June 2022.

Senate Community Affairs Legislation Committee, 2021. Hansard, 2021-22 Supplementary Budget Estimates, Social Services Portfolio, accessed 5 June 2022.

Department of Social Services, 2021. Documents relating to the Cashless Debit Card, accessed 5 June 2022.

Australian Associated Press, 2021. Cashless welfare card cost is way off the money, accessed 5 June 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Abolish the Cashless Debit Card – financial implications

Table A1: Abolish the Cashless Debit Card – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Abolish the Cashless Debit Card and mandatory Income Management	*39.7*	*38.6*	*39.4*	*40.4*	*41.4*	*42.4*	*43.4*	*44.5*	*45.6*	*46.8*	*47.9*	***158.1***	***470.1***
Total – administered	***39.7***	***38.6***	***39.4***	***40.4***	***41.4***	***42.4***	***43.4***	***44.5***	***45.6***	***46.8***	***47.9***	***158.1***	***470.1***
Departmental													
Abolish the Cashless Debit Card and mandatory Income Management	*46.1*	*30.5*	*25.6*	*26.2*	*26.4*	*26.5*	*26.7*	*26.9*	*27.1*	*27.3*	*27.5*	***128.4***	***316.8***
Total – departmental	***46.1***	***30.5***	***25.6***	***26.2***	***26.4***	***26.5***	***26.7***	***26.9***	***27.1***	***27.3***	***27.5***	***128.4***	***316.8***
Total (excluding PDI)	**85.8**	**69.1**	**65.0**	**66.6**	**67.8**	**68.9**	**70.1**	**71.4**	**72.7**	**74.1**	**75.4**	**286.5**	**786.9**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Abolish the Cashless Debit Card – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*1.0*	*2.8*	*4.3*	*5.9*	*7.7*	*9.6*	*11.8*	*14.3*	*17.0*	*20.0*	*24.0*	***14.0***	***118.4***
Underlying cash balance	*0.9*	*2.5*	*4.1*	*5.7*	*7.5*	*9.4*	*11.5*	*14.0*	*16.7*	*19.7*	*23.5*	***13.2***	***115.5***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Incentivising Pensioners to Downsize	
Party:	Australian Labor Party
Summary of proposal: The proposal would: • Extend the assets test exemption for principal home sale proceeds from 12 months to 24 months for income support recipients. • Change the income test, to apply only the lower deeming rate (0.25 per cent) to principal home sale proceeds when calculating deemed income for 24 months after the sale of the principal home. The Department of Social Services and the Department of Veterans' Affairs (DVA) are to absorb all departmental expenses. The proposal would be ongoing and have effect from 1 January 2023.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $61.4 million over the 2022-23 Budget forward estimates period. The impact reflects increases in administered expenses, partially offset by increased revenue.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period.
A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The estimates in this costing are based on Services Australia administrative transfer payment data and DVA population statistics. However, the results of this analysis are sensitive to a range of factors such as the number of newly eligible recipients resulting from this proposal and the behavioural response of pensioners in response to the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-9.2	-17.9	-16.7	-17.6	**-61.4**
Underlying cash balance	-9.2	-17.9	-16.7	-17.6	**-61.4**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Methodology

The financial implications of this proposal were based on costing models provided by the Department of Finance and the Treasury for the Coalition's commitment – *Incentivising Pensioners to Downsize* (ECR007).

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Department of Finance provided costing models for the Coalition's commitment – *Incentivising Pensioners to Downsize.*

The Treasury provided payment recipients' projection as at 2022-23 Budget.

Department of Veterans' Affairs (DVA) (2021), *Population projections June 2021*, DVA, accessed 31 May 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Incentivising Pensioners to Downsize – financial implications

Table A1: Incentivising Pensioners to Downsize – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Revenue	*-*	*1.0*	*3.0*	*3.0*	*3.0*	*3.0*	*3.0*	*4.0*	*4.0*	*4.0*	*4.0*	***7.0***	***32.0***
Total – revenue	**-**	**1.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**4.0**	**4.0**	**4.0**	**4.0**	**7.0**	**32.0**
Expenses													
Expenses	*-9.2*	*-18.9*	*-19.7*	*-20.6*	*-21.7*	*-22.9*	*-24.1*	*-25.3*	*-26.5*	*-27.8*	*-29.1*	***-68.4***	***-245.8***
Total – expenses	**-9.2**	**-18.9**	**-19.7**	**-20.6**	**-21.7**	**-22.9**	**-24.1**	**-25.3**	**-26.5**	**-27.8**	**-29.1**	**-68.4**	**-245.8**
Total (excluding PDI)	**-9.2**	**-17.9**	**-16.7**	**-17.6**	**-18.7**	**-19.9**	**-21.1**	**-21.3**	**-22.5**	**-23.8**	**-25.1**	**-61.4**	**-213.8**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Incentivising Pensioners to Downsize – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.1*	*-0.4*	*-0.8*	*-1.2*	*-1.7*	*-2.2*	*-2.9*	*-3.6*	*-4.4*	*-5.3*	*-6.4*	***-2.5***	***-29.0***
Underlying cash balance	*-0.1*	*-0.4*	*-0.8*	*-1.2*	*-1.6*	*-2.2*	*-2.8*	*-3.5*	*-4.3*	*-5.2*	*-6.3*	***-2.5***	***-28.4***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Lifting the income threshold for the Commonwealth Seniors Health Card	
Party:	Australian Labor Party
Summary of proposal: The proposal would increase the income threshold for the Commonwealth Seniors Health Card (CSHC) from $57,761 for singles, $92,416 for couples, and $115,522 for separated couples (separated by illness), to $90,000 for singles, $144,000 for couples, and $180,000 for couples separated by illness. This proposal would only consider the financial impact of changing the CSHC income test threshold, with all other policy settings remaining unchanged. This proposal would be ongoing and have effect from 1 July 2022.	

Costing overview

The proposal would be expected to decrease the fiscal balance by around $70.9 million and the underlying cash balance by around $70.3 million over the 2022-23 Budget forward estimates period. The impact reflects increases in administered expenses, partially offset by increased revenue.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The estimates in this costing only consider the financial impact of changing the CSHC income test threshold, with all policy settings remaining unchanged. All administered costs under this proposal reflect increased expenses for the Department of Health under the Medicare Benefits Schedule (MBS) and the Pharmaceutical Benefits Scheme (PBS) resulting from a larger cohort accessing these programs.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-16.8	-16.7	-18.1	-19.2	**-70.9**
Underlying cash balance	-16.4	-16.7	-18.1	-19.1	**-70.3**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Methodology

The financial implication of this proposal was based on costing models provided by the Department of Finance and Treasury for Coalition's commitment – *Lifting the income threshold for the Commonwealth Seniors Health Card* (ECR008).

Financial implications were rounded consistent with the Parliamentary Budget Office (PBO) rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Department of Finance provided costing models for the Coalition's commitment – *Lifting the income threshold for the Commonwealth Seniors Health Card*.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Lifting the income threshold for the Commonwealth Seniors Health Card – financial implications

Table A1: Lifting the income threshold for the Commonwealth Seniors Health Card – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Administered													
Department of Health	*-14.0*	*-15.0*	*-16.3*	*-17.3*	*-18.4*	*-19.4*	*-20.1*	*-20.8*	*-21.4*	*-22.1*	*-22.7*	***-62.7***	***-207.5***
Total – administered	***-14.0***	***-15.0***	***-16.3***	***-17.3***	***-18.4***	***-19.4***	***-20.1***	***-20.8***	***-21.4***	***-22.1***	***-22.7***	***-62.7***	***-207.5***
Departmental													
Department of Social Services	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Service Australia	*-2.8*	*-1.7*	*-1.8*	*-1.9*	*-1.9*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.1*	*-2.1*	***-8.2***	***-22.4***
Total – expenses	**-16.8**	**-16.7**	**-18.1**	**-19.2**	**-20.3**	**-21.3**	**-22.2**	**-22.8**	**-23.5**	**-24.2**	**-24.8**	**-70.9**	**-229.9**
Total (excluding PDI)	**-16.8**	**-16.7**	**-18.1**	**-19.2**	**-20.3**	**-21.3**	**-22.2**	**-22.8**	**-23.5**	**-24.2**	**-24.8**	**-70.9**	**-229.9**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

\- Indicates nil.

Table A2: Lifting the income threshold for the Commonwealth Seniors Health Card – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Payments													
Administered													
Department of Health	*-13.5*	*-15.0*	*-16.3*	*-17.3*	*-18.3*	*-19.3*	*-20.1*	*-20.7*	*-21.4*	*-22.0*	*-22.7*	***-62.1***	***-206.7***
Total – administered	***-13.5***	***-15.0***	***-16.3***	***-17.3***	***-18.3***	***-19.3***	***-20.1***	***-20.7***	***-21.4***	***-22.0***	***-22.7***	***-62.1***	***-206.7***
Departmental													
Department of Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Australia	*-2.8*	*-1.7*	*-1.8*	*-1.9*	*-1.9*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.1*	*-2.1*	***-8.2***	***-22.4***
Total – payments	**-16.4**	**-16.7**	**-18.1**	**-19.1**	**-20.3**	**-21.3**	**-22.1**	**-22.8**	**-23.5**	**-24.1**	**-24.8**	**-70.3**	**-229.2**
Total (excluding PDI)	**-16.4**	**-16.7**	**-18.1**	**-19.1**	**-20.3**	**-21.3**	**-22.1**	**-22.8**	**-23.5**	**-24.1**	**-24.8**	**-70.3**	**-229.2**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A3: Lifting the income threshold for the Commonwealth Seniors Health Card – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.2*	*-0.6*	*-1.0*	*-1.4*	*-1.9*	*-2.5*	*-3.2*	*-3.9*	*-4.8*	*-5.7*	*-6.9*	***-3.2***	***-32.1***
Underlying cash balance	*-0.2*	*-0.5*	*-0.9*	*-1.4*	*-1.9*	*-2.4*	*-3.1*	*-3.8*	*-4.7*	*-5.6*	*-6.8*	***-3.0***	***-31.3***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Plan for the NDIS	
Party:	Australian Labor Party

Summary of proposal:

The proposal would seek to outline a plan for the National Disability Insurance Scheme (NDIS). The proposal has 4 components.

- **Component 1** would provide $15 million for a National Disability Research Partnership and consider continued support for a National Disability Data Asset to ensure future changes to the NDIS are based on proper evidence.
- **Component 2** would double existing support for individual and systemic advocacy with an additional $10 million over four years to address systemic abuse, neglect, and exploitation, and support to navigate services. Labor will match additional funding for NDIS Appeals providers to cope with numbers of Administrative Appeals Tribunal cases.
- **Component 3** would improve disability access in the community by ensuring there are enough 'Changing Places' – disability toilets for people with high support needs – available across the country. Labor will offer a third of the funding required to build a facility in each of the 400 Local Government Areas currently without one.
- **Component 4** would pause the current changes to Supported Independent Living.

The proposal would take effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balance by around $33.2 million over the 2022-23 Budget forward estimates period. This is predominantly driven by increases in administered expenses, with small departmental expenses also present for Components 2 and 3.

Component 1 is expected to have a net zero impact on the Budget. This is due to the financial implications being captured within the Budget baseline.

Component 4 would be expected to have an expense impact; however, the Parliamentary Budget Office (PBO) has determined that this component is unquantifiable due to limited availability of data and significant uncertainty surrounding the tangibility of consequences concerning this component.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period.

A breakdown of the financial implications (including a separate PDI table) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)(c)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-8.3	-8.3	-8.3	-8.3	**-33.2**
Underlying cash balance	-8.3	-8.3	-8.3	-8.3	**-33.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
(c) Unquantifiable impacts are not included in totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

For Component 3:

- the average cost per Changing Places toilet (to which the Australian Government would contribute one third) is assumed to be around $160,000.
- the building of the 400 toilets would be evenly distributed over the period 2022-23 to 2025-26.

Methodology

Component 1 - National Disability Research Partnership and National Disability Data Asset

- Impact on the Budget was negated to nil as the Budget baseline accounts for this component.

Component 2 - $10 million over four years to address systemic abuse, neglect, and exploitation, and support to navigate services.

- The funding for this component is the amount specified by the requestor. The PBO has not assessed whether the amount proposed would be sufficient to meet the parameters of the component.
- The Department of Finance departmental cost calculator was used to calculate the proportions of the total funding amount which denote departmental and administered funding.

Component 3 - Improve disability access in the community by ensuring there are enough 'Changing Places'

- Cost estimates are the number of toilets to be built each year multiplied by the one-third of the average cost to build a 'Changing Places' toilet.
- The Department of Finance departmental cost calculator was used to calculate the proportions of the total funding amount which denote departmental and administered funding.

Data sources

The Department of Finance departmental cost calculator.

Changing Places, *Changing Places design specifications 2020.* https://changingplaces.org.au/wp-content/uploads/2020/03/Changing-Places-design-specifications-2020-1.pdf

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[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Plan for the NDIS – financial implications

Table A1: Plan for the NDIS – Fiscal and underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
$15 million for a National Disability Research Partnership and support for a National Disability Data Asset	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Double existing support for individual and systemic advocacy	-2.5	-2.5	-2.5	-2.5	-2.6	-2.6	-2.7	-2.8	-2.8	-2.9	-3.0	***-10.0***	***-29.4***
Improved access to 'Changing Places'	-5.4	-5.4	-5.4	-5.4	-	-	-	-	-	-	-	***-21.6***	***-21.6***
Pause the current changes to Supported Independent Living	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – administered	***-7.9***	***-7.9***	***-7.9***	***-7.9***	***-2.6***	***-2.6***	***-2.7***	***-2.8***	***-2.8***	***-2.9***	***-3.0***	***-31.6***	***-51.0***
Departmental													
Double existing support for individual and systemic advocacy	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	***-0.4***	***-1.1***
Improved access to 'Changing Places'	-0.3	-0.3	-0.3	-0.3	-	-	-	-	-	-	-	***-1.2***	***-1.2***
Total – departmental	***-0.4***	***-0.4***	***-0.4***	***-0.4***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-1.6***	***-2.3***
Total – expenses	**-8.3**	**-8.3**	**-8.3**	**-8.3**	**-2.7**	**-2.7**	**-2.8**	**-2.9**	**-2.9**	**-3.0**	**-3.1**	**-33.2**	**-53.3**
Total (excluding PDI)	**-8.3**	**-8.3**	**-8.3**	**-8.3**	**-2.7**	**-2.7**	**-2.8**	**-2.9**	**-2.9**	**-3.0**	**-3.1**	**-33.2**	**-53.3**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

* Unquantifiable – not included in totals.

\- Indicates nil.

Table A2: Plan for the NDIS – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.1*	*-0.3*	*-0.5*	*-0.7*	*-0.8*	*-0.9*	*-1.0*	*-1.1*	*-1.3*	*-1.4*	*-1.6*	***-1.6***	***-9.7***
Underlying cash balance	*-0.1*	*-0.3*	*-0.5*	*-0.7*	*-0.8*	*-0.9*	*-1.0*	*-1.1*	*-1.2*	*-1.4*	*-1.6*	***-1.6***	***-9.6***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Disaster Ready Fund	
Party:	Australian Labor Party
Summary of proposal: The proposal would provide $29.4 million in 2022-23 in a disbursement from the Emergency Response Fund towards disaster readiness projects. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to decrease both fiscal and underlying cash balances by around $35.5 million over the 2022-23 Budget forward estimates period. This impact reflects a decrease in revenue of around $6.1 million and an increase in administered expenses of around $29.4 million over this period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

This costing is sensitive to the assumption that the disbursement can be approved in the 2022-23 financial year from the Emergency Response Fund (ERF). The Australian Government has already budgeted to draw down the maximum amount of disbursements it can provide from the ERF in that same financial year, which is $200 million. Drawing down further amounts would require legislative change.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-30.2	-1.7	-1.8	-1.8	**-35.5**
Underlying cash balance	-30.2	-1.7	-1.8	-1.8	**-35.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- Disbursements already approved from the ERF according to the Department of Finance's Portfolio Budget Statements cannot be reassigned to other initiatives.
- Legislation would be introduced and passed in time for the ERF to be able to disburse more than its current limit of $200 million per year, which would enable the additional disbursement of the specified $29.4 million in 2022-23.

- The additional disbursement would not have a significant impact on management fees.
- There would be even distribution of disbursements from the ERF over the 2022-23 financial year, resulting in a half impact on investment earnings in 2022-23.
- This commitment terminates in 2022-23 due to the non-ongoing nature of the projects to be funded by the disbursement.

Methodology

The impact of disbursing an additional $29.4 million in 2022-23 from the ERF was measured by comparing the difference between information from the ERF model provided by the Department of Finance against the scenario of providing the additional disbursement over both the forward estimates and medium term.

- As the ERF model from the Department of Finance ran until the 2031-32 financial year, impacts into 2032-33 were projected by the PBO based on this model.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance and the Treasury provided economic parameters as at the *Pre-election Economic and Fiscal Outlook 2022-23*.

Australian Government (2022) *Budget 2022-23: Budget Paper No. 2*, Australian Government, accessed 15 June 2022.

Department of Finance (2022) *Emergency Response Fund*, Department of Finance, accessed 15 June 2022.

Department of Finance (2022) *Portfolio Budget Statements 2022-23*, Department of Finance, accessed 15 June 2022.

The Department of Finance provided information relating to the Emergency Response Fund as at 5 April 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Disaster Ready Fund – financial implications

Table A1: Disaster Ready Fund – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Investment earnings	*-0.8*	*-1.7*	*-1.8*	*-1.8*	*-1.9*	*-2.0*	*-2.1*	*-2.3*	*-2.4*	*-2.5*	*-2.7*	***-6.1***	***-22.0***
Expenses													
Administered													
Grant payments	*-29.4*	-	-	-	-	-	-	-	-	-	-	***-29.4***	***-29.4***
Total (excluding PDI)	**-30.2**	**-1.7**	**-1.8**	**-1.8**	**-1.9**	**-2.0**	**-2.1**	**-2.3**	**-2.4**	**-2.5**	**-2.7**	**-35.5**	**-51.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Disaster Ready Fund – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	..	..	*-0.1*	*-0.1*	*-0.2*	*-0.2*	*-0.3*	*-0.4*	*-0.4*	*-0.5*	*-0.7*	***-0.2***	***-2.9***
Underlying cash balance	..	..	*-0.1*	*-0.1*	*-0.2*	*-0.2*	*-0.3*	*-0.4*	*-0.4*	*-0.5*	*-0.6*	***-0.2***	***-2.8***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Women's Safety - Respect@Work	
Party:	Australian Labor Party

Summary of proposal:

The proposal contains 5 components which would provide funding for programs addressing workplace sexual harassment.

Component 1: Stopping sexual harassment at work – Respect@Work

Implement all 55 recommendations of the Sex Discrimination Commissioner's report *Respect@Work: National Inquiry into Sexual Harassment in Australian Workplaces* and introduce legislation to strengthen laws that prevent sexual harassment.

Component 2: Stopping sexual harassment at work – Positive Duty

The Workplace Sexual Harassment Council would draft legislation to establish a positive duty for employers to take reasonable and proportionate measures to eliminate sex discrimination, sexual harassment and victimisation.

Component 3: Australian Human Rights Commission – disclosure process for victims of historical sexual harassment matters

The Australian Human Rights Commission would receive funding of $1.5 million over 2 years (distributed evenly in 2022-23 and 2023-24) to develop a disclosure process for victims of historical sexual harassment matters.

Component 4: Working Women's Centres

Working Women's Centres would receive grant funding of $8 million per year from 2022-23.

Component 5: Australian Human Rights Commission – One-Stop Shop

The Australian Human Rights Commission would receive funding of $420,000 per year from 2022-23 to establish to establish a One-Stop Shop which would assist victims of workplace sexual harassment.

Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by around $35.2 million over the 2022-23 Budget forward estimates period. This impact reflects administered expenses associated with the funding specified in Components 3 and 4, and departmental expenses associated with the funding specified in Component 5.

The proposal would have ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The estimated financial implications of this proposal are sensitive to the assumption that the resourcing requirements associated with Component 1 and 2 would be met from within existing departmental funding.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	*-9.2*	*-9.2*	*-8.4*	*-8.4*	**-35.2**
Underlying cash balance	*-9.2*	*-9.2*	*-8.4*	*-8.4*	**-35.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

Components 1 and 2

The resourcing requirements of Components 1 and 2 would be met from within existing resources of the Attorney-General's Department.

Components 4 and 5

Consistent with the PBO's general election guidance, in the absence of a public statement specifying that this policy is terminating, the PBO has assumed that Components 4 and 5 are ongoing.

Methodology

Component 3

Financial implications over the forward estimates period were calculated based on the capped funding specified.

Components 4 and 5

Financial implications over the forward estimates period were calculated based on the funding specified.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided indexation parameters as at the 2022-23 Budget.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Women's Safety - Respect@Work – financial implications

Table A1: Women's Safety - Respect@Work – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Administered													
Australian Human Rights Commission – disclosure process for victims of historical sexual harassment matters	*-0.8*	*-0.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.6***	***-1.6***
Working Women's Centres	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.2*	*-8.4*	*-8.6*	*-8.8*	*-9.0*	*-9.3*	*-9.5*	***-32.0***	***-93.8***
Total – administered	***-8.8***	***-8.8***	***-8.0***	***-8.0***	***-8.2***	***-8.4***	***-8.6***	***-8.8***	***-9.0***	***-9.3***	***-9.5***	***-33.6***	***-95.4***
Departmental													
Stopping sexual harassment at work – Respect@Work	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Stopping sexual harassment at work – Positive Duty	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Australian Human Rights Commission – One-Stop Shop	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.5*	*-0.5*	*-0.5*	***-1.6***	***-4.7***
Total – departmental	***-0.4***	***-0.4***	***-0.4***	***-0.4***	***-0.4***	***-0.4***	***-0.4***	***-0.4***	***-0.5***	***-0.5***	***-0.5***	***-1.6***	***-4.7***
Total – expenses	**-9.2**	**-9.2**	**-8.4**	**-8.4**	**-8.6**	**-8.8**	**-9.0**	**-9.2**	**-9.5**	**-9.8**	**-10.0**	**-35.2**	**-100.1**
Total (excluding PDI)	**-9.2**	**-9.2**	**-8.4**	**-8.4**	**-8.6**	**-8.8**	**-9.0**	**-9.2**	**-9.5**	**-9.8**	**-10.0**	**-35.2**	**-100.1**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Women's Safety - Respect@Work – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.1*	*-0.3*	*-0.5*	*-0.7*	*-0.9*	*-1.2*	*-1.5*	*-1.8*	*-2.1*	*-2.5*	*-3.0*	*-1.6*	*-14.6*
Underlying cash balance	*-0.1*	*-0.3*	*-0.5*	*-0.7*	*-0.9*	*-1.2*	*-1.4*	*-1.7*	*-2.1*	*-2.5*	*-3.0*	*-1.6*	*-14.4*

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Expanding the Pacific Labour Scheme	
Party:	Australian Labor Party

Summary of proposal:

Component 1

This component would bring the Pacific Labour Scheme (PLS) under the Temporary Work (International Relations) (subclass 403) visa in line with Temporary Skill Shortage (TSS) (subclass 482) visas in terms of treatment of secondary applicants.

PLS secondary applicants would be subject to the following conditions (in line with those for TSS secondary applicants):

- Primary visa holders would be allowed to bring their domestic partners and dependent children to Australia as secondary visa holders.
- Employer sponsors must agree.
- Secondary applicants must meet health and character requirements and have health insurance.
- Secondary visa holders would be entitled to live, work and study in Australia (but would not receive government assistance for studying).

The following visa applications charges (VAC) would apply to PLS secondary applicants:

- Secondary applicants aged 18 and over would be subject to the same VAC as PLS primary visa holders.
- Secondary applicants aged below 18 would be subject to 25% of the VAC for PLS primary visa holders.

The taxation arrangements for secondary PLS visa holders would be same as primary visa holders.

This component would not apply to visa holders in the Seasonal Worker Programme (SWP).

This component would commence 1 January 2023.

Component 2

This component would extend the duration of SWP visas from nine to 11 months to improve flexibility.

This component would commence 1 January 2023.

Component 3

This component would relocate the Agriculture Visa to sit as a third visa stream under the PALM.

This component would commence 1 January 2023.

Component 4

This component would create a new Pacific Engagement Visa for nationals of Pacific Island countries and Timor-Leste. Up to 3,000 visas would be allocated annually by a ballot or lottery process modelled on the New Zealand Pacific Access Resident Category visa.

Places would be allocated from within the overall permanent migration program. Detailed design of the scheme will be undertaken in Government based on the following features of the NZ model:

- Applicants to be aged between 18 and 45 years.
- Applicants can include their partners and dependent children up to 24 years of age.
- Applicants or their partners must have a job offer in Australia.
- English language, character and health tests to be met.
- Applicants selected by ballot have eight months to obtain a full-time job offer.
- Country-specific quotas within an overall quota of up to 3,000 places a year.

Applications will be open to Pacific nationals in their home countries or who are in Australia on a valid temporary visa.

This component would commence 1 July 2023.

Costing overview

This proposal would be expected to increase the fiscal balance by $79.4 million and increase the underlying cash balance by $78.2 million over the 2022-23 Budget forward estimates period.

This proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The difference between the fiscal and underlying cash balance impacts reflects a timing difference between when the goods and services taxes (GST) are recognised, and they are paid.

The Parliamentary Budget Office (PBO) has determined Component 4 to be unquantifiable. This primarily reflects that decisions on the design of the scheme have not yet been made.

- The revenue impact of this proposal would likely be small but would depend on the following factors.
  - Which subclasses under the migration program would be displaced to implement the Pacific Engagement Visa.
  - The Visa Application Charge for the displaced visas and Pacific Engagement Visa.
  - The economic behaviour of Pacific Engagement Visa holders.

Table 1: Financial implications ($m)[(a)(b)(c)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	0.5	18.3	28.1	32.5	**79.4**
Underlying cash balance	0.4	17.7	27.8	32.3	**78.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
(c) Unquantifiable impacts are not included in totals.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

Component 1

- The projection of 403 visa applications lodged over the period from 2025-26 to 2032-33 would be static (i.e., held equivalent to the estimated number of 403 visa applications in 2024-25).
- The share of primary visas granted under PLS as a proportion of all 403 visas granted would not materially change over the period to 2032-33 in the baseline.
- There would be no significant difference in the grant rates for different streams under 403 visas.
- The ratios between primary and adult secondary applicants and primary and secondary applicants aged under 18 for 403 PLS visas would be the same as the ratios for TSS visas.
- 403 PLS visa applications would be granted in the financial year when they were lodged.
- 93% of 403 PLS secondary visa holders would arrive in Australia. All of them would arrive within the financial year that their visas were granted.
- All 403 PLS secondary visa holders would remain in Australia for 4 years under the terms of 403 PLS visas.
- In 2022-23 half the number of 403 PLS secondary visa holders would arrive in Australia in 2022-23. These visa holders would depart Australia in 2025-26.
- PLS primary and secondary visa holders would be Australian residents for tax purposes.

Component 2

- The number of workers participating in the SWP would return to pre-COVID levels in 2022-23.
- The number of SWP visa numbers issued would grow from 2023-24 such that SWP visas maintain a 5% share of agricultural labour in Australia.
- SWP workers would remain in Australian for the full length of their visa, 9 months under the baseline and 11 months under the proposal.

Component 3

- The relocation of the Agriculture Visa into the PALM would not change the following.
  - The number of Agricultural Visas granted.
  - The duration that Agriculture Visa holders stay in Australia.
  - The VAC for the Agriculture Visa.

- – The incomes of Agriculture visa holders.
- Agriculture Visa holders would be Australian residents for tax purposes.

Methodology

Component 1

The departmental cost associated with the additional visas issued under this proposal were estimated based on the departmental expenses for the 2012-13 Budget measure *Seasonal Labour Mobility Program with Pacific Island Countries and East Timor – establishment.*

There would be an increase in departmental expenses for the Department of Home Affairs. This reflects the additional resources required to process the PLS secondary visa applications.

VAC revenue

The financial implications of VAC revenue over the period to 2032-33 were the sum of VAC revenue collected from both PLS adult secondary visa applicants and applicants aged under 18. The estimated VAC revenue for each group was calculated by multiplying the number of applicants in this group each year by the relevant PLS visa price as specified.

The number of secondary visa applicants each year were estimated by multiplying the assumed ratio of primary and secondary applicants by the number of projected primary visa applicants under PLS over the medium term.

Personal income tax and indirect tax revenue

The financial implications of personal income tax and indirect taxes were derived by multiplying the cumulative number of new temporary residents in Australia as result of this proposal by the estimated average level of income and contributions tax, and GST, excises and customs paid by similar migrants.

- The cumulative number of new temporary residents in Australia as result of this proposal was estimated based on the number of PLS secondary visa applications each year, the historical grant rate and arrival rate of 403 visas and the assumed period of stay of PLS secondary visa holders.
- The average estimated income tax and contribution tax, GST, excises and customs per visa holder was based on relevant data provided by the Treasury and updated with economic parameter projections as at the 2022-23 Budget.
- The amount of additional GST that would be paid to the States and Territories is the amount of additional GST collected.

Component 2

The annual estimated seasonal worker population from each of the SWP participating countries was based on the historical number of SWP migrants and the expected increase in the general Australian labour force over the period to 2032-33.

The departmental costs of implementing this proposal would be minimal and could absorbed from within existing resources.

Personal income tax and indirect tax revenue

The financial implications of personal income tax and indirect taxes were derived by multiplying the cumulative number of new temporary residents in Australia as result of this proposal by the estimated average level of income and contributions tax, and GST, excises and customs paid by similar migrants.

- The annual estimated seasonal worker population from each of the SWP participating countries was based on the historical number of SWP migrants and the expected increase in the general Australian labour force over the period to 2032-33.
- The average estimated income tax and contribution tax, GST, excises and customs per visa holder was based on relevant data provided by the Treasury and updated with economic parameter projections as at the 2022-23 Budget.
- The amount of additional GST that would be paid to the States and Territories is the amount of additional GST collected.

Component 3

This proposal would have no effect on revenue as the volume of visa holders and the length of their stays would be unchanged.

The departmental costs of this proposal would be minimal and could absorbed from within existing resources.

Component 4

The PBO has determined that this component is unquantifiable as the design of the scheme not yet been finalised.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Treasury provided economic parameters and labour force forecasts as at the 2022-23 PEFO.

The Department of Home Affairs and the Department of Foreign Affairs and Trade provided the relevant data for estimating the visa application charge revenue for the PLS visa.

The Department of the Treasury provided the relevant data for estimating income tax and contribution tax, GST, excises and customs.

The Department of Education, Skills and Employment provided population and travel data on the SWP for the 2018-19 and 2019-20 financial years.

The ATO provided income and superannuation data of seasonal workers for the 2018-19 and 2019-20 financial years.

Commonwealth of Australia (2012) *2012-13 Budget*, Australian Government.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Expanding the Pacific Labour Scheme – financial implications

Table A1: Expanding the Pacific Labour Scheme – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Component 1 - Personal income tax	*0.5*	*3.6*	*6.0*	*8.6*	*11.1*	*10.1*	*10.1*	*10.1*	*10.2*	*10.2*	*10.2*	***18.7***	***90.7***
Component 1 - Other indirect tax	*0.2*	*1.6*	*2.8*	*3.9*	*5.1*	*4.6*	*4.6*	*4.6*	*4.6*	*4.6*	*4.6*	***8.5***	***41.2***
Component 1 - GST	*0.6*	*4.2*	*7.1*	*10.1*	*13.1*	*11.9*	*11.9*	*11.9*	*11.9*	*11.9*	*11.9*	***22.0***	***106.5***
Component 1 - Visa application charges	*0.4*	*1.0*	*1.1*	*1.1*	*1.1*	*1.2*	*1.2*	*1.2*	*1.2*	*1.3*	*1.3*	***3.6***	***12.1***
Component 2 - Personal income tax	-	*10.3*	*16.0*	*16.8*	*17.5*	*18.3*	*19.1*	*20.1*	*21.2*	*22.4*	*23.6*	***43.1***	***185.3***
Component 2 - Other indirect tax	-	*1.4*	*2.0*	*2.1*	*2.1*	*2.1*	*2.1*	*2.1*	*2.2*	*2.2*	*2.2*	***5.5***	***20.5***
Component 2 - GST	-	*3.5*	*5.2*	*5.3*	*5.3*	*5.4*	*5.4*	*5.5*	*5.6*	*5.7*	*5.7*	***14.0***	***52.6***
Component 4	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – revenue	**1.7**	**25.6**	**40.2**	**47.9**	**55.3**	**53.6**	**54.4**	**55.5**	**56.9**	**58.3**	**59.5**	**115.4**	**508.9**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Administered													
Component 1 - GST payments to states and territories	*-1.1*	*-3.9*	*-6.9*	*-9.9*	*-12.8*	*-12.0*	*-11.9*	*-11.9*	*-11.9*	*-11.9*	*-11.9*	***-21.8***	***-106.1***
Component 2 - GST payments to states and territories	*-*	*-3.2*	*-5.1*	*-5.3*	*-5.3*	*-5.4*	*-5.4*	*-5.5*	*-5.6*	*-5.7*	*-5.7*	***-13.6***	***-52.2***
Total – administered	***-1.1***	***-7.1***	***-12.0***	***-15.2***	***-18.1***	***-17.4***	***-17.3***	***-17.4***	***-17.5***	***-17.6***	***-17.6***	***-35.4***	***-158.3***
Departmental													
Department of Home Affairs	*-0.1*	*-0.2*	*-0.1*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-0.6***	***-2.0***
Total – departmental	***-0.1***	***-0.2***	***-0.1***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.6***	***-2.0***
Total – expenses	**-1.2**	**-7.3**	**-12.1**	**-15.4**	**-18.3**	**-17.6**	**-17.5**	**-17.6**	**-17.7**	**-17.8**	**-17.8**	**-36.0**	**-160.3**
Total (excluding PDI)	**0.5**	**18.3**	**28.1**	**32.5**	**37.0**	**36.0**	**36.9**	**37.9**	**39.2**	**40.5**	**41.7**	**79.4**	**348.6**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

* Unquantifiable – not included in totals.

Table A2: Expanding the Pacific Labour Scheme – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Component 1 - Personal income tax	*0.5*	*3.6*	*6.0*	*8.6*	*11.1*	*10.1*	*10.1*	*10.1*	*10.2*	*10.2*	*10.2*	***18.7***	***90.7***
Component 1 - Other indirect tax	*0.2*	*1.6*	*2.8*	*3.9*	*5.1*	*4.6*	*4.6*	*4.6*	*4.6*	*4.6*	*4.6*	***8.5***	***41.2***
Component 1 - GST	*0.5*	*3.9*	*6.9*	*9.9*	*12.8*	*12.0*	*11.9*	*11.9*	*11.9*	*11.9*	*11.9*	***21.2***	***105.5***
Component 1 - Visa application charges	*0.4*	*1.0*	*1.1*	*1.1*	*1.1*	*1.2*	*1.2*	*1.2*	*1.2*	*1.3*	*1.3*	***3.6***	***12.1***
Component 2 - Personal income tax	-	*10.3*	*16.0*	*16.8*	*17.5*	*18.3*	*19.1*	*20.1*	*21.2*	*22.4*	*23.6*	***43.1***	***185.3***
Component 2 - Other indirect tax	-	*1.4*	*2.0*	*2.1*	*2.1*	*2.1*	*2.1*	*2.1*	*2.2*	*2.2*	*2.2*	***5.5***	***20.5***
Component 2 - GST	-	*3.2*	*5.1*	*5.3*	*5.3*	*5.4*	*5.4*	*5.5*	*5.6*	*5.7*	*5.7*	***13.6***	***52.2***
Component 4	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – receipts	**1.6**	**25.0**	**39.9**	**47.7**	**55.0**	**53.7**	**54.4**	**55.5**	**56.9**	**58.3**	**59.5**	**114.2**	**507.5**
Payments													
Administered													
Component 1 - GST payments to states and territories	*-1.1*	*-3.9*	*-6.9*	*-9.9*	*-12.8*	*-12.0*	*-11.9*	*-11.9*	*-11.9*	*-11.9*	*-11.9*	***-21.8***	***-106.1***
Component 2 - GST payments to states and territories	-	*-3.2*	*-5.1*	*-5.3*	*-5.3*	*-5.4*	*-5.4*	*-5.5*	*-5.6*	*-5.7*	*-5.7*	***-13.6***	***-52.2***
Total – administered	***-1.1***	***-7.1***	***-12.0***	***-15.2***	***-18.1***	***-17.4***	***-17.3***	***-17.4***	***-17.5***	***-17.6***	***-17.6***	***-35.4***	***-158.3***
Departmental													
Department of Home Affairs	*-0.1*	*-0.2*	*-0.1*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-0.6***	***-2.0***
Total – departmental	***-0.1***	***-0.2***	***-0.1***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.6***	***-2.0***
Total – payments	**-1.2**	**-7.3**	**-12.1**	**-15.4**	**-18.3**	**-17.6**	**-17.5**	**-17.6**	**-17.7**	**-17.8**	**-17.8**	**-36.0**	**-160.3**
Total (excluding PDI)	**0.4**	**17.7**	**27.8**	**32.3**	**36.7**	**36.1**	**36.9**	**37.9**	**39.2**	**40.5**	**41.7**	**78.2**	**347.2**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

* Unquantifiable – not included in totals.

Table A3: Expanding the Pacific Labour Scheme – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	*0.2*	*0.7*	*1.4*	*2.3*	*3.3*	*4.4*	*5.6*	*7.0*	*8.6*	*10.4*	***2.3***	***43.9***
Underlying cash balance	..	*0.2*	*0.7*	*1.3*	*2.2*	*3.1*	*4.2*	*5.5*	*6.8*	*8.4*	*10.1*	***2.2***	***42.5***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Reforming the Seasonal Worker Program	
Party:	Australian Labor Party

Summary of proposal:

Under this proposal, the Australian Government would pay the upfront travel costs of workers participating in the Pacific Australian Labour Mobility Seasonal Worker Programme (PALM – SWP), excluding the first $300 that employers would pay per worker. Upfront costs would either be recouped through:

- a flat dollar tax levy on Departing Australia Superannuation Payments (DASP) made to SWP workers, that would be equivalent to the amount of upfront travel costs that the Government would have paid, or
- increasing the 15% withholding tax rate on SWP workers' gross income, so that the amount of additional income tax that is paid is equivalent to the amount of upfront travel costs that the Government would have paid.

This proposal would commence from 1 January 2023.

Costing overview

This proposal would be expected to have a nil impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates. This reflects an increase in administered payments and a corresponding increase in administered revenue.

A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Departmental expenses for both options would not be expected to be material because they would not significantly alter the current administrative arrangements.

The projected number of SWP workers is uncertain and is highly sensitive to border restrictions (including potential border closures).

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-	-	-	-
Underlying cash balance	-	-	-	-	-

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The number of workers participating in the SWP would return to 'pre-COVID' levels in 2022-23.
- The annual costs of travelling from countries participating in the SWP would gradually decrease by 25% from 2020-21 to 2024-25, reflecting a return to 'pre-COVID' travel costs.
- The countries participating in the SWP would not change over the period to 2032-33.
- SWP workers would remain in Australian for less than one year and would not remain in Australia over 2 financial years. This is consistent with the observed harvest patterns of SWP participating growers.

Methodology

Upfront travel costs incurred by the Australian Government

The total amount of upfront travel costs that would be incurred by the Australian Government was estimated by multiplying the number of estimated SWP workers by the estimated remaining average travel costs after subtracting the first $300 covered by their employers.

- The annual estimated seasonal worker population from each of the SWP participating countries was based on the historical number of SWP migrants and the expected increase in the general Australian labour force over the period to 2032-33.
- The annual average costs of travelling from each of the SWP participating countries to Australia in 2020-21 were based on historical information provided by the Department of Education, Skills and Employment. These estimates were then assumed to gradually decline by 25% over the period to 2024-25, reflecting the fact that travel costs during 2020-21 were inflated because of the COVID-19 pandemic.

Recoupment of travel costs through the tax system

The increase in tax revenue collected from either imposing a flat dollar tax on SWP worker's DASP or increasing the withholding tax rate was calculated as equivalent to the aggregate upfront travel costs incurred by the Australian Government as calculated above. Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Education, Skills and Employment provided population and travel data on the SWP for the 2018-19 and 2019-20 financial years.

The Australian Taxation Office provided income and superannuation data of seasonal workers for the 2018-19 and 2019-20 financial years.

The Treasury provided economic parameters and labour force forecasts as at the 2022-23 Budget.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Reforming the Seasonal Worker Program – financial implications

Table A1: Reforming the Seasonal Worker Program – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Revenue													
DASP and withholding tax	*11.7*	*20.5*	*19.1*	*19.3*	*19.5*	*19.7*	*19.9*	*20.2*	*20.5*	*20.8*	*21.0*	***70.6***	***212.2***
Total – revenue	**11.7**	**20.5**	**19.1**	**19.3**	**19.5**	**19.7**	**19.9**	**20.2**	**20.5**	**20.8**	**21.0**	**70.6**	**212.2**
Expenses													
Administered													
Upfront travel costs incurred by the Commonwealth Government	*-11.7*	*-20.5*	*-19.1*	*-19.3*	*-19.5*	*-19.7*	*-19.9*	*-20.2*	*-20.5*	*-20.8*	*-21.0*	***-70.6***	***-212.2***
Total – expenses	**-11.7**	**-20.5**	**-19.1**	**-19.3**	**-19.5**	**-19.7**	**-19.9**	**-20.2**	**-20.5**	**-20.8**	**-21.0**	**-70.6**	**-212.2**
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Reforming the Seasonal Worker Program – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Cutting the PBS General Co-payment to $30	
Party:	Australian Labor Party
Summary of proposal: The proposal would reduce the Pharmaceutical Benefits Schedule (PBS) general patient co-payment to $30 on 1 January 2023. Following that the co-payment would continue to be indexed by the consumer price index on 1 January each year.	

Costing overview

The proposal would be expected to decrease the fiscal balance by around $704 million and the underlying cash balance by around $698 million over the 2022-23 Budget forward estimates period. In fiscal balance terms, this is predominantly driven by an increase in administered expenses of around $795 million and partly offset by revenue of around $91 million.

The proposal is expected to generate additional revenue, as some scripts which presently are paid for entirely by patients would become partially government subsidised and therefore would receive manufacturer rebates from drug sponsors under Special Pricing Agreements.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications are somewhat uncertain and sensitive to the assumptions around future PBS prescriptions growth (mostly driven by demographic factors), the potential interaction of the proposal with the PBS Safety Net and the behavioural response of patients.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-104.7	-194.1	-198.5	-206.7	**-704.0**
Underlying cash balance	-101.7	-191.1	-198.5	-206.7	**-698.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The volume and listed price for medicines would remain consistent with historical trends for those:
  - above the existing general PBS co-payment
  - between the current and proposed general PBS co-payment.

- Departmental expenses would not be significant and have not been included in the costing.

Methodology

The financial implications were estimated using the Department of Health's PBS modelling tool 'PhRANCIS' over the period from 2022-23 to 2025-26.

- The model uses historical PBS data to forecast future PBS prescription volumes and expenditure.
- A scenario of the model was run with the PBS co-payment set at $30 from 1 January 2023 and grown by the consumer price index on 1 January each year.
- The output from this scenario was compared to the current baseline scenario to determine the financial impact across the forward estimates.

The impact across the medium term was determined based on the trend across the forward estimates.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Health provided the 'PhHRANCIS' model output, as well as updated general PBS prescription volumes and projections as at the *Budget 2022-23*.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Cutting the PBS General Co-payment to $30 – financial implications

Table A1: Cutting the PBS General Co-payment to $30 – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Revenue													
Non-tax revenue	*11.3*	*23.9*	*26.5*	*29.3*	*32.1*	*35.3*	*38.8*	*42.6*	*46.7*	*51.3*	*56.3*	***91.0***	***394.1***
Total – revenue	**11.3**	**23.9**	**26.5**	**29.3**	**32.1**	**35.3**	**38.8**	**42.6**	**46.7**	**51.3**	**56.3**	**91.0**	**394.1**
Expenses													
Administered expenses	*-116.0*	*-218.0*	*-225.0*	*-236.0*	*-246.0*	*-256.0*	*-267.0*	*-278.0*	*-290.0*	*-302.0*	*-315.0*	***-795.0***	***-2,749.0***
Departmental expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – expenses	**-116.0**	**-218.0**	**-225.0**	**-236.0**	**-246.0**	**-256.0**	**-267.0**	**-278.0**	**-290.0**	**-302.0**	**-315.0**	**-795.0**	**-2,749.0**
Total (excluding PDI)	**-104.7**	**-194.1**	**-198.5**	**-206.7**	**-213.9**	**-220.7**	**-228.2**	**-235.4**	**-243.3**	**-250.7**	**-258.7**	**-704.0**	**-2,354.9**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

\- Indicates nil.

Table A2: Cutting the PBS General Co-payment to $30 – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Non-tax receipts	*11.3*	*23.9*	*26.5*	*29.3*	*32.1*	*35.3*	*38.8*	*42.6*	*46.7*	*51.3*	*56.3*	***91.0***	***394.1***
Total – receipts	**11.3**	**23.9**	**26.5**	**29.3**	**32.1**	**35.3**	**38.8**	**42.6**	**46.7**	**51.3**	**56.3**	**91.0**	**394.1**
Payments													
Administered payments	*-113.0*	*-215.0*	*-225.0*	*-236.0*	*-245.0*	*-256.0*	*-266.0*	*-278.0*	*-289.0*	*-302.0*	*-315.0*	***-789.0***	***-2,740.0***
Departmental payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – payments	**-113.0**	**-215.0**	**-225.0**	**-236.0**	**-245.0**	**-256.0**	**-266.0**	**-278.0**	**-289.0**	**-302.0**	**-315.0**	**-789.0**	**-2,740.0**
Total (excluding PDI)	**-101.7**	**-191.1**	**-198.5**	**-206.7**	**-212.9**	**-220.7**	**-227.2**	**-235.4**	**-242.3**	**-250.7**	**-258.7**	**-698.0**	**-2,345.9**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A3: Cutting the PBS General Co-payment to $30 – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*-1.1*	*-4.5*	*-9.0*	*-13.8*	*-19.1*	*-25.2*	*-32.1*	*-39.9*	*-48.7*	*-58.6*	*-70.5*	***-28.4***	***-322.5***
Underlying cash balance	*-1.0*	*-4.1*	*-8.5*	*-13.2*	*-18.5*	*-24.4*	*-31.2*	*-38.9*	*-47.6*	*-57.4*	*-69.1*	***-26.8***	***-313.9***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Expanding Newborn Screening	
Party:	Australian Labor Party
Summary of proposal: The proposal would expand the number of conditions screened for in the bloodspot screening of all newborn babies (existing screening ranges between 25 to 28 conditions depending on the state and territory). Newborn Bloodspot Screening programs would continue to be funded under the National Health Reform Agreement (NHRA) whereby the Australian Government contributes 45% of the growth in costs of all public hospital services. The proposal would also provide funding to support upgrades to screening facilities. Screening would be expanded to 80 conditions in total, with a start date of 1 July 2022.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $37 million over the 2022-23 Budget forward estimates period. This is primarily driven by an increase in administered expenses. The first-year impact of the proposal includes the cost of upgrading testing facilities for this proposal, which is offset by fewer tests in the first years as facilities are upgraded.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The estimates are highly sensitive to the estimated cost of adding additional groups of conditions to the screening program, both in terms of the conditions tested for, and the cost of those additional tests.

- The PBO has made use of publicly available[1] information on the estimated costs of increasing the number of conditions screened to 50 or 80.
- A significant increase in the number of conditions screened for in the routine newborn screening procedure may result in some efficiencies of scale – these have not been taken into account as they cannot be reliably determined.

The estimates do not take into consideration flow-on impacts on morbidity, mortality and broader health expenditure as a result of the expanded screening program.

[1] See - Better Access Australia

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-8.6	-9.3	-9.5	-9.8	**-37.2**
Underlying cash balance	-8.6	-9.3	-9.5	-9.8	**-37.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

\- Indicates nil.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

Support to upgrade screening facilities

Upgrades to screening infrastructure required to support the increased number of conditions being screened would be $750,000 on average for each of the five testing centres that the PBO understands are currently used for screening.

Increased conditions tested

- The baseline number of newborns tested in the first year of the proposal would be around 350,000 with growth in tests per year informed by population estimates produced by the Australian Bureau of Statistics.
  - The number of tests covering additional conditions would be half of this baseline level in the first year only, allowing for time to upgrade facilities.
- While the estimated cost per group of additional conditions covered varies, when averaged across the suite of additional conditions covered by this proposal the result is an average cost per additional condition of $0.92, with this figure growing annually in line with standard arrangements for the indexation of Medical Benefits Schedule items.
- A small amount of additional departmental resourcing would be required to negotiate changes with providers and state and territory governments.

Methodology

Estimated costs for infrastructure upgrades were calculated as $750,000 multiplied by each of the five testing centres that would require an upgrade.

Estimated costs for the increased number of conditions covered by screening were calculated as the product of the estimated number of newborns screened, the increased number of conditions and the average cost per increased condition tested.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Data sources

Australian Bureau of Statistics (ABS), *Table B9. Population projections, by age and sex, Population Projections, Australia, 2017 (base) - 2066*, ABS, Australian Government, accessed 25 January 2022.

The PBO drew on advice and information from *Better Access Australia*.

The Department of Finance provided economic parameters as at the *Pre-election Economic and Fiscal Outlook 2022-23*.

Attachment A – Expanding Newborn Screening – financial implications

Table A1: Expanding newborn screening – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Upgrade testing facilities	*-3.8*	-	-	-	-	-	-	-	-	-	-	***-3.8***	***-3.8***
Increase in number of conditions covered by screening	*-4.5*	*-9.3*	*-9.5*	*-9.8*	*-10.1*	*-10.4*	*-10.6*	*-10.9*	*-11.2*	*-11.4*	*-11.6*	***-33.1***	***-109.3***
Total – administered	***-8.3***	***-9.3***	***-9.5***	***-9.8***	***-10.1***	***-10.4***	***-10.6***	***-10.9***	***-11.2***	***-11.4***	***-11.6***	***-36.9***	***-113.1***
Departmental													
Department of Health	*-0.3*	-	-	-	-	-	-	-	-	-	-	***-0.3***	***-0.3***
Total – expenses	**-8.6**	**-9.3**	**-9.5**	**-9.8**	**-10.1**	**-10.4**	**-10.6**	**-10.9**	**-11.2**	**-11.4**	**-11.6**	**-37.2**	**-113.4**
Total (excluding PDI)	**-8.6**	**-9.3**	**-9.5**	**-9.8**	**-10.1**	**-10.4**	**-10.6**	**-10.9**	**-11.2**	**-11.4**	**-11.6**	**-37.2**	**-113.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Expanding newborn screening – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.1*	*-0.3*	*-0.5*	*-0.8*	*-1.0*	*-1.3*	*-1.6*	*-2.0*	*-2.4*	*-2.9*	*-3.4*	***-1.7***	***-16.3***
Underlying cash balance	*-0.1*	*-0.3*	*-0.5*	*-0.7*	*-1.0*	*-1.3*	*-1.6*	*-1.9*	*-2.4*	*-2.8*	*-3.4*	***-1.6***	***-16.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Parliamentary Budget Office

Expansion of the Continuous Glucose Monitoring initiative for people with Type 1 Diabetes	
Party:	Australian Labor Party

Summary of proposal:

This proposal would expand the Continuous Glucose Monitoring (CGM) Initiative so that all individuals with type 1 diabetes (T1D) would be eligible for subsidised CGM. Individuals in this expanded cohort would be required to make a co-payment to access this scheme.

Individuals who are eligible for subsidised CGM devices in the absence of this proposal are:

- individuals with T1D under 21 years of age
- individuals with T1D who are 21 years or older and have concessional status
- women with T1D who are planning for pregnancy, pregnant or are immediately post-pregnancy
- children and young people with conditions very similar to T1D who require insulin.

The expansion of the CGM initiative would have no impact on individuals who are currently receiving subsidised CGM devices.

This proposal would also expand the eligibility for the Insulin Pump Program (IPP) from 18 to up to 21 years of age.

This policy would commence from 1 July 2022 and is consistent with the Coalition's proposal *Expansion of the Continuous Glucose Monitoring Initiative* (ECR003).

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around $273 million over the 2022-23 Budget forward estimates period. This reflects an increase of $273 million in administered expenses and $54 million in administered non-tax revenue.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-57.8	-64.7	-71.8	-78.9	**-273.2**
Underlying cash balance	-57.8	-64.7	-71.8	-78.9	**-273.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The number of participants eligible for the expanded program is derived from the current number of National Diabetes Services Scheme registrants who are not currently eligible for CGM.
  - The new cohort of CGM participants will grow by 1% which Diabetes Australia have advised is the growth rate for the number of people with T1D.
- Newly eligible participants for the CGM Initiative will take up CGM devices in the same proportions as current scheme participants.
- Under the CGM Initiative, participants would contribute an annual $390 co-payment.

Methodology

The financial implications of expanding the CGM Initiative reflects:

- an increase in administered expenses to provide CGM devices to newly eligible participants
- an increase in administered non-tax revenue as each newly eligible participant would contribute an annual co-payment of $390 under the CGM initiative. This is based on the $15 per fortnight that is currently payable for blood glucose test strips
- a small reduction in administered non-tax revenue to the National Diabetes Support Scheme, as a result of a reduction in co-payments for blood glucose test strips.

The financial implications for expanding eligibility for the IPP was calculated by multiplying the increase in pumps provided under this policy (35 pumps in each year) by:

- the cost of each insulin pump ($6,400)
- the cost of insulin consumables ($2,254)
- the reduction in costs due to decreased usage of needles and syringes ($150).

The proposal also includes $170,000 to be provided to Diabetes Australia to support implementation.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided the information required to prepare this costing.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Expansion of the Continuous Glucose Monitoring initative for people with Type 1 diabetes – financial implications

Table A1: Expansion of the Continuous Glucose Monitoring initiative for people with Type 1 Diabetes – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Revenue													
Non-tax revenue	*11.5*	*12.9*	*14.3*	*15.7*	*17.2*	*18.6*	*20.1*	*21.5*	*22.8*	*23.3*	*23.4*	***54.4***	***201.3***
Total – revenue	**11.5**	**12.9**	**14.3**	**15.7**	**17.2**	**18.6**	**20.1**	**21.5**	**22.8**	**23.3**	**23.4**	**54.4**	**201.3**
Expenses													
Administered expenses	*-69.3*	*-77.6*	*-86.1*	*-94.6*	*-103.2*	*-111.9*	*-120.6*	*-129.3*	*-136.8*	*-140.2*	*-140.7*	***-327.6***	***-1,210.3***
Total – expenses	**-69.3**	**-77.6**	**-86.1**	**-94.6**	**-103.2**	**-111.9**	**-120.6**	**-129.3**	**-136.8**	**-140.2**	**-140.7**	**-327.6**	**-1,210.3**
Total (excluding PDI)	**-57.8**	**-64.7**	**-71.8**	**-78.9**	**-86.0**	**-93.3**	**-100.5**	**-107.8**	**-114.0**	**-116.9**	**-117.3**	**-273.2**	**-1,009.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Expansion of the Continuous Glucose Monitoring initiative for people with Type 1 Diabetes – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.7*	*-2.1*	*-3.7*	*-5.4*	*-7.5*	*-10.0*	*-13.0*	*-16.5*	*-20.5*	*-25.1*	*-30.5*	***-11.9***	***-135.0***
Underlying cash balance	*-0.6*	*-1.9*	*-3.5*	*-5.2*	*-7.3*	*-9.7*	*-12.6*	*-16.1*	*-20.0*	*-24.5*	*-29.9*	***-11.2***	***-131.3***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Fixing the Aged Care Crisis	
Party:	Australian Labor Party

Summary of proposal:

The proposal would:

- implement the following components relating to recommendations from the *Royal Commission into Aged Care Quality and Safety* (the Royal Commission), with the specified start dates
- help deliver better aged care services for seniors from Culturally and Linguistically Diverse (CALD) backgrounds.

Component 1 – Increase aged care carer hours

- From 1 October 2022, the minimum staff time standard should require approved providers to engage registered nurses, enrolled nurses and personal care workers for at least 200 minutes per resident per day for the average resident, with at least 40 minutes of that staff time provided by a registered nurse.
- From 1 October 2024, the minimum staff time standard should increase to require approved providers to engage registered nurses, enrolled nurses and personal care workers for the average resident for at least 215 minutes per resident per day for the average resident, with at least 44 minutes of that staff time provided by a registered nurse.

Component 2 - Increase working hours of a registered nurse onsite

- From 1 July 2023, provide funding to have at least one registered nurse onsite per residential aged care facility at all times. A registered nurse that is onsite 24/7 may contribute to carer hours as needed, but is a separate requirement to providing the minimum carer hours for residents.

For the 2 components above:

- The minimum staff time standard would be linked to the casemix-adjusted activity-based funding model for residential aged care facilities. This means that approved providers with a higher than average proportion of high-needs residents would be required to engage additional staff, and vice versa.
- Approved providers of residential aged care facilities would need to meet a minimum staff time quality and safety standard. This requirement should take the form of a quality and safety standard for residential aged care. The minimum staff time standard should allow approved providers to select the appropriate skills mix for delivering high quality care in accordance with their model of care.
- Approved providers would be able to apply to the System Governor for an exemption from the quality and safety standard relating to staff skills mix, but not the standard relating to numbers of staff. Any exemption should be granted for a limited time, and details of the exemption should be published on My Aged Care.

- The Australian Government would mandate and absorb 100% of the cost of residential aged care mandatory staffing requirements.

Component 3 – General duty to provide quality and safe care

From 1 January 2023, implement Recommendations 14, 101 and 102 from the Royal Commission, which relate to establishing a general duty of care and associated penalty and compensation regimes. This component would be implemented as part of the new *Aged Care Act* and is due to become active from July 2023.

- In addition to the civil penalties included in Recommendation 101, an additional regime of criminal penalties would be included for the most serious breaches to the general duty.

Component 4 – Home care fee reporting

From 1 October 2022, implement Recommendation 124 from the Royal Commission which would mandate standardised reporting statements on services delivered and costs in home care.

Component 5 – Home care fee caps

From 1 January 2023, introduce caps to the administration fees charged by home care providers to home care package holders.

- The exact figure for these caps and implementation timeline would be determined by the Government after the 2022 Federal Election.

Component 6 – Reporting on care minutes

From 1 January 2023, implement Recommendation 122 from the Royal Commission relating to the reporting of minimum staffing hours. In addition, aged care providers would be required to report against clear categories of what constitutes 'care time', as referred to in Recommendation 86.

Component 7 – Provider reporting on expenditure

From 1 January 2023, require all aged care providers to provide a breakdown of their expenditure into broad top-level categories as part of the Aged Care Financial Report. The Department of Health would publish this breakdown on the My Aged Care website.

- No additional resources would be provided to aged care providers or the Department of Health to manage this process.

Component 8 – Ensure the Quality Regulator is fulfilling its role

- Implement a capability review of the Aged Care Quality and Safety Commission (ACQSC) under Recommendation 104, excluding Section 2, with an earlier start date of 1 July 2022.
- Implement Recommendation 105 from 1 December 2022.

These recommendations relate to conducting a capability review of the ACQSC and increased transparency regarding its performance.

Component 9 – Fast track an improved complaints process

From 1 July 2022, implement Recommendation 98 which relates to setting up an improved complaints process and complaints commissioner.

- The Complaints Commissioner will be appointed under interim arrangements by the end of 2022 and in due course established formally under the new *Aged Care Act,* expected to come into effect in July 2023.

- In addition, the new *Aged Care Act* will include civil penalties for providers and workers that have taken retaliatory actions against aged care users who have made formal complaints.

Component 10 – National Registration Scheme

From 1 July 2023, implement *Recommendation 77 – National Registration Scheme* from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) which seeks to establish a national registration scheme for the personal care workforce, with the following alterations:

- Exclude *Section 1a*, which would stipulate a mandatory minimum qualification of a Certificate III.
- Exclude Section 3, which would propose the Australian Health Practitioner Regulation Agency (AHPRA) examine professional regulation of personal care workers under National Registration and Accreditation Scheme (NRAS) requirements.

The response to *Recommendation 77* would be implemented by 1 July 2023, instead of 1 July 2022.

Component 11 – A pay rise for aged care workers

Provide funding for pay rises for aged care workers. The level of pay rise is subject to the decision by the Fair Work Commission.

Component 12 – Develop and implement mandatory nutrition standards

Provide $2.7 million in 2022-23 and $2.6 million in 2023-24 to develop and implement mandatory nutrition standards for aged care homes.

Component 13 – Funding for CALD aged care centres

Provide $20.8 million over 2 years from 2022-23 to help deliver better aged care services for seniors from CALD backgrounds.

Costing overview

The quantifiable components of the proposal would be expected to decrease the fiscal and underlying cash balances by around $2,550 million over the 2022-23 Budget forward estimates period.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

For Components 1 and 2, the financial implications are sensitive to changes in wage levels and the projected number of aged care workers that would be required in response to this proposal. These become more uncertain over the medium term. The Parliamentary Budget Office (PBO) has not assessed:

- whether the supply of aged care workers including registered nurses is sufficient to work the specified minutes.
  - The aged care workers including registered nurses could be sourced through skilled migration, new trainees of registered training organisations and transfers from the health and disability sectors. Due to the complex nature of the labour market and interactions with this proposal, the PBO cannot assess the supply constraints which are highly uncertain.[1]
- any broader implications for the health, hospital and aged care systems under the proposal, including the specified wage increases and the competition for labour within the health sector.

[1] https://grattan.edu.au/wp-content/uploads/2021/04/The-next-steps-for-aged-care-Grattan-report.pdf

The PBO has determined that the estimated impact of Components 3, 5, 9 and 11 of this proposal cannot be quantified due to a lack of available data and the level of uncertainty surrounding these components. The financial implications of Component 4, Component 6 and Component 7 of this proposal would have nil financial impact.

The PBO has not made any assessment as to whether the specified funding amount is sufficient to meet the objectives of the proposal for Components 12 and 13.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-12.3	-160.3	-1,001.5	-1,374.8	**-2,548.9**
Underlying cash balance	-12.3	-160.3	-1,001.5	-1,374.8	**-2,548.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

Component 1

- Wages in the aged care sector under the current arrangements would grow in line with average weekly earnings.
  - A similar scale of behavioural response was applied in costing the relevant aged care measures in the 2021-22 Budget.

Component 2

- Only small facilities, with an average 34 of residential care places per affected facility, would require additional funding under the proposal.
- A night loading of 30% would be applied to the hourly wage rate for registered nurses working onsite at affected aged care facilities.

Components 1 and 2

- There is no interaction between Components 1 and 2 as the hours provided at night by the onsite registered nurse would be unlikely to satisfy the requirements of the minimum minutes of quality care per resident requirement.

Component 10

- In the absence of the proposal, the 2021-22 Budget measure *Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce* would be fully implemented by 1 July 2022.
- Under the component, half of the funding currently allocated to this measure for 2022-23 would be returned to the Budget and the remainder would have been irrecoverably committed by the beginning of that year.

- Under the component, excluding *Recommendation 77, Section 1a* from the measure would not have a Budget impact as the implementation of mandatory minimum qualifications would not be associated with significant additional expenditure.
- Under the component, excluding *Recommendation 77, Section 3* from the measure would not have a Budget impact as implementation of this part of the recommendation was also excluded from the Budget measure.

Methodology

Component 1

The expense of increasing aged care carer minutes were estimated based on the aged care costing model of 2021-22 Budget measure — *Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care services and sustainability*.

The ongoing departmental expense of the proposal was calculated based on an existing program of similar size and complexity.

Component 2

The administered expense was estimated by multiplying the additional number of registered nurse hours required that would be required under the proposal by the hourly registered nurse wage rate, inclusive of night loading.

Component 3

The impact of any revenue from civil or criminal penalties for contraventions of general duty proposed in Component 3 cannot be quantified because of a lack of available data on expected penalty volumes and penalty value amounts.

Component 4

The impact of changes to home care fee reporting proposed in Component 4 are anticipated to be absorbed by existing resources within the Department of Health and would not be expected to have a financial impact to the Budget balance.

Component 5

The impact of implementing home care fee caps proposed in Component 5 cannot be quantified until an exact figure is determined for the cap.

Component 6

Mandatory reporting requirements proposed under Component 6 would not be expected to require additional departmental resources as funding for reporting on minutes of care (albeit under a different definition) has already been allocated.

Component 7

The PBO has not assessed if Component 7 would require additional resources, as the proposal specified no additional funding would be provided. The administrative complexity is likely to be similar to Component 6.

Component 8

Component 8 was calculated by shifting the departmental expenditure provided by Department of Health in response to Recommendation 104, to the earlier start date under this proposal. The earlier implementation start date for Recommendation 105 under this proposal would not have a financial impact.

Component 9

Departmental expenditure for the interim appointment of an Aged Care Complaints Commissioner was estimated based on a similar departmental program and indexed to the relevant Wage Cost Index (WCI). The impact of any revenue from civil penalties for aged care providers and workers proposed in this component cannot be quantified because of a lack of available data on expected penalty volumes and penalty unit amounts.

Component 10

The Department of Health provided modelling associated with the 2021-22 Budget measure through to 2029-30, these projections were extrapolated through to 2032-33.

The timing of projected administered and departmental expenses of the National Care and Support Worker Regulation program were shifted forward to commence 1 July 2023. The impact of the proposal was calculated as the difference between the current profile of expenditure and the shifted profile.

Component 11

The impact of implementing a pay rise for aged care workers proposed in Component 11 cannot be quantified as it is contingent on the decision of the Fair Work Commission, and the size, nature and timing of the decision are not clear.

Component 12

The departmental expense for Component 12 is as specified in the proposal.

Component 13

The administered expense for Component 13 is as specified in the proposal.

The departmental expense was based on the cost of administering similar programs and are in addition to the funding amount.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Data sources

The Department of Finance and the Treasury provided the economic parameters as at the *Budget 2022-23*.

The Department of Health provided aged care funding models as at the *Budget 2022-23.*

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[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

The Department of Health provided estimates of departmental expenditure for the capability review of the Aged Care Quality and Safety Commission as at 12 April 2021.

The Department of Heath provided information on the 2021-22 Budget measure *Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce,* as at 3 March 2021.

Aged Care Complaints Commissioner (2018) *Annual Report 2017-18*, Australian Government, accessed 23 March 2022.

Australian Government (2017) *2017-18 Budget,* Australian Government.

Australian Institute of Health and Welfare (2021) *Size of residential aged care services over time*, Australian Government, accessed 12 June 2022.

Department of Health (2021) *2020 Aged Care Workforce Census Report*, Australian Government, accessed 10 November 2021.

Department of Health (2021) *Budget 2021-22: Residential Aged Care Services & Sustainability (Pillar 2 of the Royal Commission response) – Improving choice for senior Australians through a more innovative, resilient and competitive market*, Australian Government, accessed 1 February 2022.

Department of Health (2021) *The Royal Commission into Aged Care Quality and Safety, Recommendations and Government Response*, Australian Government, accessed 1 February 2022.

The StewartBrown (2021) *Aged Care Sector Report*, The StewartBrown, accessed 23 March 2022.

Attachment A – Fixing the Aged Care Crisis – financial implications

Table A1: Fixing the Aged Care Crisis – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
Component 3 - General duty to provide quality and safe care	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 9 - Fast track an improved compaints process	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – revenue	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
Administered													
Component 1 - Increase aged care carer hours	-	-	-840.0	-1,200.0	-1,290.0	-1,390.0	-1,490.0	-1,590.0	-1,710.0	-1,840.0	-1,960.0	**-2,040.0**	**-13,310.0**
Component 2 - Increase working hours of a registered nurse onsite	-	-140.0	-150.0	-160.0	-171.0	-183.0	-195.0	-209.0	-223.0	-238.0	-254.0	**-450.0**	**-1,923.0**
Component 5 - Home care fee caps	-	-	*	*	*	*	*	*	*	*	*	*	*
Component 10 - National Registration Scheme	0.1	-1.4	-	-	-	-	-	-	-	-	-	**-1.3**	**-1.3**
Component 11 - A pay rise for aged care workers	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 13 - Funding for CALD aged care centres	-10.4	-10.4	-	-	-	-	-	-	-	-	-	**-20.8**	**-20.8**
Total – administered	***-10.3***	***-151.8***	***-990.0***	***-1,360.0***	***-1,461.0***	***-1,573.0***	***-1,685.0***	***-1,799.0***	***-1,933.0***	***-2,078.0***	***-2,214.0***	***-2,512.1***	***-15,255.1***
Departmental													
Component 1 - Increase aged care carer hours	-	-	-9.6	-13.7	-14.7	-15.8	-16.9	-18.1	-19.5	-20.9	-22.3	**-23.3**	**-151.5**
Component 2 - increase working hours of a registered nurse onsite	-	-1.6	-1.7	-1.8	-1.9	-2.1	-2.2	-2.4	-2.5	-2.7	-2.9	**-5.1**	**-21.8**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Component 4 - Home care fee reporting	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 6 - Reporting on care minutes	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 7 - Provider reporting on expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 8 - Ensure the Quality Regulator is fulfilling its role (Department of Health)	*1.0*	*-1.0*	-	-	-	-	-	-	-	-	-	-	-
Component 8 - Ensure the Quality Regulator is fulfilling its role (Aged Care Quality and Safety Commission)	*0.3*	*-0.3*	-	-	-	-	-	-	-	-	-	-	-
Component 9 - Fast track an improved complaints process (Interim Aged Care Complaints Commissioner)	*-9.9*	-	-	-	-	-	-	-	-	-	-	***-9.9***	***-9.9***
Component 10 - National Registration Scheme	*10.1*	*-2.5*	*-0.2*	*0.7*	*-1.3*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	***8.1***	***7.4***
Component 12 - Develop and implement mandatory nutrition standards	*-2.7*	*-2.6*	-	-	-	-	-	-	-	-	-	***-5.3***	***-5.3***
Component 13 - Funding for CALD aged care centres	*-0.8*	*-0.5*	-	-	-	-	-	-	-	-	-	***-1.3***	***-1.3***
Total – departmental	***-2.0***	***-8.5***	***-11.5***	***-14.8***	***-17.9***	***-17.8***	***-19.0***	***-20.4***	***-21.9***	***-23.5***	***-25.1***	***-36.8***	***-182.4***
Total – expenses	**-12.3**	**-160.3**	**-1,001.5**	**-1,374.8**	**-1,478.9**	**-1,590.8**	**-1,704.0**	**-1,819.4**	**-1,954.9**	**-2,101.5**	**-2,239.1**	**-2,548.9**	**-15,437.5**
Total (excluding PDI)	**-12.3**	**-160.3**	**-1,001.5**	**-1,374.8**	**-1,478.9**	**-1,590.8**	**-1,704.0**	**-1,819.4**	**-1,954.9**	**-2,101.5**	**-2,239.1**	**-2,548.9**	**-15,437.5**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

* Unquantifiable – not included in totals.

\- Indicates nil.

Table A2: Fixing the Aged Care Crisis – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	..	*-2.0*	*-15.0*	*-43.0*	*-78.0*	*-119.0*	*-168.0*	*-225.0*	*-292.0*	*-370.0*	*-461.0*	***-60.0***	***-1,773.0***
Underlying cash balance	..	*-2.0*	*-14.0*	*-39.0*	*-73.0*	*-114.0*	*-162.0*	*-218.0*	*-284.0*	*-361.0*	*-450.0*	***-55.0***	***-1,717.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

More access to MRIs	
Party:	Australian Labor Party
Summary of proposal: The proposal would grant full Medicare eligibility to 3 Magnetic Resonance Imaging (MRI) units in public hospitals from 1 July 2022.	

Costing overview

The options in this proposal would be expected to decrease the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Departmental expenses reflect the cost of delivering the proposal and processing the additional number of MRI services, which increases as the number of eligible MRI units increase.

The proposal has slightly different impacts on the fiscal and underlying cash balances which reflect differences between when appointments are held and subsidies are paid.

The financial implications of this proposal are sensitive to the level and composition of services provided by the newly eligible machines and the Medicare rebates paid for MRI items. Historical data indicate that the average level of MBS rebates per MRI unit is higher for units in metropolitan areas than rural areas, and higher for units in private hospitals than public hospitals.

The financial implications in 2022-23 are sensitive to the assumption that newly eligible machines can be identified reasonably quickly and therefore rebates would be paid from the commencement of the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-3.6	-3.5	-3.4	-3.4	**-13.9**
Underlying cash balance	-3.5	-3.5	-3.5	-3.4	**-13.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Newly eligible units would become eligible in time to pay rebates on or shortly after the proposal's start date.
  - The Department of Health recently ran an invitation-to-apply process and received a large number of applications, including from operators of existing MRI units, so additional units from these or a subsequent process could be selected reasonably quickly.
- The average Medicare benefits payable per newly eligible MRI unit would be similar to the average benefits payable per currently eligible unit of the same type and projected to increase in line with historical trends.
- The shares of total administered expenses between the Department of Health and the Department of Veterans' Affairs would be constant over the period to 2032-33, and equal to their shares from the 2019-20 Budget measure *Guaranteeing Medicare – improved access to diagnostic imaging*.

Methodology

Total administered expenses under the proposal are the sum of administered expenses by single unit type.

Expenses by unit type were calculated by multiplying the numbers of units by the average annual Medicare benefits payable per current eligible unit of that type. Costs were not indexed as Medicare MRI items are not currently indexed.

- The average Medicare benefits payable per newly eligible MRI unit was estimated based on historical trend on the number of services per single unit and cost per service of the same type.

Departmental expenses for Services Australia to administer the additional MBS services have been calculated based on the 2019-20 Budget measure. Consistent with the 2019-20 Budget measure, departmental expenses for the Department of Health to administer the proposal are not expected to be significant and have not been included.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Health provided information on historical average Medicare benefits payable by the different types of MRI units and provided the costing models for the 2018-19 Mid-Year Economic and Fiscal Outlook measure *Guaranteeing Medicare – expansion of Medicare eligibility for magnetic resonance imaging* and the 2019-20 Budget measure *Guaranteeing Medicare – improved access to diagnostic imaging*.

The Department of Health, 2019. *Expansion of Medicare-eligible magnetic resonance imaging (MRI) MRI – ITA – 2018* [Online] Available at: http://www.health.gov.au/internet/main/publishing.nsf/Content/diagnosticimaging-expansion-of-medicare-eligible-magnetic-resonance-imaging [Accessed: 13.04.2022].

Commonwealth of Australia, 2022. *Budget 2022-23*, Australian Government.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – More access to MRIs – financial implications

Table A1: More access to MRIs – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered cost	*-3.6*	*-3.5*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.3*	*-3.3*	*-3.3*	*-3.3*	***-13.9***	***-37.3***
Departmental cost	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	***-0.04***	***-0.1***
Total (excluding PDI)	**-3.6**	**-3.5**	**-3.4**	**-3.4**	**-3.4**	**-3.4**	**-3.4**	**-3.3**	**-3.3**	**-3.3**	**-3.3**	**-13.9**	**-37.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

\- Indicates nil.

Table A2: More access to MRIs – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Payments													
Administered cost	*-3.5*	*-3.5*	*-3.5*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.3*	*-3.3*	*-3.3*	*-3.3*	***-13.9***	***-37.3***
Departmental cost	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	***-0.04***	***-0.1***
Total (excluding PDI)	**-3.5**	**-3.5**	**-3.5**	**-3.4**	**-3.4**	**-3.4**	**-3.4**	**-3.3**	**-3.3**	**-3.3**	**-3.3**	**-13.9**	**-37.4**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A3: More access to MRIs – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	..	*-0.1*	*-0.2*	*-0.3*	*-0.4*	*-0.5*	*-0.6*	*-0.7*	*-0.8*	*-1.0*	*-1.1*	***-0.6***	***-5.7***
Underlying cash balance	..	*-0.1*	*-0.2*	*-0.3*	*-0.4*	*-0.5*	*-0.6*	*-0.7*	*-0.8*	*-0.9*	*-1.1*	***-0.6***	***-5.6***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Restoring Regional Mental Telehealth Services	
Party:	Australian Labor Party
Summary of proposal: The proposal would reintroduce the recently removed item 288 in Medicare Benefit Schedule (MBS) Group A8 – Consultant Psychiatrist Attendances To Which No Other Item Applies. The detailed description of MBS item 288 is listed in the MBS book published in November 2021[1]. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period by around $32 million, which is predominantly driven by an increase in administered expenses. The underlying cash balance impact differs slightly from the fiscal balance due to claims processing lags, which would see a small proportion of claims processed in the following year after the service is provided and the expense is recorded.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-32 is provided at Attachment A.

The financial impact is mainly driven by the increase in demand for MBS services arising from the improved convenience and accessibility of telehealth services. It also accounts for the implicit offsets from reduced volumes for related services once item 288 is restored to the MBS. Further impacts reflecting potential behavioural responses from patients switching from other services to item 288 are highly uncertain and as such have not been included in this costing. The estimated financial implications of this proposal are sensitive to the assumptions on the supply and demand of MBS telehealth services and any substitution effects on MBS services.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-7.2	-7.5	-8.3	-9.1	**-32.1**
Underlying cash balance	-6.9	-7.5	-8.3	-9.1	**-31.8**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

[1]http://www.mbsonline.gov.au/internet/mbsonline/publishing.nsf/Content/5CED1C3BD911E21BCA25875700113FF4/$File/MBS-Book-2021111.pdf

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Demand for the reintroduced telehealth MBS service would increase due to improved convenience and accessibility under the proposal. Some patients would also substitute away from face-to-face services.
- Patients who would claim the restored item 288 would otherwise have claimed a range of other MBS items consistent with historical patterns.
- The following aspects of the proposal would be consistent with the assumptions underpinning the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) measure — *Guaranteeing Medicare:*
  - the projection of MBS telehealth services over the 2022-23 Budget forward estimates period
  - the transition of service volumes across the relevant MBS items resulting from behavourial responses
  - the MBS liability factor, which drives the wedge between the fiscal and underlying cash balances
  - the ratio of departmental to administered expenses.

Methodology

The financial implications to reintroduce the MBS telehealth item were calculated as the difference between the estimated aggregate MBS expenditure under the baseline and the proposal.

- The aggregate MBS expenditure was calculated by multiplying the projected MBS service volume by the estimated MBS cost per service.

The estimated departmental costs were based on the Budget measure.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Data sources

The Department of Health provided information on the 2021-22 MYEFO measure — *Guaranteeing Medicare*.

The Department of Finance and the Treasury provided the economic parameters and population projections as at the *2022-23 Budget*.

The Department of Health provided MBS service volume projections as at *2022-23 Budget*.

Department of Health, *COVID-19 Temporary MBS Telehealth Services*, MBS Online, 2021, accessed 6 April 2022.

Department of Health, *MBS Support for People in COVID-19 Hotspots*, MBS Online, 2021, accessed 6 April 2022.

Department of Health, *COVID-19 Vaccine Roll-out*, Australian Government, 22 November 2021, accessed 6 April 2022.

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Australian Institute of Health and Welfare (AIHW), *Primary health care*, AIHW website, 23 July 2020, accessed 6 April 2022.

ANZ-Melbourne Institute, 'The impact of COVID-19 on GPS and non-GP specialists in private practice', Health Sector Report, ANZ-Melbourne Institute, 2020, accessed 6 April 2022.

Attachment A – Restoring Regional Mental Telehealth Services – financial implications

Table A1: Restoring Regional Mental Telehealth Services – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered	*-7.1*	*-7.4*	*-8.2*	*-9.0*	*-9.9*	*-10.8*	*-11.8*	*-12.8*	*-14.0*	*-15.3*	*-16.7*	***-31.7***	***-123.0***
Departmental	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.2*	*-0.2*	***-0.4***	***-1.3***
Total – expenses	**-7.2**	**-7.5**	**-8.3**	**-9.1**	**-10.0**	**-10.9**	**-11.9**	**-12.9**	**-14.1**	**-15.5**	**-16.9**	**-32.1**	**-124.3**
Total (excluding PDI)	**-7.2**	**-7.5**	**-8.3**	**-9.1**	**-10.0**	**-10.9**	**-11.9**	**-12.9**	**-14.1**	**-15.5**	**-16.9**	**-32.1**	**-124.3**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Restoring Regional Mental Telehealth Services – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Payments													
Administered	*-6.8*	*-7.4*	*-8.2*	*-9.0*	*-9.8*	*-10.7*	*-11.7*	*-12.8*	*-14.0*	*-15.3*	*-16.7*	***-31.4***	***-122.4***
Departmental	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.2*	*-0.2*	***-0.4***	***-1.3***
Total – payments	**-6.9**	**-7.5**	**-8.3**	**-9.1**	**-9.9**	**-10.8**	**-11.8**	**-12.9**	**-14.1**	**-15.5**	**-16.9**	**-31.8**	**-123.7**
Total (excluding PDI)	**-6.9**	**-7.5**	**-8.3**	**-9.1**	**-9.9**	**-10.8**	**-11.8**	**-12.9**	**-14.1**	**-15.5**	**-16.9**	**-31.8**	**-123.7**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Restoring Regional Mental Telehealth Services – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.1*	*-0.2*	*-0.4*	*-0.6*	*-0.9*	*-1.2*	*-1.5*	*-1.9*	*-2.4*	*-3.0*	*-3.7*	***-1.3***	***-15.9***
Underlying cash balance	*-0.1*	*-0.2*	*-0.4*	*-0.6*	*-0.8*	*-1.1*	*-1.5*	*-1.9*	*-2.4*	*-2.9*	*-3.6*	***-1.3***	***-15.5***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Urgent Care Clinics	
Party:	Australian Labor Party

Summary of proposal:

The proposal would establish a trial of 50 urgent care clinics (clinics) with the objective of delivering services in a primary care or community health setting that would generally otherwise be performed in an emergency department.

Existing general practice or community health centres would be selected through a competitive tender process. Selected practices and health centres would receive capital and operating funding to support them in staying open for extended hours and to increase staffing numbers.

- Clinics would be located within the general vicinity of hospital emergency departments.
- Funding of $12.5 million would be available in 2023-24 for clinics to undertake capital upgrades.
- Funding of $37.5 million per year would be available in 2023-24, 2024-25 and 2025-26 for operational costs.
  - The amount of operational funding provided to individual clinics would be determined by factors such as size and expected level of activity.
- Clinics would be required to open every day of the year for a minimum of 14 hours (8am to 10pm).
- Patients attending these clinics would be entitled to receive Medicare benefits for the services provided to them.
  - A condition for being selected as an urgent care clinic is that all Medicare services provided by the clinic, that may otherwise have been provided in an emergency department, must be bulk billed.

Departmental funding of $10.6 million over 3 years would be provided to administer the program with $4.2 million for 2023-24 and $3.2 million per year for 2024-25 and 2025-26.

Clinics would be expected to commence operating from 1 July 2023 and funding for clinics would cease on 30 June 2026.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period by around $136 million. This reflects an increase in administered expenses of around $125 million and departmental expenses of around $11 million.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including public separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications are sensitive to both the implementation of the quantifiable components and the impact of the proposal on the unquantifiable component, see *Uncertainties*.

The Parliamentary Budget Office (PBO) notes that this proposal would be a trial and that at the conclusion of this trial there may be a deeper understanding of the impact the clinics would have on the overall health system such that more detailed funding arrangements and cost implications could be determined.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-54.2	-40.7	-40.7	**-135.6**
Underlying cash balance	-	-54.2	-40.7	-40.7	**-135.6**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Uncertainties

Quantifiable components – Grant and specified departmental costs

The quantified financial implications of this proposal reflect only the capital and operational funding amounts for clinics and the specified departmental funding. The quantified financial implications are relatively certain but are sensitive to the capacity of the Department of Health to undertake a competitive tender process that would allow all 50 clinics to commence operating in 2023-24.

The unquantifiable component – Impact on existing Australian Government health funding expenses

The PBO has reviewed international evidence and considered the potential behavioural responses, including of patients and hospitals, to this proposal. We have concluded the impacts on existing Australian Government health expenses to be unquantifiable. While we have drawn this conclusion from the available data, it appears clear from both the relative costs of emergency and primary care to the Australian Government, and international experience, that an arrangement which successfully diverts patients to primary care could reduce health costs to the Australian Government.

Three key determinants of the unquantified costs are:

- the number of patients serviced by clinics
- the relative costs of the treatment in the clinic, compared to treatments in the baseline
- any institutional responses from those treating patients in the baseline, such as public hospitals.

The different aspects of these key drivers are discussed below.

Number of patients serviced by clinics

The number of patients serviced by clinics depends on factors including the incentives for clinics to opt in, the chosen location of clinics and the available workforce.

The capped operational grant funding coupled with a requirement that clinics bulk bill would need to be sufficient for clinics to opt into the trial.

- On the reasonable assumption that the average fully functioning clinic could provide around 25,000 services per year, operational funding of $750,000 (the average annual amount that would be provided per clinic) equates to an extra $30 per service. The current level of bulk billing (where no out-of-pocket is charged) for general practitioner services is around 90%. The average out-of-pocket cost per general practitioner service, when not bulk billed, is currently around $40.

Evidence suggests that the location of the clinics relative to public hospital emergency departments is a driver of the success in diverting services from public hospital emergency departments to urgent care clinics. The extent of collaboration between stakeholders (clinic and hospital administrators, Australian and state government officials) may also play a factor.

The supply of health professionals to staff clinics may affect the number and size of clinics, and the volume of services they provide.

- Australia has a documented uneven distribution of general practitioners, particularly in rural and regional areas. This may affect the number and location of clinics that participate in the trial and the volume of services that are provided by these clinics.

Relative costs of treatment

In the baseline scenario, services performed in urgent care clinics are likely to be performed:

- in public or private hospital emergency departments
- in other GP clinics (which may or may not bulk bill)
- in state-funded services such as walk-in clinics or community health centres
- outside the health system – that is, patients may seek treatment under this policy where they would otherwise have been treated in the home, by other practitioners, or not at all.

It is intended that a majority of services provided by urgent care clinics would be diverted from public hospital emergency departments. In choosing to attend an urgent care clinic as opposed to a public hospital emergency department, patients are transferring the mechanism for funding those services from the *2020-25 National Health Reform Agreement* (which is jointly funded by the Australian Government and state and territory governments) to the Medicare system (which is solely funded by the Australian Government).

- The cost to the Australian Government of providing less complex, emergency department-like services in a primary care or community health setting is likely to be less than in an emergency department.
  - Advice from the Department of Health suggests that a reasonable estimate of the average Medicare billing cost for services provided in urgent care clinics could be around $65.
  - Analysis of the types of services likely to be diverted suggests that the cost to the Australian Government of these services being provided in hospitals is around $270.

However, the number of such diverted services as a share of all services provided by the clinics would also influence the net cost to the Australian Government.

In addition, the baseline treatment for other services would also have an influence on costs. Services that simply move from one general practice clinic to another are unlikely to add a material net cost. Services that would move from being provided in private hospital emergency departments are similarly unlikely to add a material net cost. Services that would come from providers that were otherwise wholly state government funded, and situations where someone would have been treated at home by other practitioners or untreated, are likely to be a pure additional cost to the Australian Government.

Institutional responses from public hospitals

Should the establishment of urgent care clinics lead to a material reduction in presentations to public hospital emergency departments the response by hospitals would play a role in the cost impact to the Australian Government.

- Should hospitals operate at a lower level of activity, noting the relative cost differences detailed above, this may result in a net reduction in Australian Government health expenditure.
- Should hospitals use those resources freed up to reduce wait times in emergency departments or increase service provision in other areas of health care that are jointly funded by Australian and state governments, this would be less likely to result in a net reduction in Australian Government health expenditure. In such a scenario, the Australian Government would meet the costs of urgent care clinics through the proposed grant funding and Medicare billing for services provided by the clinics while also continuing to pay for the same or similar level of hospital activity under the *2020-25 National Health Reform Agreement*.
  - Should the trial lead to a demonstrable reduction in resources needed to operate public hospital emergency departments the Australian Government may be able to amend public hospital funding arrangements to reflect the transfer of services between funding mechanisms.

Other issues

Allowing non-emergency departmental specialists to claim Medicare items that cover emergency department-like services when provided in a primary or community-care setting is likely to require legislative and/or regulatory changes.

Under funding arrangements as set out in the *2020-25 National Health Reform Agreement*, the Australian Government contribution to hospitals in any given financial year is the starting point for determining the contribution for the subsequent year. Given this arrangement, any impact on Australian Government hospital funding during the trial period is likely to have ongoing impacts beyond the end of the trial period.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- In order for clinics to commence operating from 1 July 2023, a competitive tender process would be run in 2022-23.
- Noting no departmental costs were specified for 2022-23, departmental costs for conducting the tender process in that year would be met from within the existing resources of the Department of Health.
- There would be full uptake of the capital and operational grant funding in the year it is made available.

Methodology

Capital and operational grant funding that would be provided to clinics reflect policy specifications made by the Australian Labor Party.

Departmental costs are as specified by the Australian Labor Party.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Academy Health (2021) *Research Suggests Urgent Care Centers Reduce Health Care Costs by Providing Alternative to Emergency Department*, accessed 26 June 2022.

Allen L, Cummings J and Hockenberry J (2019) 'The impact of urgent care centers on nonemergent emergency department visits', Health Services Research, 56(1).

Australian Institute of Health and Welfare (2018) *Emergency department care 2017-18: Australian hospital statistics*, Australian Institute of Health and Welfare, Australian Government, accessed 26 June 2022.

Department of Health (2021) *Inquiry into the provision of general practitioner and related primary health services to outer metropolitan, rural, and regional Australians*, Department of Health, Australian Government, accessed 28 June 2022.

Department of Health (2022) *Department of Health | Statistics under Medicare*, Department of Health, Australian Government, accessed 28 June 2022.

Healthcare Dive (2019) *Study shows impact of urgent care centres on nonemergent ED usage*, accessed 26 June 2022.

Independent Hospital Pricing Authority, National Hospital Cost Data Collection (2020) *NHCDC Round 24 Appendix Financial Year 2019-20*, accessed 28 June 2022.

Independent Hospital Pricing Authority (2020) *What is the cost of Australia's emergency care patients? | Round 22 NHCDC infographics*, accessed 26 June 2022.

Israel Ministry of Health (2011) *Reducing ER Visits | Terem (archive.org)*, accessed 26 June 2022.

National Library of Medicine (2021) *The impact of urgent care centres on nonemergent emergency department visits*, accessed 26 June 2022.

Pacheco J, Cuadrado C and Martinez-Gutierrez M (2019) 'Urgent care centres reduce emergency department and primary care same-day visits: a natural experiment', *Oxford Academic – Health Policy and Planning*, 34(3):170-177.

Royal New Zealand College of Urgent Care (2021) *What is urgent care*, accessed 26 June 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Urgent Care Clinics – financial implications

Table A1: Urgent Care Clinics – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Grants for capital upgrades	-	-12.5	-	-	-	-	-	-	-	-	-	***-12.5***	***-12.5***
Grants for operational costs	-	-37.5	-37.5	-37.5	-	-	-	-	-	-	-	***-112.5***	***-112.5***
Impact on existing Australian Government health funding expenses [(b)]	-	*	*	*	*	*	*	*	*	*	*	*	*
Total – administered	-	***-50.0***	***-37.5***	***-37.5***	*	*	*	*	*	*	*	***-125.0***	***-125.0***
Departmental													
Departmental expenses	-	-4.2	-3.2	-3.2	-	-	-	-	-	-	-	***-10.6***	***-10.6***
Total – departmental	-	***-4.2***	***-3.2***	***-3.2***	-	-	-	-	-	-	-	***-10.6***	***-10.6***
Total (excluding PDI)	**-**	**-54.2**	**-40.7**	**-40.7**	*	*	*	*	*	*	*	**-135.6**	**-135.6**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) While the trial clinics run for 3 years, the unquantifiable impacts would continue. Under funding arrangements as set out in the *2020-25 National Health Reform Agreement*, the Australian Government contribution to hospitals in any given financial year is the starting point for determining the contribution for the subsequent year. Given this arrangement, any impact on Australian Government hospital funding during the trial period is likely to have ongoing impacts beyond the end of the trial period.

* Unquantifiable – not included in totals.

\- Indicates nil.

Table A2: Urgent Care Clinics – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-	*-0.6*	*-1.7*	*-2.7*	*-3.2*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	***-5.0***	***-29.5***
Underlying cash balance	-	*-0.5*	*-1.6*	*-2.6*	*-3.1*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	***-4.7***	***-29.1***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] [Online budget glossary – Parliament of Australia (aph.gov.au)]

Regionalisation Fund – abolish	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Regionalisation Fund from 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $400.0 million over the 2022-23 Budget forward estimates period. This is due to a decrease in administered expenses.

A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	50.0	100.0	120.0	130.0	**400.0**
Underlying cash balance	50.0	100.0	120.0	130.0	**400.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Methodology

Funding is reversed as per the policy proposal. The PBO confirmed with the Department of Infrastructure, Transport, Regional Development and Communications that there is sufficient uncommitted funding to meet the estimated savings from this proposal.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Infrastructure, Transport, Regional Development and Communications provided financial information as at 12 April 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Regionalisation Fund – abolish – financial implications

Table A1: Regionalisation Fund – abolish – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Regionalisation Fund	*50.0*	*100.0*	*120.0*	*130.0*	*100.0*	-	-	-	-	-	-	***400.0***	***500.0***
Total (excluding PDI)	**50.0**	**100.0**	**120.0**	**130.0**	**100.0**	**-**	**-**	**-**	**-**	**-**	**-**	**400.0**	**500.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Regionalisation Fund – abolish – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*0.6*	*2.3*	*4.8*	*7.8*	*10.7*	*12.2*	*12.5*	*12.9*	*13.3*	*13.8*	*14.6*	***15.5***	***105.5***
Underlying cash balance	*0.5*	*2.1*	*4.5*	*7.4*	*10.3*	*12.0*	*12.5*	*12.9*	*13.3*	*13.7*	*14.5*	***14.5***	***103.7***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Abolish the ABCC	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Australian Building and Construction Commission (ABCC). The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $137 million over the 2022-23 Budget forward estimates period. This reflects a decrease in departmental expenses.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The financial implications are sensitive to the assumed number and average amount of redundancy payments to ABCC employees. They are further sensitive to assumptions around the speed with which the Commissions can be abolished following 1 July 2022.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	28.0	35.9	36.2	36.6	**136.7**
Underlying cash balance	28.0	35.9	36.2	36.6	**136.7**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- The ongoing staffing profile and departmental expenses of the ABCC would align with the latest available data in the 2022-23 Budget.
- The natural attrition rate of ABCC staff would be 5% per year.
- The necessary provisions are made to enable the winding down of the ABCC following 1 July 2022.

Methodology

The estimated savings from abolishing the ABCC were based on the current funding profile for the agency over the 2022-23 Budget forward estimates period.

The funding profile was projected over the medium term, taking into account the net effect of the wage cost index and the efficiency dividend as at the 2022-23 Budget.

Staff redundancy payments were estimated using information on the average service length of Australian Public Service staff published by the Australian Public Service Commission and applied to the estimated number of affected staff. Staff redundancy payments were subtracted from the savings for 2022-23.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Departments of Treasury and Finance provided indexation parameters as at the Pre-election Economic and Fiscal Outlook 2022.

Attorney General's Department, *Portfolio Budget Statements 2022-23*. Attorney General's Department, 2022, accessed 1 April 2022.

Australian Building and Construction Commission (ABCC), *Australian Building and Construction Commission Annual Report 2020-21*, ABCC, 2021, accessed 1 April 2022.

ABCC, *Australian Building and Construction Commission Enterprise Agreement 2017-2020*, ABCC, 2017, accessed 1 April 2022.

Australian Public Service Commission (APSC), *APS Employment Data 31 December 2021*, APSC, 2022, accessed 1 April 2022.

Fair Work Ombudsman (FWO), *Enterprise Agreement 2019-2022*, FWO, 2019, accessed 1 April 2022.

Roy Morgan, *Australian workers had 151 million days of annual leave when the country entered COVID-19 shutdown*, Roy Morgan, 2020, accessed 1 April 2022.

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[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Abolish the ABCC – financial implications

Table A1: Abolish the ABCC – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
Abolish the Australian Building and Construction Commission	*28.0*	*35.9*	*36.2*	*36.6*	*36.8*	*37.1*	*37.3*	*37.6*	*37.8*	*38.1*	*38.4*	***136.7***	***399.8***
Total (excluding PDI)	**28.0**	**35.9**	**36.2**	**36.6**	**36.8**	**37.1**	**37.3**	**37.6**	**37.8**	**38.1**	**38.4**	**136.7**	**399.8**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Abolish the ABCC – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*0.3*	*1.0*	*1.9*	*2.8*	*3.7*	*4.7*	*5.9*	*7.2*	*8.6*	*10.2*	*12.1*	***6.0***	***58.4***
Underlying cash balance	*0.3*	*1.0*	*1.8*	*2.7*	*3.6*	*4.6*	*5.8*	*7.0*	*8.4*	*10.0*	*11.9*	***5.8***	***57.1***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Australian Made Batteries Plan	
Party:	Australian Labor Party

Summary of proposal:

The proposal involves two components:

Component 1: Battery precinct equity investment

The proposal would provide a $100 million equity investment ($50 million in 2022-23 and $50 million in 2023-24) to a successful applicant in a competitive tender for the establishment of a battery precinct. The battery precinct would see local manufacture of batteries via a larger existing manufacturer. The precinct would also become home to SMEs currently undertaking work in the sector.

Investment arrangements, including capital deployment, treatment of dividend earnings and departmental costs, would be modelled on those for the Clean Energy Finance Corporation (CEFC).

Component 2: Powering Australia Industry Growth Centre

The proposal would provide $14 million over four years ($3 million in 2022-23, $7 million in 2023-24 and $2 million in each of 2024-25 and 2025-26) for a Powering Australia Industry Growth Centre.

Costing overview

The proposal would be expected to decrease the fiscal balance by $16.2 million, the underlying cash balance by $15.9 million, and the headline cash balance by $115.91 million over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications are sensitive to assumptions on the speed at which capital would be deployed, the rate of project milestone completion and the rate of return on equity.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015,* public debt interest (PDI) expense impacts have been included in this costing because the equity injections provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of dividends, PDI and equity amounts. In particular, only the headline cash balance includes transactions related to equity injections. The impact on net debt will be broadly consistent with movements in the headline cash balance.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-3.4	-7.6	-2.5	-2.7	**-16.2**
Underlying cash balance	-3.4	-7.5	-2.4	-2.6	**-15.9**
Headline cash balance	-28.4	-57.5	-27.4	-2.6	**-115.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

Component 1

- Committed funding would not impact consolidated revenue until funding is deployed or drawn down for investment or operational purposes, consistent with the treatment of funding available to the CEFC.
- Each tranche of funding would be deployed over two years after it is made available.
  - This is consistent with the time needed to manage the tender process and provide staged funding to projects, consistent with the average length of investment projects.

Component 2

- Departmental costs are covered outside the allocated capped costing.

Methodology

Component 1

Financial implications were estimated using the CEFC funding model provided by the Department of Industry, Science, Energy and Resources.

Dividend earnings on deployed capital would be similar to earnings recognised from other equity investments managed by the CEFC

Departmental costs relative to the amount of funding administered would be broadly consistent with historical data from the CEFC.

Departmental costs in the initial years are larger, reflecting establishment costs.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Data sources

Information on the CEFC's funding commitments, equity investments and operational expenses over the 2022-23 Budget forward estimates period was provided by the Department of Industry, Science, Energy and Resources as at the 2022-23 Budget.

Economic parameters used in the model were provided by the Department of Finance and the Treasury as at the Pre-election Economic and Fiscal Outlook 2022.

Attachment A – Australian Made Batteries Plan – financial implications

Table A1: Australian Made Batteries Plan – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
Dividends from battery precint equity investment	*0.5*	*1.6*	*2.0*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	***6.3***	***21.7***
Total – revenue	**0.5**	**1.6**	**2.0**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**6.3**	**21.7**
Expenses													
Administered													
Powering Australia Industry Growth Centre	*-3.0*	*-7.0*	*-2.0*	*-2.0*	-	-	-	-	-	-	-	***-14.0***	***-14.0***
Total – administered	***-3.0***	***-7.0***	***-2.0***	***-2.0***	-	-	-	-	-	-	-	***-14.0***	***-14.0***
Departmental													
Battery precint equity investment	*-0.4*	*-0.5*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-1.3***	***-2.7***
Powering Australia Industry Growth Centre	*-0.2*	*-0.4*	*-0.1*	*-0.1*	-	-	-	-	-	-	-	***-0.8***	***-0.8***
Total – departmental	***-0.6***	***-0.9***	***-0.3***	***-0.3***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-2.1***	***-3.5***
Total – expenses	**-3.6**	**-7.9**	**-2.3**	**-2.3**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-16.1**	**-17.5**
Total (excluding PDI)	**-3.1**	**-6.3**	**-0.3**	**-0.1**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**-9.8**	**4.2**
PDI impacts	***-0.3***	***-1.3***	***-2.2***	***-2.6***	***-2.6***	***-2.6***	***-2.6***	***-2.7***	***-2.7***	***-2.7***	***-2.9***	***-6.4***	***-25.2***
Total (including PDI)	**-3.4**	**-7.6**	**-2.5**	**-2.7**	**-0.6**	**-0.6**	**-0.6**	**-0.7**	**-0.7**	**-0.7**	**-0.9**	**-16.2**	**-21.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

\- Indicates nil.

Table A2: Australian Made Batteries Plan – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Dividends from battery precint equity investment	*0.5*	*1.6*	*2.0*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	***6.3***	***21.7***
Total – receipts	**0.5**	**1.6**	**2.0**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**6.3**	**21.7**
Payments													
Administered													
Powering Australia Industry Growth Centre	*-3.0*	*-7.0*	*-2.0*	*-2.0*	-	-	-	-	-	-	-	***-14.0***	***-14.0***
Total – administered	***-3.0***	***-7.0***	***-2.0***	***-2.0***	-	-	-	-	-	-	-	***-14.0***	***-14.0***
Departmental													
Battery precint equity investment	*-0.4*	*-0.5*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-1.3***	***-2.7***
Powering Australia Industry Growth Centre	*-0.2*	*-0.4*	*-0.1*	*-0.1*	-	-	-	-	-	-	-	***-0.8***	***-0.8***
Total – departmental	***-0.6***	***-0.9***	***-0.3***	***-0.3***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-2.1***	***-3.5***
Total – payments	**-3.6**	**-7.9**	**-2.3**	**-2.3**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-16.1**	**-17.5**
Total (excluding PDI)	**-3.1**	**-6.3**	**-0.3**	**-0.1**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**-9.8**	**4.2**
PDI impacts	***-0.3***	***-1.2***	***-2.1***	***-2.5***	***-2.6***	***-2.6***	***-2.6***	***-2.7***	***-2.7***	***-2.7***	***-2.9***	***-6.1***	***-24.9***
Total (including PDI)	**-3.4**	**-7.5**	**-2.4**	**-2.6**	**-0.6**	**-0.6**	**-0.6**	**-0.7**	**-0.7**	**-0.7**	**-0.9**	**-15.9**	**-20.7**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A3: Australian Made Batteries Plan – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Dividends from battery precint equity investment	*0.5*	*1.6*	*2.0*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	*2.2*	***6.3***	***21.7***
Total – receipts	**0.5**	**1.6**	**2.0**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**6.3**	**21.7**
Payments													
Administered													
Battery precint equity injection	*-25.0*	*-50.0*	*-25.0*	-	-	-	-	-	-	-	-	***-100.0***	***-100.0***
Powering Australia Industry Growth Centre	*-3.0*	*-7.0*	*-2.0*	*-2.0*	-	-	-	-	-	-	-	***-14.0***	***-14.0***
Total – administered	***-28.0***	***-57.0***	***-27.0***	***-2.0***	-	-	-	-	-	-	-	***-114.0***	***-114.0***
Departmental													
Battery precint equity investment	*-0.4*	*-0.5*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-1.3***	***-2.7***
Powering Australia Industry Growth Centre	*-0.2*	*-0.4*	*-0.1*	*-0.1*	-	-	-	-	-	-	-	***-0.8***	***-0.8***
Total – departmental	***-0.6***	***-0.9***	***-0.3***	***-0.3***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-0.2***	***-2.1***	***-3.5***
Total – payments	**-28.6**	**-57.9**	**-27.3**	**-2.3**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-0.2**	**-116.1**	**-117.5**
Total (excluding PDI)	**-28.1**	**-56.3**	**-25.3**	**-0.1**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**-109.8**	**-95.8**
PDI impacts	***-0.3***	***-1.2***	***-2.1***	***-2.5***	***-2.6***	***-2.6***	***-2.6***	***-2.7***	***-2.7***	***-2.7***	***-2.9***	***-6.1***	***-24.9***
Total (including PDI)	**-28.4**	**-57.5**	**-27.4**	**-2.6**	**-0.6**	**-0.6**	**-0.6**	**-0.7**	**-0.7**	**-0.7**	**-0.9**	**-115.9**	**-120.7**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Parliamentary Budget Office

Jobs and Skills Australia	
Party:	Australian Labor Party
Summary of proposal: The proposal would establish Jobs and Skills Australia as a national partnership to drive Vocational Education and Training (VET) education and strengthen workforce planning by working together with employers, unions, and the training and education sector. Jobs and Skills Australia would replace the National Skills Commission with existing funding and staffing. The proposal would begin on 1 July 2022.	

Costing overview

The proposal would be expected to have no impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period.

The proposal would not have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The estimates are sensitive to the assumption that Jobs and Skills Australia would continue to be funded only from resources that would be assigned to the National Skills Commission. Should differing resourcing be needed, especially over the medium term, then the financial implications would vary.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-	-	-	-
Underlying cash balance	-	-	-	-	-

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Jobs and Skills Australia would have the same functions and resourcing as the National Skills Commission it is replacing.
- There would be no redundancy or capital costs in this simple transfer of functions.
- Jobs and Skills Australia would be funded as per the resources that would have been provided to the National Skills Commission over the medium-term.

Methodology

The financial implications were obtained by deducting the current funding for the National Skills Commission and allocating this to Jobs and Skills Australia.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Department of Education, Skills and Employment (DESE) (2022) *Portfolio Budget Statements 2022-23*, DESE, accessed 10 June 2022.

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[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Jobs and Skills Australia – financial implications

Table A1: Jobs and Skills Australia – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered expenses	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Departmental expenses	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Total (excluding PDI)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Jobs and Skills Australia – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

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[2] [Online budget glossary – Parliament of Australia (aph.gov.au)]

Parliamentary Budget Office

National Reconstruction Fund	
Party:	Australian Labor Party

Summary of proposal:

This proposal would establish a new fund to invest in key Australian industries, which may include manufacturing, advanced manufacturing, mining (excluding coal) and infrastructure. It would have the goal of improving sovereign capability in medical, crucial materials and defence industries.

The fund would be subject to a mandate to ensure returns of at least the 10-year Australian Government bond rate. It would primarily use loans but may also use alternative financing arrangements.

The fund would operate separately but in partnership with other Australian Government funds and would adopt a similar governance structure to the Clean Energy Finance Corporation (CEFC).

The funding made available through the fund would be:

- $10 billion over five years from 2022-23 ($2 billion per year); and
- an additional $5 billion over the next two years from 2027-28 ($2.5 billion per year).

The available funding would be drawn down as investments are made, with any repaid capital being reinvested. Earnings from the fund would be available for the Australian Government to draw on.

Departmental funding would be drawn from the overall amount allocated to the fund.

The fund would commence operation on 1 July 2022 and would be ongoing.

The fund's initial investments would include:

- $3 billion for Powering Australia
- $1.5 billion for a Medical Manufacturing Fund
- $1 billion for a Value Adding in Resources Fund
- $1 billion for a Critical Technologies Fund
- $1 billion for advanced manufacturing
- $500 million for Agriculture, Fisheries, Food and Fibre.

Costing overview

This proposal would be expected to decrease the fiscal balance by around $296 million, increase the underlying cash balance by around $156 million and decrease the headline cash balance by around $4,977 million over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are uncertain and highly sensitive to assumptions on the speed at which capital is deployed, the rate of interest earned, the time required for project approval and the average maturity period of investments. In particular, the costing includes no allowance for the impact of the proposal on business profitability or company tax revenue. The magnitude of such effects would be highly uncertain and could comprise different effects, including:

- enterprises switching finance from traditional lenders to concessional loans under this proposal (reducing the profits of banks) and reductions in the returns of competing investment projects (crowding-out effects)
- increases in profits from marginal projects as a result of a reduction in the cost of capital from the proposal, especially when considering the grants on offer (crowding-in effects).

It is unclear which of the crowding-out or crowding-in effects would dominate and this could vary from period to period.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the equity injections and concessional loans provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest and dividend payments, and the flow of loan principal and equity amounts. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan write-downs, and only the headline cash balance includes transactions related to loan principal amounts and equity investments. The impact on net debt will be broadly consistent with movements in the headline cash balance. A note on the accounting treatment of concessional loans is included at Attachment B.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-39.2	-72.8	-98.5	-85.6	**-296.1**
Underlying cash balance	6.8	26.2	49.5	73.4	**155.9**
Headline cash balance	-573.2	-1,131.8	-1,664.5	-1,607.6	**-4,977.1**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- Committed funding would not impact consolidated revenue until funding is deployed or drawn down for investment or operational purposes.
- Each tranche of funding would be deployed evenly over 3 years after it is made available. This is consistent with the time needed to assess eligibility, the average length of investment projects, and providing staged funding to projects.
- Average investment maturity would be around 7 years, consistent with the CEFC's investment management experience to date.
- Market interest rates would move in line with the 5-year government bond rate projections.

- Debt not expected to be repaid would be 5% of loans issued, as this proposal would involve high-risk early-stage enterprises and innovations.
- Any equity returned to fund would be reinvested in the same financial year.
- Departmental costs would be broadly consistent with the costs of the CEFC relative to the amount of funding administered. There would be additional departmental expenses in 2022-23 to reflect establishment costs.

Methodology

Expenditure estimates for the equity commitment were developed using information on the CEFC provided by the Department of Industry, Science, Energy and Resources, including funding commitments, drawdowns, interest payments and dividends.

- Around 90% of committed funds were provided as concessional loans and the remainder as invested equity, consistent with the current commitment and investment schedule of the CEFC.
  - Repaid capital would be reinvested in the fund and deployed to additional projects.
  - Interest payments and dividend earnings on investments would be returned to the consolidated revenue fund.
- Departmental costs were calculated as a share of total loan and equity amounts, consistent with the current operational expenses of the CEFC.

As the initial capital investment for this proposal ceases deployment in 2030-31, all capital deployed from the fund in 2031-32 onwards will be met by the reinvestment of loan principal repayments and the reinvestment of any equity returned to the fund.

The proposed investments listed in the summary of the proposal would be part of the fund's business-as-usual operations.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Information on the CEFC's funding commitments, equity investments, concessional loans and operational expenses was provided by the Department of Industry, Science, Energy and Resources as at the 2022-23 Budget.

Reserve Bank of Australia (2022), *Indicator lending rates – F5*, accessed 5 April 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A - National Reconstruction Fund – financial implications

Table A1: National Reconstruction Fund – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Income from unwinding concessional loan discounts	*6.0*	*17.0*	*35.0*	*53.0*	*71.0*	*90.0*	*111.0*	*125.0*	*132.0*	*130.0*	*129.0*	***111.0***	***899.0***
Loan interest accrued	*19.0*	*55.0*	*110.0*	*166.0*	*221.0*	*287.0*	*365.0*	*427.0*	*466.0*	*479.0*	*494.0*	***350.0***	***3,089.0***
Dividends on equity investments	*1.9*	*5.7*	*10.9*	*17.6*	*22.8*	*28.1*	*33.5*	*37.1*	*38.8*	*38.8*	*38.8*	***36.1***	***274.0***
Total – revenue	**26.9**	**77.7**	**155.9**	**236.6**	**314.8**	**405.1**	**509.5**	**589.1**	**636.8**	**647.8**	**661.8**	**497.1**	**4,262.0**
Expenses													
Administered													
Concessional loan discount expense	*-24.0*	*-52.0*	*-82.0*	*-95.0*	*-108.0*	*-129.0*	*-153.0*	*-149.0*	*-134.0*	*-114.0*	*-118.0*	***-253.0***	***-1,158.0***
Debts not expected to be repaid	*-28.0*	*-61.0*	*-97.0*	*-112.0*	*-128.0*	*-153.0*	*-182.0*	*-178.0*	*-161.0*	*-137.0*	*-143.0*	***-298.0***	***-1,380.0***
Total – administered	***-52.0***	***-113.0***	***-179.0***	***-207.0***	***-236.0***	***-282.0***	***-335.0***	***-327.0***	***-295.0***	***-251.0***	***-261.0***	***-551.0***	***-2,538.0***
Departmental													
Departmental costs	*-8.1*	*-11.5*	*-18.4*	*-21.2*	*-24.2*	*-29.0*	*-34.5*	*-33.7*	*-30.5*	*-26.0*	*-27.0*	***-59.2***	***-264.1***
Total – departmental	***-8.1***	***-11.5***	***-18.4***	***-21.2***	***-24.2***	***-29.0***	***-34.5***	***-33.7***	***-30.5***	***-26.0***	***-27.0***	***-59.2***	***-264.1***
Total – expenses	**-60.1**	**-124.5**	**-197.4**	**-228.2**	**-260.2**	**-311.0**	**-369.5**	**-360.7**	**-325.5**	**-277.0**	**-288.0**	**-610.2**	**-2,802.1**
Total (excluding PDI)	**-33.2**	**-46.8**	**-41.5**	**8.4**	**54.6**	**94.1**	**140.0**	**228.4**	**311.3**	**370.8**	**373.8**	**-113.1**	**1,459.9**
PDI impacts	***-6.0***	***-26.0***	***-57.0***	***-94.0***	***-131.0***	***-171.0***	***-215.0***	***-255.0***	***-277.0***	***-278.0***	***-271.0***	***-183.0***	***-1,781.0***
Total (including PDI)	**-39.2**	**-72.8**	**-98.5**	**-85.6**	**-76.4**	**-76.9**	**-75.0**	**-26.6**	**34.3**	**92.8**	**102.8**	**-296.1**	**-321.1**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: National Reconstruction Fund – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Dividends on equity investments	*1.9*	*5.7*	*10.9*	*17.6*	*22.8*	*28.1*	*33.5*	*37.1*	*38.8*	*38.8*	*38.8*	***36.1***	***274.0***
Loan interest received	*19.0*	*55.0*	*110.0*	*166.0*	*221.0*	*287.0*	*365.0*	*427.0*	*466.0*	*479.0*	*494.0*	***350.0***	***3,089.0***
Total – receipts	**20.9**	**60.7**	**120.9**	**183.6**	**243.8**	**315.1**	**398.5**	**464.1**	**504.8**	**517.8**	**532.8**	**386.1**	**3,363.0**
Payments													
Departmental													
Departmental costs	*-8.1*	*-11.5*	*-18.4*	*-21.2*	*-24.2*	*-29.0*	*-34.5*	*-33.7*	*-30.5*	*-26.0*	*-27.0*	***-59.2***	***-264.1***
Total – payments	**-8.1**	**-11.5**	**-18.4**	**-21.2**	**-24.2**	**-29.0**	**-34.5**	**-33.7**	**-30.5**	**-26.0**	**-27.0**	**-59.2**	**-264.1**
Total (excluding PDI)	**12.8**	**49.2**	**102.5**	**162.4**	**219.6**	**286.1**	**364.0**	**430.4**	**474.3**	**491.8**	**505.8**	**326.9**	**3,098.9**
PDI impacts	***-6.0***	***-23.0***	***-53.0***	***-89.0***	***-126.0***	***-166.0***	***-210.0***	***-250.0***	***-275.0***	***-278.0***	***-272.0***	***-171.0***	***-1,748.0***
Total (including PDI)	**6.8**	**26.2**	**49.5**	**73.4**	**93.6**	**120.1**	**154.0**	**180.4**	**199.3**	**213.8**	**233.8**	**155.9**	**1,350.9**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: National Reconstruction Fund – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Loan interest accrued	*19.0*	*55.0*	*110.0*	*166.0*	*221.0*	*287.0*	*365.0*	*427.0*	*466.0*	*479.0*	*494.0*	***350.0***	***3,089.0***
Loan principal repayments	*80.0*	*240.0*	*510.0*	*810.0*	*1,160.0*	*1,570.0*	*2,070.0*	*2,470.0*	*2,740.0*	*2,850.0*	*2,940.0*	***1,640.0***	***17,440.0***
Dividends on equity investments	*1.9*	*5.7*	*10.9*	*17.6*	*22.8*	*28.1*	*33.5*	*37.1*	*38.8*	*38.8*	*38.8*	***36.1***	***274.0***
Total – receipts	**100.9**	**300.7**	**630.9**	**993.6**	**1,403.8**	**1,885.1**	**2,468.5**	**2,934.1**	**3,244.8**	**3,367.8**	**3,472.8**	**2,026.1**	**20,803.0**
Payments													
Loans funded by initial capital	*-570.0*	*-1,140.0*	*-1,710.0*	*-1,730.0*	*-1,750.0*	*-1,910.0*	*-2,070.0*	*-1,490.0*	*-750.0*	-	-	***-5,150.0***	***-13,120.0***
Loans funded by loan principal repayments	-	*-80.0*	*-240.0*	*-510.0*	*-810.0*	*-1,160.0*	*-1,570.0*	*-2,070.0*	*-2,470.0*	*-2,740.0*	*-2,850.0*	***-830.0***	***-14,500.0***
Equity investments by initial capital	*-90.0*	*-178.0*	*-274.0*	*-251.0*	*-235.0*	*-239.0*	*-242.0*	*-163.0*	*-77.0*	-	-	***-793.0***	***-1,749.0***
Total – administered	***-660.0***	***-1,398.0***	***-2,224.0***	***-2,491.0***	***-2,795.0***	***-3,309.0***	***-3,882.0***	***-3,723.0***	***-3,297.0***	***-2,740.0***	***-2,850.0***	***-6,773.0***	***-29,369.0***
Departmental													
Departmental costs	*-8.1*	*-11.5*	*-18.4*	*-21.2*	*-24.2*	*-29.0*	*-34.5*	*-33.7*	*-30.5*	*-26.0*	*-27.0*	***-59.2***	***-264.1***
Total – departmental	***-8.1***	***-11.5***	***-18.4***	***-21.2***	***-24.2***	***-29.0***	***-34.5***	***-33.7***	***-30.5***	***-26.0***	***-27.0***	***-59.2***	***-264.1***
Total – payments	**-668.1**	**-1,409.5**	**-2,242.4**	**-2,512.2**	**-2,819.2**	**-3,338.0**	**-3,916.5**	**-3,756.7**	**-3,327.5**	**-2,766.0**	**-2,877.0**	**-6,832.2**	**-29,633.1**
Total (excluding PDI)	**-567.2**	**-1,108.8**	**-1,611.5**	**-1,518.6**	**-1,415.4**	**-1,452.9**	**-1,448.0**	**-822.6**	**-82.7**	**601.8**	**595.8**	**-4,806.1**	**-8,830.1**
PDI impacts	***-6.0***	***-23.0***	***-53.0***	***-89.0***	***-126.0***	***-166.0***	***-210.0***	***-250.0***	***-275.0***	***-278.0***	***-272.0***	***-171.0***	***-1,748.0***
Total (including PDI)	**-573.2**	**-1,131.8**	**-1,664.5**	**-1,607.6**	**-1,541.4**	**-1,618.9**	**-1,658.0**	**-1,072.6**	**-357.7**	**323.8**	**323.8**	**-4,977.1**	**-10,578.1**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

\- Indicates nil.

Attachment B - Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Australian Government.

Budget impact[2]

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[3] (Table B1 provides information about the detail provided in a costing.) The provision of concessional loans decreases the Australian Government's net worth if the liabilities issued (the value of Australian Government Securities (AGS) issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'Other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).

[2] The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

[3] This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.

Budget item	Appears in	Comments
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

Paid Domestic Violence Leave	
Party:	Australian Labor Party
Summary of proposal: The proposal would require employers to provide 10 days of paid leave to employees experiencing family and domestic violence. Commonwealth agencies would be required to use existing departmental funding, with the added costs being absorbed within existing funding. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would have no impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period. This reflects nil impact in departmental expenses, as the proposal is covered by existing departmental resources. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-	-	-	-
Underlying cash balance	-	-	-	-	-

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- Commonwealth agencies would be required to use existing departmental funding, with the added costs being absorbed within existing funding.
- The provision of paid family violence leave by private companies and state and territory governments would not have a significant financial impact.
- Paid leave under the proposal would be provided in addition to any existing miscellaneous leave entitlements for which Australian Public Service (APS) employees experiencing domestic and family violence may be eligible.

- In the absence of the proposal being adopted, APS employees would not be entitled to any paid family and domestic violence leave.[1]
- The prevalence of APS employees affected by family and domestic violence is reflective of the reported prevalence at the national level.
  - The reported prevalence of family and domestic violence among the Australian population would continue to grow over the medium term.
- The average daily cost of family and domestic violence leave for APS employees is reflective of the average salary cost per working day across the APS.
- The uptake of paid family violence leave would directly increase the total amount of leave taken by affected staff.
  - In 2022-23, half of the 10 days of family and domestic violence leave available to affected staff would be utilised.
  - Beyond 2022-23, all affected staff would fully utilise the 10 days of family and domestic violence leave provided under this proposal.

Methodology

Uptake among APS employees was estimated by multiplying the incidence of family and domestic violence among the national population by the total population of APS employees.

The additional agency expenses associated with providing family and domestic violence leave to affected individuals was then estimated by multiplying the total estimated number of leave days by the estimated average daily cost per employee.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Data sources

Australian Bureau of Statistics (2021), *Recorded Crime – Victims, Australia, 2020*, ABS Cat. No. 4510.0, , Canberra.

Australian Bureau of Statistics (2022), *National, state and territory population, September 2021*, Canberra.

Australian Government (2022), *2022-23 Budget, Budget Paper No. 3*, Canberra.

Australian Government (2022), *2022-23 Budget, Budget Paper No. 4*, Canberra.

Australian Public Service Commission (2021), *Australian Public Service State of the Service Report 2020-21*, Canberra.

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[1] In May 2022, the Fair Work Commission issued a provisional decision to include paid family and domestic violence leave in awards for permanent employees. However, the decision has yet to be finalised and so is not included as part of the baseline scenario. See www.fairwork.gov.au/leave/family-and-domestic-violence-leave

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Paid Domestic Violence Leave – financial implications

Table A1: Paid Domestic Violence Leave – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Departmental													
Paid Domestic Violence Leave	*-5.0*	*-10.5*	*-11.0*	*-11.5*	*-12.0*	*-12.5*	*-13.0*	*-13.6*	*-14.3*	*-14.9*	*-15.6*	***-38.0***	***-133.9***
APS Departmental Expenses	*5.0*	*10.5*	*11.0*	*11.5*	*12.0*	*12.5*	*13.0*	*13.6*	*14.3*	*14.9*	*15.6*	***38.0***	***133.9***
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Paid Domestic Violence Leave – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Transfer functions of the ROC to the FWC	
Party:	Australian Labor Party
Summary of proposal: The proposal would transfer the functions of the Registered Organisations Commission (ROC) to the Fair Work Commission (FWC). The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would reallocate $22.8 million of funding from the ROC to the FWC, with a net zero impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period.

The proposal would continue to have a nil net impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The proposal is not expected to involve any change in departmental expenses as it does not involve a material change in the complexity of the functions of the ROC or FWC.

Table 1: Financial implications ($m)(a)(b)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-	-	-	-
Underlying cash balance	-	-	-	-	-

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumption in costing the proposal.

- There would be no net costs or savings from the transfer of the functions of the ROC to the FWC.

Methodology

Departmental appropriations for the ROC in 2020-21 were indexed across 2020-21 to 2032-33 and applied as a saving upon transfer of functions of the ROC. The same appropriations were applied as additional resourcing to the FWC to assume the functions of the ROC.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Fair Work Ombudsman and Registered Organisations Commission Entity, 2021. *Annual Report 2020-21*, accessed 9 June 2022.

1 https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Transfer functions of the ROC to the FWC – financial implications

Table A1: Transfer functions of the ROC to the FWC – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Transfer functions of the Registered Organisations Commission to the Fair Work Commission	*5.6*	*5.7*	*5.7*	*5.8*	*5.8*	*5.9*	*6.0*	*6.0*	*6.1*	*6.2*	*6.2*	***22.8***	***65.0***
Additional Resourcing to the Fair Work Commission to absorb functions of the Registered Organisations Commission	*-5.6*	*-5.7*	*-5.7*	*-5.8*	*-5.8*	*-5.9*	*-6.0*	*-6.0*	*-6.1*	*-6.2*	*-6.2*	***-22.8***	***-65.0***
Total – expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Transfer functions of the ROC to the FWC – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Extend and boost existing ATO programs	
Party:	Australian Labor Party
Summary of proposal: The proposal consists of 2 components related to funding for tax compliance programs. **Component 1** would boost funding for the Australian Taxation Office (ATO) Tax Avoidance Taskforce by an extra $200 million per year from 1 July 2022 and extend its operations on an ongoing basis (the taskforce is currently funded until 30 June 2025). **Component 2** would provide ongoing funding to extend the ATO's shadow economy compliance programs (which are currently funded until 30 June 2023).	

Costing overview

The proposal would be expected to increase the fiscal balance by around $5.15 billion and the underlying cash balance by around $3.08 billion over the 2022-23 Budget forward estimates period. On a fiscal balance basis, this is comprised of an increase in tax revenue of around $6.97 billion, partially offset by an increase in ATO departmental expenses of around $1.37 billion and an increase in GST payments of around $0.44 billion.

The differences in the financial impact of the proposal on the fiscal and underlying cash balances reflect delays between the accrual and subsequent payment of tax liabilities raised through the ATO's compliance programs.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are highly uncertain. The revenue estimates have been produced based upon ratios and assumptions included in recent costing models, but the actual amount raised will depend on individual program outcomes. It would be extremely difficult to assess whether the increased funding provided to the ATO under this proposal would actually raise the estimated revenue, as it is extremely difficult for the ATO to assess how much of the growth in compliance revenue arises from increased funding and how much would have arisen in its absence.[1]

Estimates are also particularly uncertain in cases where departmental funding has been significantly increased, such as for Component 1 of this proposal.

[1] See Australian National Audit Office, 2019, *Tax Avoidance Taskforce – Meeting Budget Commitments*.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	480.0	1,110.3	1,336.9	2,227.5	**5,154.7**
Underlying cash balance	90.0	584.3	1,017.9	1,390.5	**3,082.7**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Both components were assumed by the PBO to be ongoing into the medium term.

Component 1

- Additional tax revenue collected as a result of additional departmental funding would be consistent with the revenue model for the 2022-23 Budget measure *Tax Avoidance Taskforce*:
  - Total tax revenue raised (affecting the fiscal balance) would be around a 4.5x multiple of any increase in departmental expenditure.
  - Tax revenue would accrue 75% in year 1, 20% in year 2 and 5% in year 3 with respect to the funding year.
  - Tax receipts (affecting the underlying cash balance) would accrue 44% in year 1, 25% in year 2 and 19% in year 3 with respect to the funding year. Total receipts would be around 88% of total revenue, reflecting the fact that a proportion of the revenue liabilities raised will not be paid.
- The cost of extending the Taskforce would be based on the cost of extending the program in 2022-23 and 2023-24, and would be indexed to the consumer price index (CPI) over the medium term.
- Total tax revenue raised from the Taskforce would account for the nominal growth in tax revenues over the medium-term period.

Component 2

- Additional tax revenue collected from extending the shadow economy compliance programs would be consistent with the revenue model for the 2021-22 Mid-Year Economic Fiscal Outlook (MYEFO) measure *Australian Taxation Office continuation of compliance programs and independent resourcing review*.
- Departmental funding for shadow economy compliance programs would be indexed to the relevant wage price index over the forward estimates period, and to CPI over the medium term.
- Total tax receipts would be about 91% of total tax revenue, reflecting the fact that a proportion of the revenue liabilities raised will not be paid.
- The growth in revenue gained from compliance activities would account for both increases in worker productivity and nominal growth in tax revenues over time, but this growth would be partly offset by the development of new tax evasion methods.

Methodology

Component 1

The financial impacts of Component 1 were modelled based on the above key assumptions.

Component 2

The financial impacts of Component 2 were estimated using the revenue model for the 2021-22 MYEFO measure *Australian Taxation Office – continuation of compliance programs and independent resourcing review.*

As any Goods and Services Tax (GST) revenue collected through shadow economy compliance activities would be provided to states and territories, the financial implications of GST collected is included as both revenue and an expense.

Financial implications for both components were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Data sources

The Department of Finance and the Treasury provided economic parameters as at the 2022-23 Budget.

The Treasury provided the revenue models for the 2021-22 MYEFO measure *Australian Taxation Office – continuation of compliance programs and independent resourcing review*, and the 2022-23 Budget measure *Tax Integrity – extension of the Australian Taxation Office (ATO) Tax Avoidance Taskforce on multinationals, large corporates and high wealth individuals.*

Australian Government, 2018, *2018-19 Budget*.

Australian Government, 2021, *2021-22 MYEFO*.

Australian Government, 2022, *2022-23 Budget*.

Australian National Audit Office, 2019, *Tax Avoidance Taskforce – Meeting Budget Commitments*, accessed 7 April 2022.

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[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Extend and boost existing ATO programs – financial implications

Table A1: Extend and boost existing ATO programs – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Component 1 - Tax Revenue	*680.0*	*860.0*	*900.0*	*2,020.0*	*2,120.0*	*2,250.0*	*2,370.0*	*2,530.0*	*2,700.0*	*2,880.0*	*3,060.0*	***4,460.0***	***22,370.0***
Component 2 - Tax Revenue	-	*620.0*	*870.0*	*1,020.0*	*1,070.0*	*1,140.0*	*1,200.0*	*1,280.0*	*1,370.0*	*1,460.0*	*1,550.0*	***2,510.0***	***11,580.0***
Total – revenue	**680.0**	**1,480.0**	**1,770.0**	**3,040.0**	**3,190.0**	**3,390.0**	**3,570.0**	**3,810.0**	**4,070.0**	**4,340.0**	**4,610.0**	**6,970.0**	**33,950.0**
Expenses													
Administered													
Component 2 - GST Payments	-	*-90.0*	*-152.0*	*-200.0*	*-211.0*	*-223.0*	*-235.0*	*-251.0*	*-268.0*	*-286.0*	*-303.0*	***-442.0***	***-2,219.0***
Departmental													
Component 1 - ATO Departmental Funding	*-200.0*	*-200.0*	*-200.0*	*-530.0*	*-538.0*	*-546.0*	*-554.0*	*-563.0*	*-572.0*	*-582.0*	*-591.0*	***-1,130.0***	***-5,076.0***
Component 2 - ATO Departmental Funding	-	*-79.7*	*-81.1*	*-82.5*	*-84.4*	*-86.4*	*-88.5*	*-90.8*	*-93.1*	*-95.4*	*-97.8*	***-243.3***	***-879.7***
Total – departmental	***-200.0***	***-279.7***	***-281.1***	***-612.5***	***-622.4***	***-632.4***	***-642.5***	***-653.8***	***-665.1***	***-677.4***	***-688.8***	**-1,373.3**	**-5,955.7**
Total – expenses	**-200.0**	**-369.7**	**-433.1**	**-812.5**	**-833.4**	**-855.4**	**-877.5**	**-904.8**	**-933.1**	**-963.4**	**-991.8**	**-1,815.3**	**-8,174.7**
Total (excluding PDI)	**480.0**	**1,110.3**	**1,336.9**	**2,227.5**	**2,356.6**	**2,534.6**	**2,692.5**	**2,905.2**	**3,136.9**	**3,376.6**	**3,618.2**	**5,154.7**	**25,775.3**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

\- Indicates nil.

Table A2: Extend and boost existing ATO programs – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Component 1 - Tax Receipts	*290.0*	*540.0*	*740.0*	*1,270.0*	*1,600.0*	*1,890.0*	*2,000.0*	*2,120.0*	*2,260.0*	*2,410.0*	*2,570.0*	***2,840.0***	***17,690.0***
Component 2 - Tax Receipts	*-*	*414.0*	*711.0*	*933.0*	*980.0*	*1,040.0*	*1,100.0*	*1,170.0*	*1,250.0*	*1,330.0*	*1,410.0*	***2,058.0***	***10,338.0***
Total – receipts	**290.0**	**954.0**	**1,451.0**	**2,203.0**	**2,580.0**	**2,930.0**	**3,100.0**	**3,290.0**	**3,510.0**	**3,740.0**	**3,980.0**	**4,898.0**	**28,028.0**
Payments													
Administered													
Component 2 - GST Payments	*-*	*-90.0*	*-152.0*	*-200.0*	*-211.0*	*-223.0*	*-235.0*	*-251.0*	*-268.0*	*-286.0*	*-303.0*	***-442.0***	***-2,219.0***
Departmental													
Component 1 - ATO Departmental Funding	*-200.0*	*-200.0*	*-200.0*	*-530.0*	*-538.0*	*-546.0*	*-554.0*	*-563.0*	*-572.0*	*-582.0*	*-591.0*	***-1,130.0***	***-5,076.0***
Component 2 - ATO Departmental Funding	*-*	*-79.7*	*-81.1*	*-82.5*	*-84.4*	*-86.4*	*-88.5*	*-90.8*	*-93.1*	*-95.4*	*-97.8*	***-243.3***	***-879.7***
Total – departmental	***-200.0***	***-279.7***	***-281.1***	***-612.5***	***-622.4***	***-632.4***	***-642.5***	***-653.8***	***-665.1***	***-677.4***	***-688.8***	***-1,373.3***	***-5,955.7***
Total – payments	**-200.0**	**-369.7**	**-433.1**	**-812.5**	**-833.4**	**-855.4**	**-877.5**	**-904.8**	**-933.1**	**-963.4**	**-991.8**	**-1,815.3**	**-8,174.7**
Total (excluding PDI)	**90.0**	**584.3**	**1,017.9**	**1,390.5**	**1,746.6**	**2,074.6**	**2,222.5**	**2,385.2**	**2,576.9**	**2,776.6**	**2,988.2**	**3,082.7**	**19,853.3**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A3: Extend and boost existing ATO programs – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*1.0*	*9.0*	*27.0*	*55.0*	*94.0*	*145.0*	*209.0*	*283.0*	*371.0*	*473.0*	*593.0*	***92.0***	***2,260.0***
Underlying cash balance	*1.0*	*8.0*	*25.0*	*52.0*	*89.0*	*139.0*	*201.0*	*274.0*	*360.0*	*461.0*	*579.0*	***86.0***	***2,189.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Help to Buy	
Party:	Australian Labor Party

Summary of proposal:

The proposal would establish a national shared-equity scheme called Help to Buy, which aims to assist people on low-to-moderate incomes purchase a home.

Through the National Housing Finance and Investment Corporation (NHFIC), the Australian Government (the Government) would provide equity of up to:

- 40% of the purchase price for new homes
- 30% of the purchase price for existing homes.

The applicant would be required to have a minimum 2% deposit and finance the remainder of the purchase through a standard home loan with a commercial lender. Applicants would not be required to purchase lenders mortgage insurance or pay rent on the share of the home owned by the Government.

During the loan period, the applicant would be able to purchase equity back from the Government at market value in increments of at least 5%. The Government would recover its equity plus a share of capital gains at the time of sale (or re-financing). In the case of capital losses, the Government would share any losses with the applicant based on their relative equity ownerships. The Government would not claim any share of the value added through home improvements.

Eligible applicants would be required to meet the same property price thresholds required under the New Home Guarantee and have an annual income of no more than $90,000 for individuals or $120,000 for couples. Applicants who exceed these thresholds for 2 consecutive years after acceptance into the scheme would be required to purchase equity back from the Government in part or whole as their circumstances permit.

The scheme would commence 1 January 2023, offering 10,000 places each year.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $346 million, the underlying cash balance by around $329 million, and the headline cash balance by around $7.61 billion over the 2022-23 Budget forward estimates period. The fiscal and underlying cash balance impacts largely reflect the public debt interest and departmental expenses required to administer the scheme, and the headline cash balance impact largely reflects the expected equity contributions of the Government.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The fiscal, underlying cash, and headline cash balances differ in the treatment of investment gains, public debt interest, and equity investments. The yearly impact on net debt would be broadly consistent with the cumulative movements in the headline cash balance.

Because movements in property prices (and associated interest rates) can be volatile and reflecting the fact that the details around how the proposal would be implemented have not been fully outlined, the financial implications in this response are highly uncertain. Recent increases in interest rates could reduce the borrowing capacities of applicants, affecting the size of the Government's contributions. Furthermore, rising interest rates could place downwards pressure on property prices and/or increase default rates, which would be likely to increase the rate at which capital losses occur and result in lower net capital gains to the Government. In addition, the rate at which participants purchase equity back from the Government – especially those who exceed the income thresholds and are mandated to do so – is difficult to determine. Finally, if applicants are to avoid paying lenders mortgage insurance, this would imply that either the Government would guarantee the mortgage or that commercial lenders would be able to recover any capital losses from default against the entirety of the property value. In either case, there may be downside risk to the Government, where the costs of a property-market downturn are borne disproportionately by the Government. The Parliamentary Budget Office (PBO) has adopted a set of high-level assumptions to model these factors, but the associated uncertainties could result in the financial implications of the proposal being significantly different than estimated.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-22.9	-58.9	-106.9	-157.0	**-345.7**
Underlying cash balance	-20.9	-54.9	-101.9	-151.0	**-328.7**
Headline cash balance	-1,060.9	-2,134.9	-2,181.9	-2,231.0	**-7,608.7**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The PBO has made the following assumptions in costing the proposal.

- The entirety of the 10,000 places available in each financial year would be allocated.
- The distribution of places between states and territories, and within each state and territory (capital cities, regional centres, and rest of state), would be based on population.
  – Different property price thresholds exist between different cities and regions.
- 25% of participants in the scheme would purchase new homes and 75% would purchase existing homes.
  – This is a higher ratio of new home purchases than in the Australian Bureau of Statistics' *Lending Indicators* and reflects a judgement that participants would have a preference towards new homes (relative to other buyers) because of larger equity contributions from the Government.
- 30% of participants would be single and 70% would be couples.
- The Government would contribute an average of 37% equity towards new homes and 28% towards existing homes.

- Property values grow in line with nominal GDP after 2025-26.
- Each cohort of 10,000 participants would begin purchasing equity back from the Government after four years at an initial rate of 5%, increasing each year to 2032-33 as more homes are sold and more participants are expected to exceed the income thresholds of the proposal.
  - While some participants may purchase equity back from the Government before 2025-26, this is expected to be small and has not been incorporated into the costing.
- Purchase prices would be based on the maximum borrowing capacity of participants but capped at the thresholds set by NHFIC.
  - The average borrowing capacity of participants would be $455,000 for singles and $526,000 for couples. As the income and property price thresholds do not change over the period to 2032-33, there is little expected change in the average borrowing capacity of participants.

Methodology

The Government's total equity contributions were calculated by multiplying the number of participants in each financial year by the expected contribution per participant. The expected equity contributions were based on the average participant's borrowing capacity, the NFHIC house price caps by jurisdiction, and the assumptions detailed above about the proportion of equity that the Government would contribute.

Assumed property prices were determined using a 'bottoms up' approach whereby the average participant's borrowing capacity implies the expected purchase price and the Government's equity contribution. Property prices under this approach were calculated as the sum of:

- the participant's minimum 2% deposit
- the amount borrowed by the participant
- the Government's equity contribution.

Departmental expenses in each year were calculated as the sum of:

- the costs to process new applicants to the scheme
- the costs to process requests from existing participants executing equity buybacks.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Australian Bureau of Statistics (ABS) (2022) *Lending Indicators*, ABS, accessed 10 March 2022.

Australian Bureau of Statistics (ABS) (2021) *Residential Property Price Indexes: Eight Capital Cities*, ABS, accessed 10 March 2022.

Commonwealth Bank (2021) *Borrowing Power Calculator*, Commonwealth Bank, accessed 6 April 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

National Housing Finance and Investment Corporation (NHFIC) (2021) *New Home Guarantee Fact Sheet – 2021/22*, NHFIC, accessed 10 March 2022.

Stephanie McLean (2021) *Why Aussie homeowners are holding property longer than a decade ago*, Realestate.com.au, accessed 10 March 2022.

Australian Bureau of Statistics (ABS) (2019) *Housing Occupancy and Costs*, ABS, accessed 10 March 2022.

Attachment A – Help to Buy – financial implications

Table A1: Help to Buy – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Capital Gains from Equity Buybacks	*-*	*-*	*-*	*-*	*3.0*	*13.0*	*36.0*	*73.0*	*124.0*	*191.0*	*274.0*	***-***	***714.0***
Total – revenue	**-**	**-**	**-**	**-**	**3.0**	**13.0**	**36.0**	**73.0**	**124.0**	**191.0**	**274.0**	**-**	**714.0**
Expenses													
Departmental													
Departmental Expenses	*-10.9*	*-10.9*	*-10.9*	*-11.0*	*-11.0*	*-11.1*	*-11.2*	*-11.3*	*-11.4*	*-11.4*	*-11.5*	***-43.7***	***-122.6***
Total – expenses	**-10.9**	**-10.9**	**-10.9**	**-11.0**	**-11.0**	**-11.1**	**-11.2**	**-11.3**	**-11.4**	**-11.4**	**-11.5**	**-43.7**	**-122.6**
Total (excluding PDI)	**-10.9**	**-10.9**	**-10.9**	**-11.0**	**-8.0**	**1.9**	**24.8**	**61.7**	**112.6**	**179.6**	**262.5**	**-43.7**	**591.4**
PDI impacts	***-12.0***	***-48.0***	***-96.0***	***-146.0***	***-198.0***	***-254.0***	***-313.0***	***-373.0***	***-435.0***	***-498.0***	***-567.0***	***-302.0***	***-2,940.0***
Total (including PDI)	**-22.9**	**-58.9**	**-106.9**	**-157.0**	**-206.0**	**-252.1**	**-288.2**	**-311.3**	**-322.4**	**-318.4**	**-304.5**	**-345.7**	**-2,348.6**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

\- Indicates nil.

Table A2: Help to Buy – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Receipts													
Capital Gains from Equity Buybacks	-	-	-	-	*3.0*	*13.0*	*36.0*	*73.0*	*124.0*	*191.0*	*274.0*	-	***714.0***
Total – receipts	**-**	**-**	**-**	**-**	**3.0**	**13.0**	**36.0**	**73.0**	**124.0**	**191.0**	**274.0**	**-**	**714.0**
Payments													
Departmental													
Departmental Expenses	*-10.9*	*-10.9*	*-10.9*	*-11.0*	*-11.0*	*-11.1*	*-11.2*	*-11.3*	*-11.4*	*-11.4*	*-11.5*	***-43.7***	***-122.6***
Total – payments	**-10.9**	**-10.9**	**-10.9**	**-11.0**	**-11.0**	**-11.1**	**-11.2**	**-11.3**	**-11.4**	**-11.4**	**-11.5**	**-43.7**	**-122.6**
Total (excluding PDI)	**-10.9**	**-10.9**	**-10.9**	**-11.0**	**-8.0**	**1.9**	**24.8**	**61.7**	**112.6**	**179.6**	**262.5**	**-43.7**	**591.4**
PDI impacts	***-10.0***	***-44.0***	***-91.0***	***-140.0***	***-192.0***	***-248.0***	***-306.0***	***-366.0***	***-428.0***	***-490.0***	***-558.0***	***-285.0***	***-2,873.0***
Total (including PDI)	**-20.9**	**-54.9**	**-101.9**	**-151.0**	**-200.0**	**-246.1**	**-281.2**	**-304.3**	**-315.4**	**-310.4**	**-295.5**	**-328.7**	**-2,281.6**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A3: Help to Buy – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Capital Gains from Equity Buybacks	*-*	*-*	*-*	*-*	*3.0*	*13.0*	*36.0*	*73.0*	*124.0*	*191.0*	*274.0*	*-*	***714.0***
Total – receipts	**-**	**-**	**-**	**-**	**3.0**	**13.0**	**36.0**	**73.0**	**124.0**	**191.0**	**274.0**	**-**	**714.0**
Payments													
Administered													
Equity Contributions	*-1,040.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	*-2,080.0*	***-7,280.0***	***-21,840.0***
Equity Buybacks	*-*	*-*	*-*	*-*	*52.0*	*156.0*	*260.0*	*364.0*	*468.0*	*573.0*	*677.0*	*-*	***2,550.0***
Departmental													
Departmental Expenses	*-10.9*	*-10.9*	*-10.9*	*-11.0*	*-11.0*	*-11.1*	*-11.2*	*-11.3*	*-11.4*	*-11.4*	*-11.5*	***-43.7***	***-122.6***
Total – payments	**-1,050.9**	**-2,090.9**	**-2,090.9**	**-2,091.0**	**-2,039.0**	**-1,935.1**	**-1,831.2**	**-1,727.3**	**-1,623.4**	**-1,518.4**	**-1,414.5**	**-7,323.7**	**-19,412.6**
Total (excluding PDI)	**-1,050.9**	**-2,090.9**	**-2,090.9**	**-2,091.0**	**-2,036.0**	**-1,922.1**	**-1,795.2**	**-1,654.3**	**-1,499.4**	**-1,327.4**	**-1,140.5**	**-7,323.7**	**-18,698.6**
PDI impacts	***-10.0***	***-44.0***	***-91.0***	***-140.0***	***-192.0***	***-248.0***	***-306.0***	***-366.0***	***-428.0***	***-490.0***	***-558.0***	***-285.0***	***-2,873.0***
Total (including PDI)	**-1,060.9**	**-2,134.9**	**-2,181.9**	**-2,231.0**	**-2,228.0**	**-2,170.1**	**-2,101.2**	**-2,020.3**	**-1,927.4**	**-1,817.4**	**-1,698.5**	**-7,608.7**	**-21,571.6**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

\- Indicates nil.

Parliamentary Budget Office

Housing Australia and the National Housing Supply and Affordability Council	
Party:	Australian Labor Party
Summary of proposal: The proposal has 2 components. **Component 1** would establish a National Housing Supply and Affordability Council. **Component 2** would expand the role and work of the National Housing Finance and Investment Corporation (NHFIC). It would be responsible for key national housing programs including Help to Buy, Regional First Home Buyer Support Scheme, Housing Australia Future Fund, and existing programs currently run by NHFIC. NHFIC would also be renamed Housing Australia. Funding for the proposed changes would be funded from existing departmental resources. The proposal would start from 1 July 2022.	

Costing overview

The proposal would be expected to have nil impact on the fiscal and underlying cash balance over the 2022-23 Budget forward estimates period.

The proposal would have no impact beyond the 2022-23 Budget forward estimates period.
A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The PBO considers that the proposal could be delivered within existing departmental resources. The role and responsibility of the National Housing Supply and Affordability Council largely overlaps with the current functions of NHFIC. As the council would be established within NHFIC, additional resources would not be required. Departmental funding to expand NHFIC's responsibility to manage new housing programs including Help to Buy, Regional First Home Buyer Support Scheme and Housing Australia Future Fund are provisioned for under each respective program. The cost to rename NHFIC to Housing Australia is expected to be immaterial and could be absorbed within existing resources.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-	-	-	**-**
Underlying cash balance	-	-	-	-	**-**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Attachment A – Housing Australia and the National Housing Supply and Affordability Council – financial implications

Table A1: Housing Australia and the National Housing Supply and Affordability Council – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Departmental expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Housing Australia and the National Housing Supply and Affordability Council – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[1].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[1] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Housing Australia Future Fund	
Party:	Australian Labor Party
Summary of proposal: From 1 July 2022, the proposal would establish a Housing Australia Future Fund (HAFF), administered by the Future Fund with a target rate of return matching that of the Emergency Response Fund (ERF). Net earnings would be available to be drawn at the direction of the relevant minister to be transferred to the National Housing Finance and Investment Corporation (NHFIC) to offer payments for social housing projects or directed to grants. All funds earnt in a year would be drawn, not reinvested. A $10 billion equity injection would be provided in 2022-23 with administration and PDI costs (in cash terms) deducted from the earnings until 2025-26, then from 2026-27 only administration costs would be deducted from the earnings.	

Costing overview

The proposal would be expected to decrease the fiscal balance by $28 million and the headline cash balance by $10 billion, and have no impact on the underlying cash balance over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2022-33 is provided at Attachment A.

The financial implications of this proposal are uncertain and particularly sensitive to assumptions on the speed at which capital is deployed and the rate of return on the fund. The investment mandate for the ERF requires the Future Fund Board to have regard to the plausible capital loss from investment returns over the forward 3-year period. This risk of capital loss is estimated at 15-20% of the portfolio over a 3-year period. The actual ability to transfer net earnings to NHFIC or disburse grants is highly sensitive to this risk and so may not represent funding to be made available to disburse in any particular year.

To a lesser extent, the financial implications are also sensitive to assumptions on administration and PDI costs. Actual annual PDI impacts would not in practice equal annual earnings net of administration costs and grants or transfers to NHFIC. This is because actual PDI in a period may vary from the target rate and is affected by fluctuations in contingencies (like bad debts) and operating costs.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, PDI expense impacts have been included in this costing because the equity injections provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of equity amounts. In particular, only the headline cash balance includes transactions related to equity investments. The impact on net debt will be broadly consistent with movements in the headline cash balance.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-5.3	-9.7	-9.0	-4.0	**-28.0**
Underlying cash balance	-	-	-	-	**-**
Headline cash balance	-3,333.3	-3,333.3	-3,333.4	-	**-10,000.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

\- Indicates nil.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

- Committed funding would not impact consolidated revenue until funding is deployed or drawn down for investment or operational purposes.
  - Around one-third of the equity provided ($3,330 million) would be deployed each year over 3 years. This is consistent with the equity deployment patterns under the Medical Research Future Fund observed to date.
- The fund would achieve an annual rate of return of the consumer price index (CPI) plus 2.5%, net of costs.
  - This is the mid-point of the target rate of return range the requestor specified for the Fund – 2% to 3% above the CPI, consistent with that of the ERF.
- The fund management costs would be broadly consistent with management costs for the ERF relative to the amount of funding administered.
- The grant amount disbursed by the Minister or transferred to NHFIC would be spent outside the General Government Sector in the year it is earned.

Methodology

The equity deployment profile, investment gains and departmental costs were modelled as discussed in *Key assumptions* above. Equity deployments were estimated using information from the Medical Research Future Fund provided by the Department of Finance.

- Differences in timing of accrual and cash recognition of PDI costs result in a small, negative impact to the fiscal balance, in years where PDI costs are met from within revenue generated by the Fund.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Data sources

Information on the Emergency Response Fund returns and operational expenses over the 2022-23 Budget forward estimates period was provided by the Department of Finance as at the 2022-23 Budget.

Information on the Medical Research Future Fund's equity injections over the 2022-23 Budget forward estimates period was provided by the Department of Finance as at the 2022-23 Budget.

Economic parameters used in the model were provided by the Department of Finance and the Treasury as at the *Pre-election economic and fiscal outlook*.

Department of Finance (2022) *Emergency Response Fund | Department of Finance*, Emergency Response Fund website, accessed 23 February 2022.

Attachment A – Housing Australia Future Fund – financial implications

Table A1: Housing Australia Future Fund – Fiscal balance ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Investment earnings	*221.0*	*422.0*	*589.0*	*574.0*	*554.0*	*529.0*	*526.0*	*533.0*	*541.0*	*544.0*	*540.0*	***1,806.0***	***5,573.0***
Total – revenue	**221.0**	**422.0**	**589.0**	**574.0**	**554.0**	**529.0**	**526.0**	**533.0**	**541.0**	**544.0**	**540.0**	**1,806.0**	**5,573.0**
Expenses													
Administered													
Grants payments	*-175.0*	*-291.0*	*-366.0*	*-304.0*	*-514.0*	*-489.0*	*-486.0*	*-493.0*	*-501.0*	*-504.0*	*-499.0*	***-1,136.0***	***-4,622.0***
Total – administered	***-175.0***	***-291.0***	***-366.0***	***-304.0***	***-514.0***	***-489.0***	***-486.0***	***-493.0***	***-501.0***	***-504.0***	***-500.0***	***-1,136.0***	***-4,623.0***
Departmental													
Management Fees	*-13.3*	*-26.7*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	***-120.0***	***-400.0***
Total – expenses	**-188.3**	**-317.7**	**-406.0**	**-344.0**	**-554.0**	**-529.0**	**-526.0**	**-533.0**	**-541.0**	**-544.0**	**-540.0**	**-1,256.0**	**-5,023.0**
Total (excluding PDI)	**32.7**	**104.3**	**183.0**	**230.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**550.0**	**550.0**
PDI impacts	***-38.0***	***-114.0***	***-192.0***	***-234.0***	***-240.0***	***-246.0***	***-254.0***	***-261.0***	***-270.0***	***-279.0***	***-312.0***	***-578.0***	***-2,440.0***
Total (including PDI)	**-5.3**	**-9.7**	**-9.0**	**-4.0**	**-240.0**	**-246.0**	**-254.0**	**-261.0**	**-270.0**	**-279.0**	**-312.0**	**-28.0**	**-1,890.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

\- Indicates nil.

Table A2: Housing Australia Future Fund – Underlying cash balance ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Investment earnings	*221.0*	*422.0*	*589.0*	*574.0*	*554.0*	*529.0*	*526.0*	*533.0*	*541.0*	*544.0*	*540.0*	***1,806.0***	***5,573.0***
Total – receipts	**221.0**	**422.0**	**589.0**	**574.0**	**554.0**	**529.0**	**526.0**	**533.0**	**541.0**	**544.0**	**540.0**	**1,806.0**	**5,573.0**
Payments													
Administered													
Grants payments	*-175.0*	*-291.0*	*-366.0*	*-304.0*	*-514.0*	*-489.0*	*-486.0*	*-493.0*	*-501.0*	*-504.0*	*-499.0*	***-1,136.0***	***-4,622.0***
Total – administered	***-175.0***	***-291.0***	***-366.0***	***-304.0***	***-514.0***	***-489.0***	***-486.0***	***-493.0***	***-501.0***	***-504.0***	***-500.0***	***-1,136.0***	***-4,623.0***
Departmental													
Management Fees	*-13.3*	*-26.7*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	***-120.0***	***-400.0***
Total – payments	**-188.0**	**-317.0**	**-406.0**	**-345.0**	**-554.0**	**-529.0**	**-526.0**	**-533.0**	**-541.0**	**-544.0**	**-540.0**	**-1,256.0**	**-5,023.0**
Total (excluding PDI)	**33.0**	**105.0**	**183.0**	**229.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**550.0**	**550.0**
PDI impacts	***-33.0***	***-105.0***	***-183.0***	***-229.0***	***-239.0***	***-246.0***	***-253.0***	***-260.0***	***-269.0***	***-278.0***	***-308.0***	***-550.0***	***-2,403.0***
Total (including PDI)	**-**	**-**	**-**	**-**	**-239.0**	**-246.0**	**-253.0**	**-260.0**	**-269.0**	**-278.0**	**-308.0**	**-**	**-1,853.0**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

\- Indicates nil.

Table A3: Housing Australia Future Fund – Headline cash balance ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Investment earnings	*221.0*	*422.0*	*589.0*	*574.0*	*554.0*	*529.0*	*526.0*	*533.0*	*541.0*	*544.0*	*540.0*	***1,806.0***	***5,573.0***
Total – receipts	**221.0**	**422.0**	**589.0**	**574.0**	**554.0**	**529.0**	**526.0**	**533.0**	**541.0**	**544.0**	**540.0**	**1,806.0**	**5,573.0**
Payments													
Administered													
Grants payments	*-175.0*	*-291.0*	*-366.0*	*-304.0*	*-514.0*	*-489.0*	*-486.0*	*-493.0*	*-501.0*	*-504.0*	*-499.0*	***-1,136.0***	***-4,622.0***
Initial investment	*-3,333.3*	*-3,333.3*	*-3,333.4*	-	-	-	-	-	-	-	-	***-10,000.0***	***-10,000.0***
Total – administered	***-3,508.3***	***-3,624.6***	***-3,699.4***	***-304.0***	***-514.0***	***-489.0***	***-486.0***	***-493.0***	***-501.0***	***-504.0***	***-500.0***	***-11,136.3***	***-14,623.3***
Departmental													
Management Fees	*-13.3*	*-26.7*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	***-120.0***	***-400.0***
Total – payments	**-3,521.3**	**-3,650.3**	**-3,739.4**	**-345.0**	**-554.0**	**-529.0**	**-526.0**	**-533.0**	**-541.0**	**-544.0**	**-540.0**	**-11,256.0**	**-15,023.0**
Total (excluding PDI)	**-3,300.3**	**-3,228.3**	**-3,150.4**	**229.0**	-	-	-	-	-	-	-	**-9,450.0**	**-9,450.0**
PDI impacts	***-33.0***	***-105.0***	***-183.0***	***-229.0***	***-239.0***	***-246.0***	***-253.0***	***-260.0***	***-269.0***	***-278.0***	***-308.0***	**-550.0**	**-2,403.0**
Total (including PDI)	**-3,333.3**	**-3,333.3**	**-3,333.4**	-	**-239.0**	**-246.0**	**-253.0**	**-260.0**	**-269.0**	**-278.0**	**-308.0**	**-10,000.0**	**-11,853.0**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

(b) Figures may not sum to totals due to rounding.

\- Indicates nil.

Increasing FIRB Fees and Penalties	
Party:	Australian Labor Party

Summary of proposal:

The proposal seeks to increase the fees and penalties levied by the Foreign Investment Review Board (FIRB), on an ongoing basis. Specifically, the proposal would:

- double the application fees for foreign investment in residential real estate
- double the civil and criminal financial penalties for foreign buyers who acquire new or existing dwellings without approval
- double the maximum penalties for the following 8 breaches:
  - Non-resident acquires established property or temporary resident acquires more than one established property.
  - Temporary resident fails to sell established property when it ceases to be their principal residence.
  - Temporary resident rents out an established property.
  - Failure to complete construction within 4 years without seeking extension.
  - Property developer fails to market apartments in Australia in accordance with conditions applying to an exemption certificate.
  - Property developer fails to comply with reporting conditions associated with approval.
  - Foreign person fails to comply with reporting conditions that requires them to notify of actual purchase and sale of established properties.
  - Third party assists foreign investors to breach rules.
- double all other FIRB fees

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balance by $446 million over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in revenue over the 2022-23 Budget forward estimates period.

The proposal would have financial impacts beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The proposal is not expected to involve any change in departmental expenses as it does not involve a material change in the administrative complexity of the existing fee and penalty system.

This costing is subject to uncertainty surrounding foreign demand, behavioural responses, and the growth in the number and value of applications and prices of affected properties. Factors affecting foreign investment include state taxes and foreign resident stamp duty increases, foreign investment application fees, increased restrictions on capital transfers in home countries, tightening of bank lending to foreigners, and market conditions.[1] For instance, there was a large upwards variation in FIRB receipts from the 2021-22 Budget to the 2022-23 budget, likely due to a combination of a strong property market attracting more property investors and higher prices pushing properties into the higher application fee tier.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	71.6	121.3	125.0	127.6	**445.5**
Underlying cash balance	71.6	121.3	125.0	127.6	**445.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- 25% of applications for foreign investment in residential property that would have been made in 2022-23 under current policy settings would be brought forward to 2021-22 to avoid paying the higher fees.
- There would be a small decline in the total value of applications for foreign investment in residential property because of this proposal.
- There would be a significant behavioural response to the doubling of penalties, with 50% of tier 2 breaches (resulting from compliance activity) moving to tier 1 breaches (self-reported).
  - Penalties are significantly lower for those that self-report their breach. As such, doubling the penalties would be likely to see more self-reporting and fewer penalties arising from compliance activity.

Methodology

Increasing residential real estate FIRB fees and penalties

The financial impact was calculated by comparing estimated FIRB fee and penalty revenue under the proposal with fee and penalty revenue at the most recent baseline (2022-23 Budget). Additional adjustments are made to the model to reflect the behavioural responses outlined above.

Increasing non-residential real estate FIRB fees

The financial impact was calculated by multiplying the estimated proportion of non-residential FIRB fee revenue and the total FIRB fee receipts, uplifted by the Consumer Price Index.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

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[1] Foreign Investment Review Board, 2021. *Annual Report 2019-20*, Canberra: Commonwealth of Australia 2019. p. 33.

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Data sources

The Australian Taxation Office provided forecasts for revenue associated with fees collected from foreign investment over the period to 2025-26.

The Treasury provided forecasts of the revenue from residential and business fees collected from foreign investment over the period from 2015-16 to 2021-22.

Foreign Investment Review Board (2022), *Annual Report 2020-21*, Australian Government.

Attachment A – Increasing FIRB Fees and Penalties– financial implications

Table A1: Increasing FIRB Fees and Penalties – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Tax revenue													
Increase FIRB fees for residential real estate by 100%	*46.0*	*95.0*	*98.0*	*100.0*	*103.0*	*105.0*	*108.0*	*110.0*	*113.0*	*116.0*	*119.0*	***339.0***	***1,113.0***
Increase all non-residential FIRB fees by 100%	*25.0*	*25.6*	*26.3*	*26.9*	*27.5*	*28.2*	*28.9*	*29.6*	*30.3*	*31.1*	*31.9*	***103.8***	***311.3***
Total – tax revenue	**71.0**	**120.6**	**124.3**	**126.9**	**130.5**	**133.2**	**136.9**	**139.6**	**143.3**	**147.1**	**150.9**	**442.8**	**1,424.3**
Non – tax revenue													
Increase FIRB Penalties by 100%	*0.6*	*0.7*	*0.7*	*0.7*	*0.7*	*0.7*	*0.8*	*0.8*	*0.8*	*0.8*	*0.8*	***2.7***	***8.1***
Total – non-tax revenue	***0.6***	***0.7***	***0.7***	***0.7***	***0.7***	***0.7***	***0.8***	***0.8***	***0.8***	***0.8***	***0.8***	***2.7***	***8.1***
Total (excluding PDI)	**71.6**	**121.3**	**125.0**	**127.6**	**131.2**	**133.9**	**137.7**	**140.4**	**144.1**	**147.9**	**151.7**	**445.5**	**1,432.4**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Increasing FIRB Fees and Penalties – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*0.8*	*3.0*	*5.9*	*8.9*	*12.2*	*15.9*	*20.1*	*24.8*	*30.1*	*36.0*	*43.1*	***18.6***	***200.8***
Underlying cash balance	*0.7*	*2.8*	*5.5*	*8.5*	*11.8*	*15.4*	*19.6*	*24.2*	*29.5*	*35.3*	*42.3*	***17.5***	***195.6***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's Online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Plan to ensure Multinationals Pay Their Fair Share of Tax	
Party:	Australian Labor Party

Summary of proposal:

Component 1: Supporting a global 15% minimum tax

Implement the OECD's Global Two Pillar plan for a global 15% minimum effective tax rate on multinationals and for the taxes on multinational profits to better reflect where products and services are sold.

Component 2: Limiting debt related deductions by multinationals

Limit the deductions multinational firms can claim for net interest expenses to 30% of profits (EBITDA – earnings before interest, taxes, depreciation and amortisation) from 1 July 2023, consistent with OECD recommendations.

Component 3: Tax havens integrity

Deny tax deductions for the use of intellectual property when payments are made to a jurisdiction subject to the 'sufficient foreign tax test', as outlined in Section 177L of the *Income Tax Assessment Act 1936*, or where the jurisdiction houses intellectual property in a tax preferential patent box regime. This would apply from 1 July 2023.

Component 4: Public reporting of tax information on a country-by-country basis

Require the public release of high-level data on how much tax large multinational firms pay in the jurisdictions they operate in, alongside the number of employees working there.

Component 5: Public registry of ultimate beneficial ownership

Implement a public registry of beneficial ownership to ensure transparency over who actually owns a company, reducing our vulnerability to money laundering and tax evasion. The registry would show who ultimately owns, controls or receives profits from a company or legal vehicle, even when the company is registered as legally belonging to another person, such as an accountant or a shell company.

Component 6: Mandatory reporting of tax haven exposure to shareholders

Require companies to disclose to shareholders if they are doing business in a jurisdiction with a tax rate below the global minimum (15%) as a 'material tax risk'.

Component 7: Requiring government tenderers to disclose their country of tax domicile

Require all firms tendering for Australian Government contracts worth more than $200,000 to state their country of domicile for tax purposes.

Costing overview

The quantifiable components of this proposal would be expected to increase both the fiscal and underlying cash balances by around $1.90 billion over the 2022-23 Budget forward estimates. This consists of an increase in revenue associated with each quantifiable component of the proposal.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period. Financial implications (including separate PDI table for the quantifiable components) over the period to 2032-33 are provided at Attachment A.

The Parliamentary Budget Office (PBO) has determined Components 1, 4, 5, 6 and 7 to be unquantifiable. This primarily reflects the fact that the fiscal impact of greater transparency requirements would depend on the extent to which companies changed their behaviour – there is considerable uncertainty regarding the magnitude and direction of such a response.

No additional departmental costs have been quantified in this costing. The details of the operation of Component 1 are insufficiently developed to determine what departmental expenditures would be involved. The costs of Components 2 and 3 do not include any additional departmental expenditure as the changes involved fall within the scope of existing Australian Taxation Office (ATO) activity. The costs of Components 4 and 5 are assessed as unquantifiable but would mainly involve additional departmental expenditure by the ATO. Component 6 would mainly impose additional obligations on companies and enforcing compliance with the requirements would fall within scope of existing ATO activity. Component 7 would involve a minor additional reporting obligation for Australian Government agencies.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	*	*	1,230.0	666.0	**1,896.0**
Underlying cash balance	*	*	1,230.0	666.0	**1,896.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

* Unquantifiable – not included in totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Companies would pay any first-year increase in tax liability under this proposal in their annual tax assessment and in tax instalments thereafter.

Component 2

- Companies that would be denied deductions under the new limit on net interest expenses would instead seek to utilise the world-wide gearing ratio or the arm's length test and that 50% of deductions denied under the net interest expenses test would be allowed under the worldwide gearing ratio or arm's length test.
- The level of deductions would grow in line with the medium-term estimates for corporate gross operating surplus (GOS).

Component 3

- Royalties categorised by the ATO as 'copyright, patent, design or model, plan, secret formula or process, trademark, or other' are in scope of the component.
- Where intellectual property related royalties are distributed to countries with an intellectual property tax-preferential regime, such as intellectual property box regime, companies would use the tax-preferential arrangements.
  - The following countries were identified as having an intellectual property tax-preferential regime: Belgium, Cyprus, France, Hungary, India, Ireland, Israel, Italy, Luxembourg, Malta, Netherlands, Portugal, Singapore, the Slovak Republic, Slovenia, Spain, Switzerland, Turkey, and the United Kingdom.[1]
- Given the company tax rate of 30% for significant global entities, countries where the corporate tax rate is below 24% would be considered to not pass the 'sufficient foreign tax test'.
- Royalties paid over the 2022-23 Budget forward estimates period would grow in line with corporate gross operating surplus (GOS).

Methodology

Component 2

The financial impact is based on ATO unit-record debt-deduction data for thin capitalisation entities for the 2018-19 year. The impact was estimated by subtracting the estimated allowable debt deduction for each company under the proposal from the current amount of estimated allowable debt deductions.

The number of affected entities was calculated as the number of companies whose level of deductions would be affected by the proposal.

Component 3

The ATO provided a dataset of non-resident royalty payments for the 2016-17 through to 2019-20 financial years. A minimum tax withholding rate on royalties of 30% or the denial of a tax deduction for royalty payments was applied where the destination country was identified as having either an intellectual property tax-preferential region or a significantly lower corporate tax rate such that it would not pass the 'sufficient foreign tax test'.

The value of non-resident royalty payments was combined with the company's taxable income or loss position for the 2018-19 financial year to calculate the change in taxable income. The large company tax rate was applied to the additional taxable income to calculate additional tax revenue received. Additional revenue is projected over the medium term and a behavioural response is incorporated.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

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[1] Countries that have announced an intellectual property tax-preferential regime to be implemented in the 2019 calendar year have been included.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[2]

Components 1, 4, 5, 6 and 7

The PBO has determined these components are unquantifiable due to uncertainty around how companies would respond to greater transparency requirements.

Data sources

The Treasury provided economic parameter forecasts as at the *Budget 2022-23.*

The Australian Taxation Office provided:

- A complete dataset of non-resident royalty payments by significant global entities for the 2016-17 through to 2019-20 financial years.
- A de-identified sample of company tax returns for the 2018-19 financial year.
- International Dealings Schedule Data.

[2] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Plan to ensure Multinationals Pay Their Fair Share of Tax – financial implications

Table A1: Plan to ensure Multinationals Pay Their Fair Share of Tax – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Component 1: Support 15% minimum tax	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 2: Limit debt related deductions	-	-	*944.0*	*507.0*	*533.0*	*565.0*	*600.0*	*637.0*	*673.0*	*709.0*	*747.0*	***1,451.0***	***5,915.0***
Component 3: Tax havens integrity	-	-	*286.0*	*159.0*	*168.0*	*178.0*	*189.0*	*200.0*	*212.0*	*223.0*	*235.0*	***445.0***	***1,850.0***
Total – revenue	*	*	**1,230.0**	**666.0**	**701.0**	**743.0**	**789.0**	**837.0**	**885.0**	**932.0**	**982.0**	**1,896.0**	**7,765.0**
Expenses													
Administered													
Component 4: Public reporting of tax information	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 5: Public registry of ownership	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 6: Mandatory reporting of tax havens	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 7: Disclosure of tax domicile for tenderers	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – expenses	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	**1,230.0**	**666.0**	**701.0**	**743.0**	**789.0**	**837.0**	**885.0**	**932.0**	**982.0**	**1,896.0**	**7,765.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) The profile of financial implications over the forward estimates in this costing differs from that published in Labor's fiscal plan due to more recent information about the assumed behaviour of companies in respect to the timing of tax payments.

* Unquantifiable – not included in totals.

\- Indicates nil.

Table A2: Plan to ensure Multinationals Pay Their Fair Share of Tax – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*	*	*14.0*	*36.0*	*53.0*	*73.0*	*96.0*	*123.0*	*154.0*	*190.0*	*231.0*	***50.0***	***970.0***
Underlying cash balance	*	*	*12.0*	*33.0*	*51.0*	*70.0*	*93.0*	*120.0*	*150.0*	*185.0*	*226.0*	***45.0***	***940.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[3].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

* Unquantifiable – not included in totals.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Reinvestment in the Australian Public Service	
Party:	Australian Labor Party

Summary of proposal:

The proposal would hire additional full-time ongoing Australian Public Services (APS) staff. It includes the following components:

- **Component 1**: Add 100 new staff for Services Australia (50 APS 3 and 50 APS 4). This addition would be phased in over 2 years, with 50 new staff in 2022-23 and 50 new staff in 2023-24.
- **Component 2**: Add 100 new social workers for Services Australia. This addition would be phased in over 2 years, 50 social workers in 2022-23 and 50 social workers in 2023-24. Each yearly addition will consist of 6 APS 5 and 44 APS 6 social workers (totalling 12 APS 5 and 88 APS 6 over 2 years).
- **Component 3**: Add 500 new staff for the Department of Veterans' Affairs (50 APS 4, 400 APS 5 and 50 APS 6). This would be phased in with equal numbers over 2 years, across 2022-23 and 2023-24.
- **Component 4**: Add 380 new staff for the National Disability Insurance Agency (100 APS 3, 180 APS 4 and 100 APS 5). This would be phased in with equal numbers over 2 years, across 2022-23 and 2023-24.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $475 million over the 2022-23 Budget forward estimates period. This is driven by an increase in departmental expenses.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-67.2	-135.1	-135.9	-136.6	**-474.8**
Underlying cash balance	-67.2	-135.1	-135.9	-136.6	**-474.8**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- All additional APS staff positions are costed at their specified level over the medium term. Allowances are not made to reflect promotion of staff into positions not specified in the request.
- Salaries are assumed to grow over the medium term in line with Wage Cost Index 3 indexation and the efficiency dividend as provided by the Department of Finance.

Methodology

The financial implications for these components were estimated using a departmental cost calculator provided by the Department of Finance.

This calculator includes the direct costs (such as salaries and superannuation), as well as indirect costs incurred by the department to accommodate additional staff (such as ICT and HR services). It does not include other variable costs such as travel allowances or rural loadings.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided economic parameters as at the *2022-23 Budget.*

Department of Finance departmental cost calculator.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Reinvestment in the Australian Public Service – financial implications

Table A1: Reinvestment in the Australian Public Service – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Component 1 - new staff (Services Australia)	*-5.7*	*-11.4*	*-11.4*	*-11.5*	*-11.6*	*-11.6*	*-11.7*	*-11.7*	*-11.8*	*-11.9*	*-11.9*	***-40.0***	***-122.2***
Component 2 - social workers (Services Australia)	*-7.1*	*-14.3*	*-14.4*	*-14.5*	*-14.5*	*-14.6*	*-14.7*	*-14.8*	*-14.9*	*-15.0*	*-15.0*	***-50.3***	***-153.8***
Component 3 - new staff (Department of Veterans' Affairs)	*-32.0*	*-64.4*	*-64.8*	*-65.1*	*-65.5*	*-65.9*	*-66.2*	*-66.6*	*-66.9*	*-67.3*	*-67.7*	***-226.3***	***-692.4***
Component 4 - new staff (National Disability Insurance Agency)	*-22.4*	*-45.0*	*-45.3*	*-45.5*	*-45.8*	*-46.0*	*-46.3*	*-46.5*	*-46.8*	*-47.0*	*-47.3*	***-158.2***	***-483.9***
Total – expenses	**-67.2**	**-135.1**	**-135.9**	**-136.6**	**-137.4**	**-138.1**	**-138.9**	**-139.6**	**-140.4**	**-141.2**	**-141.9**	**-474.8**	**-1,452.3**
Total (excluding PDI)	**-67.2**	**-135.1**	**-135.9**	**-136.6**	**-137.4**	**-138.1**	**-138.9**	**-139.6**	**-140.4**	**-141.2**	**-141.9**	**-474.8**	**-1,452.3**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Reinvestment in the Australian Public Service – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.8*	*-3.1*	*-6.2*	*-9.4*	*-12.9*	*-16.8*	*-21.1*	*-25.8*	*-31.1*	*-36.9*	*-43.7*	***-19.5***	***-207.8***
Underlying cash balance	*-0.7*	*-2.8*	*-5.8*	*-9.1*	*-12.5*	*-16.3*	*-20.6*	*-25.3*	*-30.5*	*-36.2*	*-42.9*	***-18.4***	***-202.7***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Savings from Advertising, Travel and Legal Expenses	
Party:	Australian Labor Party
Summary of proposal: The proposal would direct Commonwealth agencies to reduce expenditure on travel, internal legal services, and advertising engaged by the Australian Public Service (APS) and reduce agency departmental budgets, in aggregate, by $142.5 million in each year over the forward estimates period. The Department of Finance would administer the implementation of this proposal, including determining the impact on resourcing for individual APS agencies. This policy would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by $572 million over the 2022-23 Budget forward estimates period. This entirely reflects a decrease in departmental expenditure.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified changes in funding would affect the delivery or performance of APS agencies' program and service delivery.

Table 1: Financial implications ($m)(a)(b)

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	143.0	143.0	143.0	143.0	**572.0**
Underlying cash balance	143.0	143.0	143.0	143.0	**572.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The implementation of the proposal by the Department of Finance would deliver the specified level of savings.
- In aggregate, APS agencies would be able to accommodate the specified reduction in departmental resourcing.
- The proposed decrease in expenditure could be achieved within the proposed timeframes.

- Consistent with the PBO's general election guidance, in the absence of a public statement specifying that this policy is terminating, the PBO has assumed that this policy is ongoing.

Methodology

Financial implications over the forward estimates period were calculated based on the specified reduction in departmental resourcing across the APS. The financial implications from 2026-27 were grown in line with the overall increases in Australian Government expenditure.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided indexation parameters as at the 2022-23 Budget.

The Treasury provided estimates on the level of Australian Government expenditure as at the 2022-23 Budget.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Savings from Advertising, Travel and Legal Expenses – financial implications

Table A1: Savings from Advertising, Travel and Legal Expenses – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Savings from Advertising, Travel and Legal Expenses	*143.0*	*143.0*	*143.0*	*143.0*	*149.0*	*158.0*	*166.0*	*175.0*	*185.0*	*195.0*	*205.0*	***572.0***	***1,805.0***
Total – expenses	**143.0**	**143.0**	**143.0**	**143.0**	**149.0**	**158.0**	**166.0**	**175.0**	**185.0**	**195.0**	**205.0**	**572.0**	**1,805.0**
Total (excluding PDI)	**143.0**	**143.0**	**143.0**	**143.0**	**149.0**	**158.0**	**166.0**	**175.0**	**185.0**	**195.0**	**205.0**	**572.0**	**1,805.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Savings from Advertising, Travel and Legal Expenses – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*1.6*	*4.9*	*8.2*	*11.6*	*15.4*	*19.7*	*24.7*	*30.5*	*37.2*	*44.8*	*54.5*	***26.3***	***253.1***
Underlying cash balance	*1.4*	*4.5*	*7.8*	*11.2*	*14.9*	*19.2*	*24.1*	*29.8*	*36.4*	*43.9*	*53.3*	***24.9***	***246.5***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Savings from External Labour	
Party:	Australian Labor Party
Summary of proposal: This proposal would direct Commonwealth agencies to reduce the expenditure on labour hire engaged by the Australian Public Service (APS) and reduce agency departmental budgets, in aggregate, by $500 million in 2022-23 increasing to $1 billion in 2025-26. The Department of Finance would administer the implementation of this proposal, including determining the impact on resourcing for individual APS agencies. This policy would have effect from 1 July 2022.	

Costing overview

This proposal would be expected to increase the fiscal and underlying cash balances by $3,000 million over the 2022-23 Budget forward estimates period. This entirely reflects a decrease in departmental expenditure.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified changes in funding would affect the delivery or performance of APS agencies' program and service delivery.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	500.0	670.0	830.0	1,000.0	**3,000.0**
Underlying cash balance	500.0	670.0	830.0	1,000.0	**3,000.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The implementation of the proposal by the Department of Finance would deliver the specified level of savings.
- In aggregate, APS agencies would be able to accommodate the specified reduction in departmental resourcing.

- Consistent with the PBO's general election guidance, in the absence of a public statement specifying that this policy is terminating, the PBO has assumed that this policy is ongoing.

Methodology

Financial implications over the forward estimates period were calculated based on the specified reduction in departmental resourcing across the APS. The financial implications from 2026-27 were grown in line with the overall increases in Australian Government expenditure.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided indexation parameters as at the 2022-23 Budget.

The Treasury provided estimates on the level of Australian Government expenditure as at the 2022-23 Budget.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Savings from External Labour – financial implications

Table A1: Savings from External Labour – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Savings from External Labour	*500.0*	*670.0*	*830.0*	*1,000.0*	*1,050.0*	*1,110.0*	*1,160.0*	*1,220.0*	*1,300.0*	*1,370.0*	*1,440.0*	***3,000.0***	***11,650.0***
Total – expenses	**500.0**	**670.0**	**830.0**	**1,000.0**	**1,050.0**	**1,110.0**	**1,160.0**	**1,220.0**	**1,300.0**	**1,370.0**	**1,440.0**	**3,000.0**	**11,650.0**
Total (excluding PDI)	**500.0**	**670.0**	**830.0**	**1,000.0**	**1,050.0**	**1,110.0**	**1,160.0**	**1,220.0**	**1,300.0**	**1,370.0**	**1,440.0**	**3,000.0**	**11,650.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Savings from External Labour – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*6.0*	*19.0*	*36.0*	*58.0*	*84.0*	*114.0*	*148.0*	*188.0*	*234.0*	*286.0*	*350.0*	***119.0***	***1,523.0***
Underlying cash balance	*5.0*	*17.0*	*34.0*	*55.0*	*81.0*	*110.0*	*144.0*	*183.0*	*228.0*	*280.0*	*342.0*	***111.0***	***1,479.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Strengthening Competition to Ease Cost of Living Pressures	
Party:	Australian Labor Party

Summary of proposal:

This proposal has 4 components, each starting from 1 July 2022.

- **Component 1** would increase maximum penalties under the *Competition and Consumer Act 2010* (the Act) from $10 million to $50 million. Alternatively, for anti-competitive conduct penalties, judges may adopt the European Union's methodology, which is based on 30 per cent of the annual sales of the product or service relating to the infringement, multiplied by the number of years for which the infringement took place.
- **Component 2** would triple the number of penalty units for infringement notice penalties that the Australian Competition and Consumer Commission (ACCC) can issue under the Act.
- **Component 3** would change the definition of a small business eligible for protection under the *Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Act 2015* to a business entity with a turnover of up to $10 million.
- **Component 4** would see unfair contract terms become illegal and incur civil penalties of up to a maximum of $50 million.

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $558 million over the 2022-23 Budget forward estimates period. This is entirely driven by an increase in non-taxation revenue.

A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

There are considerable uncertainties associated with this costing. The Parliamentary Budget Office (PBO) expects that an increase in maximum penalties under the Act would lead to an increase in the value of penalties. However, given that any changes to penalty amounts are at the discretion of the judges imposing them, this may not occur. Further, the base is highly volatile, reflecting the uncertainty inherent in estimating revenue from litigation.

The costing estimates are based on the penalties that were imposed between 2018-19 and 2020-21, but these may not be a reliable indicator of the penalties that may be imposed in the future. A further significant source of uncertainty is businesses' behavioural responses to the proposal. The PBO expects increased compliance with the Act on account of this policy proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	139.4	139.4	139.4	139.5	**557.7**
Underlying cash balance	139.4	139.4	139.4	139.5	**557.7**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1

- The distribution of penalties imposed between 2018-19 and 2020-21 are representative of penalties that would be imposed in the future.
- Penalty amounts would increase proportionately to the increase in maximum penalties.
- Businesses would be expected to respond to the proposal by increasing their compliance with the Act, resulting in fewer cases being prosecuted by the ACCC and a decrease in the total value of penalties that would otherwise be expected to be imposed.
  - The expected total volume of penalties imposed would decrease by 50% as a result of increased business compliance.
- The value of the increased penalties would be expected to remain constant over the period to 2032-33.

Component 2

- There would not be a behavioural response to this component.
- The average number of penalty units imposed each year in the absence of this component would be equal to the annual average of the penalty units for specified infringement notices over the period from 2018-19 to 2020-21.

Component 3

- The change in the definition of a small business eligible for protection under *Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Act 2015* would not materially affect the overall number of complaints administered by the ACCC.
  - Despite the proposed change to the definition of a small business, the increase in protected businesses is relatively small compared to the number currently covered.

Component 4

- The introduction of a penalty framework to apply to findings of unfair contract terms would act as a significant deterrent for businesses.
  - Given the current low number of cases progressing through the courts in the absence of a penalty framework, the potential penalty would act as further motivation for businesses to reach an agreement with the ACCC outside of court and thus is unlikely to raise a significant amount of revenue.

- For all components, the PBO assumes that the necessary legislation is passed in order to enable the proposal to be implemented from 1 July 2022.

Methodology

Component 1

- The estimates for Component 1 are based on ACCC data on penalties that were imposed over the period from 2018-19 to 2020-21.
- The total annual value of penalties was estimated by applying the assumed increases in penalty amounts, calculating the total annual average and then applying the assumed behavioural response of businesses.
- The financial impact of this component was then calculated by subtracting the total penalty revenue included in the current budget base from the total value of penalties as calculated under the proposal.

Component 2

- The estimates for Component 2 were estimated by calculating the difference between the baseline and the proposed value of penalty units for the specified infringement notices.
- The baseline value for each year was based on the annual average value of total penalty units imposed for the specified infringement notices during the period between 2018-19 and 2020-21, including the impact of triannual indexation of the value of penalty units.
- The proposed value was calculated by increasing the number of infringements the ACCC can issue, as specified in the request.

Component 3

- Component 3 would not be expected to have any financial implications based on the PBO's assessment that Component 3 does not significantly change the number of businesses covered by *Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Act 2015.*

Component 4

- Component 4 would result in increased compliance with existing rules and most unfair contract term cases not proceeding to court, and therefore would have immaterial financial implications.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The ACCC provided data on the number and value of civil penalties imposed under the *Competition and Consumer Act 2010* as a result of prosecutions by the ACCC over the period 2014-15 to 2020-21.

The Department of the Treasury provided economic parameters as at the Pre-election Economic and Fiscal Outlook 2022.

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[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Strengthening Competition to Ease Cost of Living Pressures – financial implications

Table A1: Strengthening Competition to Ease Cost of Living Pressures – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Non – tax revenue													
Component 1	*138.0*	*138.0*	*138.0*	*138.0*	*138.0*	*138.0*	*138.0*	*138.0*	*138.0*	*138.0*	*138.0*	***552.0***	***1,518.0***
Component 2	*1.4*	*1.4*	*1.4*	*1.5*	*1.5*	*1.5*	*1.6*	*1.6*	*1.6*	*1.7*	*1.7*	***5.7***	***16.9***
Component 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 4	..	..	..	..	..	..	..	..	..	..	..	..	..
Total (excluding PDI)	**139.4**	**139.4**	**139.4**	**139.5**	**139.5**	**139.5**	**139.6**	**139.6**	**139.6**	**139.7**	**139.7**	**557.7**	**1,534.9**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Strengthening Competition to Ease Cost of Living Pressures – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*1.6*	*4.8*	*8.1*	*11.4*	*15.0*	*19.0*	*23.4*	*28.2*	*33.5*	*39.3*	*46.7*	***25.9***	***231.0***
Underlying cash balance	*1.4*	*4.4*	*7.7*	*11.0*	*14.6*	*18.5*	*22.8*	*27.6*	*32.9*	*38.6*	*45.8*	***24.5***	***225.3***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Rural Health and Medical Training for Far North Queensland	
Party:	Australian Labor Party

Summary of proposal:

The proposal would provide funding over 4 years from 2022-23 to improve rural health care in Far North Queensland. It includes 2 components and would end on 30 June 2026.

Component 1 would create an additional 20 Commonwealth Supported Places (CSPs) per year from 2023 for 3 years for medicine at James Cook University.

Component 2 would provide support for the education, training and placement of doctors in hospitals in Far North Queensland through the North Queensland Primary Health Network with the following funding profile.

$m	2022-23	2023-24	2024-25	2025-26
Component 2	-3.1	-5.4	-5.6	-6.3

Costing overview

The proposal would be expected to decrease the fiscal balance by $26.2 million, the underlying cash balance by $25.9 million and the headline cash balance by $27.6 million over the 2022-23 Budget forward estimates period. This impact predominantly reflects an increase in administered expenses.

The proposal would be expected to have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to the assumptions around the uptake and completion of the additional CSPs and the inherent uncertainties in the baseline estimates for the relevant student loan programs, including uncertainties around existing estimates of debts not expected to be repaid and limited information regarding loan repayment profiles.

Consistent with the *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the concessional loans affected by this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest payments and the flow of loan principal. In particular, only the fiscal balance reflects loan indexation and remissions, and only the headline cash balance includes transactions related to loan principal amounts. The impact on net debt will be broadly consistent with movements in the headline cash balance. A note on the accounting treatment of concessional loans is included at Attachment B.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-3.4	-6.5	-7.5	-8.8	**-26.2**
Underlying cash balance	-3.4	-6.4	-7.4	-8.7	**-25.9**
Headline cash balance	-3.5	-6.7	-8.0	-9.4	**-27.6**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Each CSP would be for a 5-year degree and all commencing students would finish their degree.
- There would be sufficient capacity and demand for the additional CSPs.
- After the 3 years of additional CSPs, the number of commencing CSPs would return to the baseline allocation.
- Departmental expenses would not be significant and would be absorbed within existing resources.

Methodology

The financial implications of Component 1 were estimated consistent with modelling for the 2022-23 Budget measure *Build on the Government's Investment in Rural Medical Training*, provided by the Department of Finance.

- Costs for the CSPs were derived using the Commonwealth Grants Scheme and Higher Education Loan Program estimates models provided by the Department of Education, Skills and Employment.

The financial implications of Component 2 were as specified.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided the costing model as well as the underlying data for this proposal.

The Department of Education, Skills and Employment provided the Commonwealth Grants Scheme and Higher Education Loan Program estimates models as at the *Budget 2022-23.*

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Rural Health and Medical Training for Far North Queensland – financial implications

Table A1: Rural Health and Medical Training for Far North Queensland – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
Component 1 - Indexation on loans	*-*	*..*	*..*	*..*	*..*	*0.10*	*0.10*	*0.10*	*0.10*	*0.10*	*0.10*	***..***	***0.60***
Component 1 - Unwinding concessional loan discount	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*..*	*..*	*..*	*..*	***-***	***..***
Total – revenue	**-**	**..**	**..**	**..**	**..**	**0.10**	**0.10**	**0.10**	**0.10**	**0.10**	**0.10**	**..**	**0.60**
Expenses													
Administered													
Component 1 - Personal benefits	*..*	*..*	*..*	*-0.01*	*-0.01*	*..*	*..*	*..*	*-*	*-*	*-*	***-0.01***	***-0.02***
Component 1 - Remissions	*-*	*-*	*-*	*-*	*-*	*..*	*..*	*..*	*..*	*..*	*..*	***-***	***..***
Component 1 - Concessional loan discount	*-*	*-*	*-*	*-*	*-*	*-0.01*	*-0.01*	*..*	*-*	*-*	*-*	***-***	***-0.02***
Component 1 - Other loan financing	*..*	*-0.10*	*-0.10*	*-0.10*	*-0.10*	*-0.10*	*-0.10*	*..*	*-*	*-*	*-*	***-0.30***	***-0.60***
Component 1 - Commonwealth Supported Places	*-0.30*	*-0.90*	*-1.50*	*-1.90*	*-1.90*	*-1.60*	*-1.00*	*-0.30*	*-*	*-*	*-*	***-4.60***	***-9.40***
Component 2 - Support for doctors in hospitals in Far North Queensland	*-3.10*	*-5.40*	*-5.60*	*-6.30*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-20.40***	***-20.40***
Total – expenses	**-3.40**	**-6.30**	**-7.20**	**-8.30**	**-2.01**	**-1.71**	**-1.11**	**-0.30**	**..**	**..**	**..**	**-25.20**	**-30.33**
Total (excluding PDI)	**-3.40**	**-6.30**	**-7.20**	**-8.30**	**-2.01**	**-1.61**	**-1.01**	**-0.20**	**0.10**	**0.10**	**0.10**	**-25.20**	**-29.73**
PDI impacts	***..***	***-0.20***	***-0.30***	***-0.50***	***-0.70***	***-0.70***	***-0.80***	***-0.90***	***-0.90***	***-0.90***	***-1.00***	***-1.00***	***-6.90***
Total (including PDI)	**-3.40**	**-6.50**	**-7.50**	**-8.80**	**-2.71**	**-2.31**	**-1.81**	**-1.10**	**-0.80**	**-0.80**	**-0.90**	**-26.20**	**-36.63**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Rural Health and Medical Training for Far North Queensland – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Component 1 - Interest receipts	-	-	..	..	..	..	..	0.01	0.01	0.01	0.01	..	**0.04**
Total – receipts	**-**	**-**	**..**	**..**	**..**	**..**	**..**	**0.01**	**0.01**	**0.01**	**0.01**	**..**	**0.04**
Payments													
Administered													
Component 1 - Personal benefits	..	..	..	-0.01	-0.01	..	..	..	-	-	-	**-0.01**	**-0.02**
Component 1 - Commonwealth Supported Places	-0.30	-0.90	-1.50	-1.90	-1.90	-1.60	-1.00	-0.30	-	-	-	**-4.60**	**-9.40**
Component 2 - Support for doctors in hospitals in Far North Queensland	-3.10	-5.40	-5.60	-6.30	-	-	-	-	-	-	-	**-20.40**	**-20.40**
Total – payments	**-3.40**	**-6.30**	**-7.10**	**-8.20**	**-1.91**	**-1.60**	**-1.00**	**-0.30**	**-**	**-**	**-**	**-25.00**	**-29.81**
Total (excluding PDI)	**-3.40**	**-6.30**	**-7.10**	**-8.20**	**-1.91**	**-1.60**	**-1.00**	**-0.29**	**0.01**	**0.01**	**0.01**	**-25.00**	**-29.77**
PDI impacts	**..**	**-0.10**	**-0.30**	**-0.50**	**-0.60**	**-0.70**	**-0.80**	**-0.90**	**-0.90**	**-0.90**	**-1.00**	**-0.90**	**-6.70**
Total (including PDI)	**-3.40**	**-6.40**	**-7.40**	**-8.70**	**-2.51**	**-2.30**	**-1.80**	**-1.19**	**-0.89**	**-0.89**	**-0.99**	**-25.90**	**-36.47**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Rural Health and Medical Training for Far North Queensland – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
Component 1 - Interest receipts	-	-	..	..	..	..	..	0.01	0.01	0.01	0.01	..	***0.04***
Component 1 - Loan principal repayments	-	..	..	..	..	0.10	0.10	0.10	0.10	0.10	0.20	..	***0.70***
Total – receipts	**-**	**..**	**..**	**..**	**..**	**0.10**	**0.10**	**0.11**	**0.11**	**0.11**	**0.21**	**..**	**0.74**
Payments													
Administered													
Component 1 - Personal benefits	..	..	..	-0.01	-0.01	..	..	..	-	-	-	***-0.01***	***-0.02***
Component 1 - Total loans	-0.10	-0.30	-0.60	-0.70	-0.70	-0.60	-0.40	-0.10	-	-	-	***-1.70***	***-3.50***
Component 1 - Commonwealth Supported Places	-0.30	-0.90	-1.50	-1.90	-1.90	-1.60	-1.00	-0.30	-	-	-	***-4.60***	***-9.40***
Component 2 - Support for doctors in hospitals in Far North Queensland	-3.10	-5.40	-5.60	-6.30	-	-	-	-	-	-	-	***-20.40***	***-20.40***
Total – payments	**-3.50**	**-6.60**	**-7.70**	**-8.90**	**-2.61**	**-2.20**	**-1.40**	**-0.40**	**-**	**-**	**-**	**-26.70**	**-33.31**
Total (excluding PDI)	**-3.50**	**-6.60**	**-7.70**	**-8.90**	**-2.61**	**-2.10**	**-1.30**	**-0.29**	**0.11**	**0.11**	**0.21**	**-26.70**	**-32.57**
PDI impacts	***..***	***-0.10***	***-0.30***	***-0.50***	***-0.60***	***-0.70***	***-0.80***	***-0.90***	***-0.90***	***-0.90***	***-1.00***	***-0.90***	***-6.70***
Total (including PDI)	**-3.50**	**-6.70**	**-8.00**	**-9.40**	**-3.21**	**-2.80**	**-2.10**	**-1.19**	**-0.79**	**-0.79**	**-0.79**	**-27.60**	**-39.27**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Attachment B – Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Australian Government.

Budget impact[2]

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[3] Table B1 provides information about the detail provided in a costing. The provision of concessional loans decreases the Australian Government's net worth if the liabilities issued (the value of Australian Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

[2] The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

[3] This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.

Parliamentary Budget Office

Powering the Regions Fund and direct financial support measures	
Party:	Australian Labor Party
Summary of proposal: This proposal would reallocate funding under the Emissions Reduction Fund to the new Powering the Regions Fund. This fund would provide direct financial support for measures that improve energy efficiency within existing industries and develop new industries in Regional Australia. The mandate, function and operation of the Powering the Regions Fund would be determined at a later stage. The proposal would have effect from 1 July 2022 and has not been specified to be terminating.	

Costing overview

The proposal would be expected to have an unquantifiable impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period. This includes a nil increase in administered expenses as funding would be reallocated from the Emissions Reduction Fund to the Powering the Regions Fund and an unquantifiable impact on company tax revenue.

The proposal would have an unquantifiable impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The estimates provided are unquantifiable as the mandate, function and operation of the Powering the Regions Fund is unspecified.

- This proposal would result in an increase in interest receipts if the proposed financial support would be in the form of loans or equity funding. As this has not been specified, this impact has not been included in this costing.
- The timing and level of reallocated funding is uncertain and would depend on the demand for financial support and the extent to which firms would seek to improve their energy efficiency or develop new industries in Regional Australia.
- Reducing funding under the Emissions Reduction Fund could impact the price and market for Australian carbon credit units (ACCUs); this magnitude of this impact is uncertain as the level of reallocated funding is uncertain. As ACCUs are tax-deductible, a change in price could result in an increase in the level company tax paid.

Table 1: Financial implications ($m)

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

* Unquantifiable – not included in totals.

Attachment A – Powering the Regions Fund and direct financial support measures – financial implications

Table A1: Powering the Regions Fund and direct financial support measures – Fiscal and underlying cash balances ($m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Revenue													
Company tax	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – revenue	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
Expenses													
Reallocation of funds from the Emissions Reduction Fund to the new Powering the Regions Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (excluding PDI)	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****

* Unquantifiable – not included in totals.

\- Indicates nil.

Table A2: Powering the Regions Fund and direct financial support measures – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*	*	*	*	*	*	*	*	*	*	*	*	*
Underlying cash balance	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable – not included in totals.

[1] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Restore the role of the Climate Change Authority	
Party:	Australian Labor Party
Summary of proposal: The proposal would restore the role of the Climate Change Authority (CCA), while keeping decision-making and accountability with government and introducing an annual Parliamentary reporting system for the relevant Minister. Resourcing would be adjusted within the relevant Ministerial portfolio to ensure the proposal would have no impact on the Australian Government Budget. The proposal is ongoing and would be in effect from 1 July 2022.	

Costing overview

The proposal would have nil impact each year over the period to 2032-33, with the additional departmental resources for the CCA assumed to be transferred from within the same Ministerial portfolio.

A breakdown of the financial implications reflecting this resource transfer over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-	-	-	**-**
Underlying cash balance	-	-	-	-	**-**

(a) There is nil PDI impact for this proposal.
- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumption in costing this proposal.

- The staff headcount at the CCA under the proposal would increase from its current level of 10 to the 2012-13 level of 32.
  - An increase in departmental resources would be drawn from within the same Ministerial portfolio.

Methodology

Departmental expenses were estimated using the departmental cost calculator provided by the Department of Finance.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Climate Change Authority (CCA) (2013), *Annual Report 2012-13*, CCA, Australian Government, accessed 17 June 2022.

Climate Change Authority (CCA) (2021), *Annual Report 2020-21*, CCA, Australian Government, accessed 17 June 2022.

The Department of Finance provided the departmental cost calculator.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Restore the role of the Climate Change Authority – financial implications

Table A1: Restore the role of the Climate Change Authority – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Climate Change Authority	*-3.5*	*-3.6*	*-3.6*	*-3.6*	*-3.6*	*-3.6*	*-3.7*	*-3.7*	*-3.7*	*-3.7*	*-3.8*	***-14.3***	***-40.1***
Offset from within the same portfolio	*3.5*	*3.6*	*3.6*	*3.6*	*3.6*	*3.6*	*3.7*	*3.7*	*3.7*	*3.7*	*3.8*	***14.3***	***40.1***
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Restore the role of the Climate Change Authority – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Roll Creative Partnerships Australia into the Australia Council	
Party:	Australian Labor Party
Summary of proposal: The proposal would roll the current functions of Creative Partnerships Australia into the Australia Council for the Arts (the Australia Council). Staff from Creative Partnerships Australia would be transferred into the Australia Council. All funding for Creative Partnerships Australia would be rolled into the Australia Council. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to have no impact on the fiscal and underlying cash balance over the 2022-23 Budget forward estimates period, nor an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-	-	-	**-**
Underlying cash balance	-	-	-	-	**-**

- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The expenses of the body would be incurred evenly throughout the year.
- All staff from Creative Partnerships Australia would be transferred into the Australia Council.
- Wage expenses would be equivalent within each entity.
- Expenses associated with leased office accommodation would remain unchanged following the transfer of Creative Partnerships Australia's staff into the Australia Council.
- Australian Government funding provided to Creative Partnerships Australia would be renewed in 2024-25 and be ongoing.
  - Information on Creative Partnerships Australia's Commonwealth Funding Deed (2018-2024) was taken from its recent corporate plan publication.

Methodology

The proposal would be expected to have no financial impact as all current and expected funding for Creative Partnerships Australia would be rolled into the Australia Council.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

Creative Partnerships Australia (2021) *Corporate Plan 2022-2025*, accessed 15 June 2022.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Roll Creative Partnerships Australia into the Australia Council – financial implications

Table A1: Roll Creative Partnerships Australia into the Australia Council – Fiscal and underlying cash balances ($m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Expenses													
Administered expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

\- Indicates nil.

Table A2: Roll Creative Partnerships Australia into the Australia Council – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Budget analysis of interactions between the Australian Labor Party's election commitments	
Party:	Australian Labor Party
Summary of analysis: This analysis provides estimates of interactions between the Australian Labor Party's (ALP) election commitments. This analysis should be read in conjunction with the costings of each of the policy proposals identified as having interactions.	

Costing overview

The Parliamentary Budget Office (PBO) has examined all of the revenue and expense policy proposals of the ALP included in the 2022 Election commitments report to identify proposals that interact with each other in terms of their impact on the budget. An interaction arises when two or more proposals would have different budgetary implications when implemented together compared to the sum of the budgetary implications of implementing proposals in isolation.

This analysis has specifically identified interactions between different policy proposals, rather than interactions within proposals. Proposals that include multiple components have had any interactions between components quantified within the costing of the proposal. See, for example, costing ECR138 *Expanding the Pacific Labour Scheme.*

The current analysis does not include the impact of any direct flow-on or behavioural impacts a commitment may have, these impacts are covered in the costing minutes of the commitment concerned. See, for example, costing ECR108 *Increasing the Temporary Skilled Migration Income Threshold* where all of the impact of the proposal is due to flow-on effects to taxes or visa application fees.

The PBO has assessed that 7 of the ALP's policy proposals interact with other proposals. All of these are expense proposals. Some of them have non-taxation revenue impacts. No revenue proposals were identified as having material interactions.

The 7 policy proposals with interactions are as follows.

- 20,000 More University Places (ECR113)
- Rural Health and Medical Training for Far North Queensland (ECR173)
- Ending the 10% upfront fee discount (ECR116)
- Paid Domestic Violence Leave (ECR158)
- Reinvestment in the Australian Public Service (ECR168)
- Driving the Nation (ECR134)
- Powering Australia – Electric Car Discount (ECR124)

Interactions between the identified policy proposals would be expected to increase the fiscal balance by $2 million, the underlying cash balance by $2.3 million and the headline cash balance by $0.9 million over the 2022-23 Budget forward estimates period. These financial impacts primarily reflect interactions among commitments *20,000 More University Places*, *Rural Health and Medical Training for Far North Queensland* and *Ending the 10% upfront fee discount*.

These interactions would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

Removing the 10% upfront fee discount (the policy in ECR116) for the additional places provided in ECR113 and ECR173 would result in an overall saving primarily from a reduced expense for the discount. This would be partially offset by small increased costs from providing additional Higher Education Loan Program (HELP) loans, as some course fees previously offset by the upfront fee discounts would be paid through student loans, consistent with historical fee payment patterns.

In addition to the uncertainty associated with each individual proposal, the current analysis is also subject to uncertainty surrounding students' upfront and deferred fee payment behaviour in the presence of the interacting policies.

The commitment *Reinvestment in the Australian Public Service* will interact with the commitment *Paid Domestic Violence Leave* because the provision of paid domestic violence leave will increase employment costs per public service employee. Due to the small numbers involved in each policy, this interaction will result in a negligible increase in departmental costs which, as specified in the paid domestic leave commitment, would be absorbed into departmental budgets.

The commitment *Driving the Nation* could be expected to interact with the commitment *Powering Australia – Electric Car Discount* if investments in additional electric vehicle (EV) infrastructure under the capped *Driving the Nation* commitment resulted in an increased take up of EVs. An increase in EV take up would increase the number of vehicles benefiting from tariff and fringe benefit tax concessions. The PBO assesses that the magnitude of this interaction is not quantifiable due to insufficient information on the extent to which additional charging stations affect EV take up. Assessing the impact of this interaction will be complicated by the extent of any unsubsidised roll-out of charging stations by the private sector in response to increasing EV take up.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	0.3	0.6	0.6	0.4	**2.0**
Underlying cash balance	0.3	0.7	0.7	0.5	**2.3**
Headline cash balance	0.1	0.3	0.3	0.2	**0.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The implementation of these policies would not produce a material behavioural impact.

Methodology

Interactions between the policy proposals have been estimated using the same models as the separate costings, calculating the financial implications of each proposal in isolation, and the financial implications associated with implementing all proposals together. The financial implications of the interactions between the proposals are the difference between the calculated change in expense and revenue of all proposals implemented together and the sum of the change in expense and revenue from each proposal implemented separately.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

All data sources are consistent with the costing of each individual proposal.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Budget analysis of interactions between the Australian Labor Party's election commitments – financial implications

Table A1: Budget analysis of interactions between the Australian Labor Party's election commitments – Fiscal balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
Administered non-tax													
ECR116 & ECR173	-	..	..	..	..	..	..	..	..	..	..	..	..
ECR116 & ECR113	-	..	*0.01*	*0.02*	*0.03*	*0.03*	*0.03*	*0.03*	*0.04*	*0.04*	*0.04*	***0.03***	***0.27***
Total – revenue	**-**	**..**	**0.01**	**0.02**	**0.03**	**0.03**	**0.03**	**0.03**	**0.04**	**0.04**	**0.04**	**0.03**	**0.27**
Expenses													
Administered													
ECR116 & ECR173	..	..	..	..	..	..	..	..	..	..	..	..	..
ECR116 & ECR113	*0.30*	*0.60*	*0.60*	*0.40*	*0.20*	..	..	..	..	..	..	***1.90***	***2.10***
Total – expenses	**0.30**	**0.60**	**0.60**	**0.40**	**0.20**	**..**	**..**	**..**	**..**	**..**	**..**	**1.90**	**2.10**
Total interaction - ECR116 & ECR173	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
Total interaction - ECR116 & ECR113	**0.30**	**0.60**	**0.61**	**0.42**	**0.23**	**0.03**	**0.03**	**0.03**	**0.04**	**0.04**	**0.04**	**1.93**	**2.37**
Total interactions (excluding PDI)	**0.30**	**0.60**	**0.61**	**0.42**	**0.23**	**0.03**	**0.03**	**0.03**	**0.04**	**0.04**	**0.04**	**1.93**	**2.37**
PDI impacts	**..**	***0.01***	***0.01***	***0.02***	***0.02***	***0.03***	***0.03***	***0.03***	***0.04***	***0.04***	***0.04***	***0.04***	***0.27***
Total interactions (including PDI)	**0.30**	**0.61**	**0.62**	**0.44**	**0.25**	**0.06**	**0.06**	**0.06**	**0.08**	**0.08**	**0.08**	**1.97**	**2.64**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Budget analysis of interactions between the Australian Labor Party's election commitments – Underlying cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
ECR116 & ECR173	-	-	..	..	..	..	..	..	..	..	..	**..**	**..**
ECR116 & ECR113	-	-	..	..	..	..	..	..	*0.01*	*0.01*	*0.01*	**..**	***0.03***
Total – receipts	**-**	**-**	**..**	**..**	**..**	**..**	**..**	**..**	**0.01**	**0.01**	**0.01**	**..**	**0.03**
Payments													
Administered													
ECR116 & ECR173	..	..	..	*0.01*	*0.01*	..	..	..	-	-	-	***0.01***	***0.02***
ECR116 & ECR113	*0.30*	*0.70*	*0.70*	*0.50*	*0.20*	*0.10*	-	-	-	-	-	***2.20***	***2.50***
Total – payments	**0.30**	**0.70**	**0.70**	**0.51**	**0.21**	**0.10**	**..**	**..**	**-**	**-**	**-**	**2.21**	**2.52**
Total interaction - ECR116 & ECR173	**..**	**..**	**..**	**0.01**	**0.01**	**..**	**..**	**..**	**..**	**..**	**..**	**0.01**	**0.02**
Total interaction - ECR116 & ECR113	**0.30**	**0.70**	**0.70**	**0.50**	**0.20**	**0.10**	**..**	**..**	**0.01**	**0.01**	**0.01**	**2.20**	**2.53**
Total interactions (excluding PDI)	**0.30**	**0.70**	**0.70**	**0.51**	**0.21**	**0.10**	**..**	**..**	**0.01**	**0.01**	**0.01**	**2.21**	**2.55**
PDI impacts	**..**	***0.01***	***0.01***	***0.02***	***0.02***	***0.03***	***0.03***	***0.03***	***0.04***	***0.04***	***0.04***	***0.04***	***0.27***
Total interactions (including PDI)	**0.30**	**0.71**	**0.71**	**0.53**	**0.23**	**0.13**	**0.03**	**0.03**	**0.05**	**0.05**	**0.05**	**2.25**	**2.82**

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Budget analysis of interactions between the Australian Labor Party's election commitments – Headline cash balance ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
Administered non-tax													
ECR116 & ECR173	-	..	..	..	..	..	..	..	..	..	..	**..**	**..**
ECR116 & ECR113	-	..	..	..	..	..	..	*0.10*	*0.10*	*0.10*	*0.10*	**..**	***0.40***
Total – receipts	**-**	**..**	**..**	**..**	**..**	**..**	**..**	**0.10**	**0.10**	**0.10**	**0.10**	**..**	**0.40**
Payments													
Administered													
ECR116 & ECR173	-	..	..	..	..	..	..	-	-	-	-	**..**	**..**
ECR116 & ECR113	*0.10*	*0.30*	*0.30*	*0.20*	*0.10*	..	-	-	-	-	-	***0.90***	***1.00***
Total – payments	**0.10**	**0.30**	**0.30**	**0.20**	**0.10**	**..**	**..**	**-**	**-**	**-**	**-**	**0.90**	**1.00**
Total interaction - ECR116 & ECR173	**-**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**
Total interaction - ECR116 & ECR113	**0.10**	**0.30**	**0.30**	**0.20**	**0.10**	**..**	**..**	**0.10**	**0.10**	**0.10**	**0.10**	**0.90**	**1.40**
Total interactions (excluding PDI)	**0.10**	**0.30**	**0.30**	**0.20**	**0.10**	**..**	**..**	**0.10**	**0.10**	**0.10**	**0.10**	**0.90**	**1.40**
PDI impacts	**..**	***0.01***	***0.01***	***0.02***	***0.02***	***0.03***	***0.03***	***0.03***	***0.04***	***0.04***	***0.04***	***0.04***	***0.27***
Total interactions (including PDI)	**0.10**	**0.31**	**0.31**	**0.22**	**0.12**	**0.03**	**0.03**	**0.13**	**0.14**	**0.14**	**0.14**	**0.94**	**1.67**

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in headline cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in headline cash terms.

.. Not zero but rounded to zero.

\- Indicates nil.

Parliamentary Budget Office

National Rail Manufacturing Plan	
Party:	Australian Labor Party

Summary of proposal:

The proposal would provide funding for the National Rail Manufacturing Plan. The plan has 3 components.

- **Component 1**: Establish an Office of National Rail Industry Coordination within the Department of Industry.
- **Component 2**: Establish a Rail Industry Innovation Council.
- **Component 3**: Appoint a Rail Supplier Advocate, based on the previous Rail Supplier Advocate.

The proposal would start from 1 July 2022.

Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by $14.5 million over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in departmental expenses.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate a PDI table) over the period to 2032-33 is provided at Attachment A.

The estimated financial implications of Component 1 are sensitive to changes in wage indexation parameters. The estimated financial implications of Components 2 and 3 are sensitive to the actual size and scope of the proposed Rail Industry Innovation Council and Rail Supplier Advocate.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-2.3	-4.0	-4.1	-4.1	**-14.5**
Underlying cash balance	-2.3	-4.0	-4.1	-4.1	**-14.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Methodology

The estimated cost of establishing an Office of National Rail Industry Coordination was calculated by multiplying the average staffing cost by the number of employees at each staffing level.

The estimated cost of establishing a Rail Industry Innovation Council was based on the annual cost of the former Steel Industry Innovation Council, indexed by the relevant wage indexation parameters.

The estimated cost of appointing a Rail Supplier Advocate was based on the annual cost of the former Rail Supplier Advocate, indexed by the relevant wage indexation parameters.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided indexation parameters as at the 2022-23 Budget.

The Department of Industry, Innovation and Science provided historical annual expenses for the Steel Industry Innovation Council and the Rail Supplier Advocate.

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[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – National Rail Manufacturing Plan – financial implications

Table A1: National Rail Manufacturing Plan – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
Office of National Rail Industry Coordination	*-1.6*	*-3.3*	*-3.3*	*-3.3*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.5*	***-11.5***	***-35.4***
Rail Supplier Advocate	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	***-1.6***	***-4.4***
Rail Industry Innovation Council	*-0.3*	*-0.3*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	***-1.4***	***-4.2***
Total – expenses	**-2.3**	**-4.0**	**-4.1**	**-4.1**	**-4.2**	**-4.2**	**-4.2**	**-4.2**	**-4.2**	**-4.2**	**-4.3**	**-14.5**	**-44.0**
Total (excluding PDI)	**-2.3**	**-4.0**	**-4.1**	**-4.1**	**-4.2**	**-4.2**	**-4.2**	**-4.2**	**-4.2**	**-4.2**	**-4.3**	**-14.5**	**-44.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: National Rail Manufacturing Plan – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	*-0.1*	*-0.2*	*-0.3*	*-0.4*	*-0.5*	*-0.6*	*-0.8*	*-0.9*	*-1.1*	*-1.3*	***-0.6***	***-6.2***
Underlying cash balance	..	*-0.1*	*-0.2*	*-0.3*	*-0.4*	*-0.5*	*-0.6*	*-0.8*	*-0.9*	*-1.1*	*-1.3*	***-0.6***	***-6.2***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Infrastructure Projects	
Party:	Australian Labor Party

Summary of proposal:

The proposal would provide capped grant funding for infrastructure projects, with the following profile.

Financial year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Spending ($m)	1,380	1,420	1,300	1,140	440	440	440	440	440	440	440

This capped grant funding would be partially offset by existing budget funding for some projects and reprioritisation and re-profiling within existing infrastructure spending over the same period, with the following profile.

Financial year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Offsets ($m)	-1,400	-1,440	-1,200	-920	710	710	710	710	710	710	710

The offsets consist of:

- funding budgeted for various infrastructure projects as at the 2022 Pre-election Economic and Fiscal Outlook (PEFO)
- other reprioritisations and re-profiling within existing infrastructure spending.

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $280 million over the 2022-23 Budget forward estimates period.

Departmental expenses to administer the funding are not expected to be material as the proposal does not involve a significant change in the complexity of administering infrastructure projects.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period.
A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of the proposal are sensitive to the availability of funds from reprioritisation.

The Parliamentary Budget Office (PBO) has not accessed whether the specified level of infrastructure spending would be sufficient to deliver the projects.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	20.0	20.0	-100.0	-220.0	**-280.0**
Underlying cash balance	20.0	20.0	-100.0	-220.0	**-280.0**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing the proposal.

- No additional funds would be committed from the Infrastructure Investment Program from the 2022 PEFO to the proposal's start date of 1 July 2022.
- Market capacity constraints would result in lower spending on current infrastructure projects over the period 2022-23 to 2025-26. This spending would be deferred and evenly distributed across the period from 2026-27 to 2032-33.

Methodology

The financial implications of the proposal were calculated as the specified capped amounts of expenditure minus the specified offsets.

The Department of Infrastructure, Transport, Regional Development and Communications provided information on the level of committed and uncommitted funds in the Infrastructure Investment Program split by sub-programs.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Infrastructure, Transport, Regional Development and Communications provided the funding profile of the Infrastructure Investment Program as at the 2022 PEFO.

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[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Infrastructure Projects – financial implications

Table A1: Infrastructure Projects – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Grant funding	*-1,380.0*	*-1,420.0*	*-1,300.0*	*-1,140.0*	*-440.0*	*-440.0*	*-440.0*	*-440.0*	*-440.0*	*-440.0*	*-440.0*	***-5,240.0***	***-8,320.0***
Offsets	*1,400.0*	*1,440.0*	*1,200.0*	*920.0*	*-710.0*	*-710.0*	*-710.0*	*-710.0*	*-710.0*	*-710.0*	*-710.0*	***4,960.0***	***-10.0***
Total (excluding PDI)	**20.0**	**20.0**	**-100.0**	**-220.0**	**-1,150.0**	**-1,150.0**	**-1,150.0**	**-1,150.0**	**-1,150.0**	**-1,150.0**	**-1,150.0**	**-280.0**	**-8,330.0**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Infrastructure Projects – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	*1.0*	..	*-4.0*	*-20.0*	*-50.0*	*-84.0*	*-120.0*	*-161.0*	*-205.0*	*-253.0*	***-3.0***	***-896.0***
Underlying cash balance	..	*1.0*	..	*-3.0*	*-18.0*	*-47.0*	*-80.0*	*-116.0*	*-156.0*	*-200.0*	*-247.0*	***-2.0***	***-866.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Rural and Regional Health	
Party:	Australian Labor Party

Summary of proposal:

The proposal would provide additional funding to encourage more doctors and allied health professionals to work in regional and rural communities.

The proposal includes 7 elements:

- Element 1 provides $35 million over 4 years for an additional 2 rounds of the Innovative Models of Collaborative Care program across Modified Monash Model 3-7 regions.
- Element 2 provides funding to expand the John Flynn Prevocational Doctor Program (JFPDP) to support up to 1,000 rotations in rural Australia.
- Element 3 expands the Murrumbidgee single employer model trial to more regions across rural Australia, with nil additional cost to the budget.
- Element 4 provides funding to support 60 additional training posts outside of community general practice for rural generalists, GP registrars and fellowed GPs to undertake advanced skills training.
- Element 5 provides $87.5 million over 4 years through the Workforce Incentive Program (WIP) to increase workforce incentives to GPs and allied health professionals and to provide further targeted support to rural generalists.
- Element 6 extends the Distribution Priority Area (DPA) status of regions granted DPA status under the exceptional circumstances review process by 12 months, with nil additional cost to the budget.
- Element 7 provides funding to establish 3 new Regional Training Hubs in rural Australia.

Departmental costs associated with this proposal would be offset from within existing funding for relevant departments.

Elements 3 and 6 of this proposal would have effect from 1 July 2022. All other elements of this proposal would have effect from 1 January 2023.

Elements 2, 4, and 7 are ongoing.

This proposal is consistent with Coalition commitment ECR005 – *Regional Health Package*.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by about $151 million over the 2022-23 Budget forward estimates period. This entirely reflects an increase in administered expenses. While departmental expenses for this proposal would be expected to be worth around $4.2 million over the forward estimates period, these costs are offset from within existing departmental funding as per the proposal specifications.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-19.7	-39.9	-44.3	-47.3	**-151.2**
Underlying cash balance	-19.7	-39.9	-44.3	-47.3	**-151.2**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Methodology

- The financial implications of this proposal were based on costing models provided by the Department of Finance for the Coalition commitment – Regional Health Package (ECR005).
- Departmental costs were estimated based upon the costs of similar budget measures.
- Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided the relevant costing models for all elements of the proposal and indexation parameters as at the Pre-election Economic and Fiscal Outlook 2022.

Australian Government (2018), *2018-19 Budget – Budget Paper No. 2*, Australian Government.

Australian Government (2022), *2022-23 Budget – Budget Paper No. 2*, Australian Government.

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Rural and Regional Health – financial implications

Table A1: Rural and Regional Health – Fiscal and underlying cash balances ($m)(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Element 1	*-5.0*	*-10.0*	*-10.0*	*-10.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-35.0***	***-35.0***
Element 2	*-*	*-1.8*	*-5.5*	*-8.3*	*-9.4*	*-9.6*	*-9.7*	*-9.8*	*-10.0*	*-10.1*	*-10.3*	***-15.6***	***-84.5***
Element 3	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Element 4	*-2.2*	*-2.3*	*-2.3*	*-2.4*	*-2.4*	*-2.5*	*-2.5*	*-2.5*	*-2.6*	*-2.6*	*-2.7*	***-9.2***	***-27.0***
Element 5	*-12.5*	*-25.0*	*-25.0*	*-25.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-87.5***	***-87.5***
Element 6	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Element 7	*-*	*-0.8*	*-1.5*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.8*	***-3.9***	***-15.7***
Total – administered	***-19.7***	***-39.9***	***-44.3***	***-47.3***	***-13.4***	***-13.7***	***-13.9***	***-14.0***	***-14.3***	***-14.4***	***-14.8***	***-151.2***	***-249.7***
Departmental													
Departmental expenses	*-2.1*	*-0.7*	*-0.7*	*-0.7*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-4.2***	***-4.9***
Unspecified departmental offsets	*2.1*	*0.7*	*0.7*	*0.7*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	***4.2***	***4.9***
Total – departmental	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Total (excluding PDI)	**-19.7**	**-39.9**	**-44.3**	**-47.3**	**-13.4**	**-13.7**	**-13.9**	**-14.0**	**-14.3**	**-14.4**	**-14.8**	**-151.2**	**-249.7**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

\- Indicates nil.

Table A2: Rural and Regional Health – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-0.2*	*-0.9*	*-1.9*	*-3.0*	*-3.7*	*-4.2*	*-4.7*	*-5.2*	*-5.9*	*-6.5*	*-7.4*	***-6.0***	***-43.6***
Underlying cash balance	*-0.2*	*-0.8*	*-1.8*	*-2.8*	*-3.6*	*-4.1*	*-4.6*	*-5.2*	*-5.8*	*-6.5*	*-7.3*	***-5.6***	***-42.7***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Saving Native Species Fund	
Party:	Australian Labor Party

Summary of proposal:

The proposal would provide $71.6 million over the forward estimates to fund a saving native species program (the program).

The program would:

- boost protection for native species and combat invasive species by investing:
  - $24.5 million for koala conservation programs with a larger than normal amount for 2022-23
  - $24.8 million to fight yellow crazy ants in Cairns and Townsville.
- undertake further saving native species program activities within the funding envelope, such as:
  - expanding koala hospitals and services
  - investing in koala chlamydia vaccines and fertility projects
  - working with the states and territories on a national koala conservation strategy.

The proposal would commence from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $75.9 million over the 2022-23 Budget forward estimates period. This is largely due to an increase in administered expenses of $71.6 million.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including a separate public debt interest (PDI) table) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-27.9	-16.0	-16.0	-16.0	**-75.9**
Underlying cash balance	-27.9	-16.0	-16.0	-16.0	**-75.9**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The koala conservation programs would obtain $14.3 million in 2022-23 and the remainder of the administered funds would be allocated equally over the forward estimates.
- The proposal would be ongoing and indexed by the consumer price index from 2025-26.
- Departmental expenses would be based on the cost of administering similar programs.

Methodology

The administered and departmental costs were obtained as per *Key assumptions*.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Department of Finance provided the economic parameters as at the *Budget 2022-23.*

[1] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Saving Native Species Fund – financial implications

Table A1: Saving Native Species Fund – Fiscal and underlying cash balances ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
Koala conservation programs	*-14.3*	*-3.4*	*-3.4*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	*-3.7*	*-3.8*	*-3.9*	*-4.0*	***-24.5***	***-50.7***
Fighting yellow crazy ants in Cairns and Townsville	*-6.2*	*-6.2*	*-6.2*	*-6.2*	*-6.3*	*-6.5*	*-6.7*	*-6.8*	*-7.0*	*-7.2*	*-7.4*	***-24.8***	***-72.7***
Other saving native species program activities	*-5.5*	*-5.6*	*-5.6*	*-5.6*	*-5.7*	*-5.9*	*-6.0*	*-6.2*	*-6.3*	*-6.5*	*-6.6*	***-22.3***	***-65.5***
Total – administered	***-26.0***	***-15.2***	***-15.2***	***-15.2***	***-15.5***	***-16.0***	***-16.4***	***-16.7***	***-17.1***	***-17.6***	***-18.0***	***-71.6***	***-188.9***
Departmental													
Departmental expenses	*-1.9*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.9*	*-0.9*	*-0.9*	***-4.3***	***-10.2***
Total – departmental	***-1.9***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.9***	***-0.9***	***-0.9***	***-4.3***	***-10.2***
Total (excluding PDI)	**-27.9**	**-16.0**	**-16.0**	**-16.0**	**-16.3**	**-16.8**	**-17.2**	**-17.5**	**-18.0**	**-18.5**	**-18.9**	**-75.9**	**-199.1**

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Saving Native Species Fund – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	*-0.3*	*-0.8*	*-1.2*	*-1.6*	*-2.0*	*-2.5*	*-3.0*	*-3.6*	*-4.3*	*-5.1*	*-6.1*	***-3.9***	***-30.5***
Underlying cash balance	*-0.3*	*-0.8*	*-1.2*	*-1.5*	*-2.0*	*-2.4*	*-3.0*	*-3.6*	*-4.2*	*-5.0*	*-6.0*	***-3.8***	***-30.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Various capped costings – Australian Labor Party	
Party:	Australian Labor Party
This document details the administered, departmental, and total funding amounts for capped costings included in Appendix B, Table B-1 of the 2022 Election commitments report. A memorandum item shows the aggregate impact of all capped costings on Public Debt Interest (PDI).	

Costing overview

A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not undertaken analysis to assess whether the proposed expenditures would be sufficient to achieve the objective of the policy proposals.

For commitments where costs are specified to be offset from within existing resources, these are described within the footnotes, but the PBO has made no assessment as to whether agencies would be able to absorb those costs.

Consistent with PBO Guidance Note 2, programs are assumed to be ongoing unless publicly stated otherwise. Commitments for projects with a definable point of completion are not assumed to be ongoing.

Costings may differ slightly from amounts published in the Australian Labor Party's *Fiscal Plan* due to rounding.

A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Attachment A – Various capped costings – Australian Labor Party – financial implications

Table A1: Various capped costings – Australian Labor Party – Fiscal and underlying cash balances ($m)

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
A Better Funded ABC[bj]	*Administered*	*-20.9*	*-20.9*	*-20.9*	*-20.9*	-	-	-	-	-	-	-	***-83.7***	***-83.7***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-20.9**	**-20.9**	**-20.9**	**-20.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-83.7**	**-83.7**
A Government that Works for Multicultural Australia[a]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	*-0.5*	*-0.5*	-	-	-	-	-	-	-	-	-	***-1.0***	***-1.0***
	Total	**-0.5**	**-0.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1.0**	**-1.0**
ABC/Double J Radio - feasibility study[bj]	*Administered*	*-0.5*	-	-	-	-	-	-	-	-	-	-	***-0.5***	***-0.5***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-0.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-0.5**	**-0.5**
Animal Welfare Strategy[b][bm]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	*-2.3*	*-2.3*	*-2.3*	*-2.3*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	***-9.0***	***-16.0***
	Total	**-2.3**	**-2.3**	**-2.3**	**-2.3**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-1.0**	**-9.0**	**-16.0**
Anti-racism Strategy[bk][bm]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	*-3.0*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.8*	***-7.5***	***-19.1***
	Total	**-3.0**	**-1.5**	**-1.5**	**-1.5**	**-1.5**	**-1.6**	**-1.6**	**-1.7**	**-1.7**	**-1.7**	**-1.8**	**-7.5**	**-19.1**
Assistance for IVF[c][bj]	*Administered*	*-2.0*	*-7.5*	*-8.3*	*-7.9*	*-7.9*	*-7.9*	*-7.9*	*-7.9*	*-7.9*	*-7.9*	*-7.9*	***-25.6***	***-80.9***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.0**	**-7.5**	**-8.3**	**-7.9**	**-7.9**	**-7.9**	**-7.9**	**-7.9**	**-7.9**	**-7.9**	**-7.9**	**-25.6**	**-80.9**
Australia Pacific Defence School[d][bj][bm]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bentley Surgicentre[e][bj]	*Administered*	-	*-0.6*	*-15.0*	*-17.5*	*-17.5*	*-24.5*	-	-	-	-	-	***-33.1***	***-75.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-0.6**	**-15.0**	**-17.5**	**-17.5**	**-24.5**	**-**	**-**	**-**	**-**	**-**	**-33.1**	**-75.0**
Better Connectivity for Rural and Regional Australia Plan[f][bj]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Biosecurity Dogs and Trainers[bk][bm]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-1.2	-2.1	-2.1	-2.1	-2.1	-2.2	-2.2	-2.2	-2.3	-2.3	-2.4	-7.5	-23.2
	Total	-1.2	-2.1	-2.1	-2.1	-2.1	-2.2	-2.2	-2.2	-2.3	-2.3	-2.4	-7.5	-23.2
Boosting Australian Development Assistance to the Pacific[bl]	*Administered*	-94.0	-113.0	-150.0	-168.0	-	-	-	-	-	-	-	-525.0	-525.0
	Departmental	-2.4	-2.8	-3.8	-4.2	-	-	-	-	-	-	-	-13.2	-13.2
	Total	-96.4	-115.8	-153.8	-172.2	-	-	-	-	-	-	-	-538.2	-538.2
Boosting Support for Pacific Maritime Security[g][bj][bm]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Boosting the Australian NGO Cooperation Program[bl]	*Administered*	-7.0	-7.0	-8.0	-8.0	-	-	-	-	-	-	-	-30.0	-30.0
	Departmental	-0.4	-0.4	-0.4	-0.4	-	-	-	-	-	-	-	-1.6	-1.6
	Total	-7.4	-7.4	-8.4	-8.4	-	-	-	-	-	-	-	-31.6	-31.6
Cairns Water Security Project[h][bj]	*Administered*	-	-10.0	-43.8	-53.8	-	-	-	-	-	-	-	-107.5	-107.5
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-10.0	-43.8	-53.8	-	-	-	-	-	-	-	-107.5	-107.5
Closing the Gender Pay Gap - Fair Pay for Working Women[i][bk][bm]	*Administered*	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.1	-1.1	-1.1	-1.2	-4.0	-11.5
	Departmental	-1.1	-1.1	-1.1	-1.1	-1.2	-1.2	-1.3	-1.2	-1.3	-1.3	-1.3	-4.4	-13.2
	Total	-2.1	-2.1	-2.1	-2.1	-2.2	-2.2	-2.3	-2.3	-2.4	-2.4	-2.5	-8.4	-24.7
Coastal Marine Ecosystems Centre[bj]	*Administered*	-15.0	-	-	-	-	-	-	-	-	-	-	-15.0	-15.0
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-15.0	-	-	-	-	-	-	-	-	-	-	-15.0	-15.0
Community Language Schools[j][bl]	*Administered*	-5.0	-5.0	-5.0	-	-	-	-	-	-	-	-	-15.0	-15.0
	Departmental	-0.4	-0.3	-0.3	-	-	-	-	-	-	-	-	-1.0	-1.0
	Total	-5.4	-5.3	-5.3	-	-	-	-	-	-	-	-	-16.0	-16.0
Comprehensive Cancer Centre in Adelaide[k][bj]	*Administered*	-20.0	-15.0	-15.0	-13.5	-13.5	-	-	-	-	-	-	-63.5	-77.0
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-20.0	-15.0	-15.0	-13.5	-13.5	-	-	-	-	-	-	-63.5	-77.0
Comprehensive Cancer Centre in Brisbane[l][bj]	*Administered*	-2.0	-13.0	-80.0	-90.0	-100.0	-90.0	-	-	-	-	-	-185.0	-375.0
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-2.0	-13.0	-80.0	-90.0	-100.0	-90.0	-	-	-	-	-	-185.0	-375.0

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Consent and Respectful Relationships Education[bj]	*Administered*	*-3.5*	*-14.7*	*-22.4*	*-20.5*	*-12.9*	*-3.6*	-	-	-	-	-	***-61.1***	***-77.6***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-3.5**	**-14.7**	**-22.4**	**-20.5**	**-12.9**	**-3.6**	**-**	**-**	**-**	**-**	**-**	**-61.1**	**-77.6**
Deepening Australia's Engagement with Southeast Asia[m][bj][bm]	*Administered*	*-84.1*	*-102.5*	*-138.4*	*-156.8*	*-160.6*	*-164.3*	*-168.3*	*-172.5*	*-176.9*	*-181.4*	*-185.9*	***-481.8***	***-1,691.7***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-84.1**	**-102.5**	**-138.4**	**-156.8**	**-160.6**	**-164.3**	**-168.3**	**-172.5**	**-176.9**	**-181.4**	**-185.9**	**-481.8**	**-1,691.7**
Defence portfolio grants[n][bj]	*Administered*	*-1.5*	*-1.5*	-	-	-	-	-	-	-	-	-	***-3.0***	***-3.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-1.5**	**-1.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-3.0**	**-3.0**
Disaster Relief Australia[bj]	*Administered*	*-8.7*	*-12.7*	*-16.7*	-	-	-	-	-	-	-	-	***-38.1***	***-38.1***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-8.7**	**-12.7**	**-16.7**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-38.1**	**-38.1**
Doubling Indigenous Rangers and increasing funding for Indigenous Protected Areas[o][bl][bm]	*Administered*	-	*-10.0*	*-10.0*	*-10.0*	*-10.2*	*-10.5*	*-10.7*	*-11.0*	*-11.3*	*-11.6*	*-11.9*	***-30.0***	***-107.2***
	Departmental	-	*-0.8*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-1.8***	***-5.7***
	Total	**-**	**-10.8**	**-10.5**	**-10.5**	**-10.7**	**-11.0**	**-11.2**	**-11.6**	**-11.9**	**-12.2**	**-12.5**	**-31.8**	**-112.9**
Driving the Nation[bn]	*Administered*	*-11.4*	*-9.7*	*-59.2*	*-59.1*	*-55.5*	*-55.2*	-	-	-	-	-	*-139.3*	*-250.0*
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-11.4**	**-9.7**	**-59.2**	**-59.1**	**-55.5**	**-55.2**	**-**	**-**	**-**	**-**	**-**	**-139.3**	**-250.0**
Energy Efficiency grants for SMEs[p][bl]	*Administered*	*-20.0*	*-40.0*	-	-	-	-	-	-	-	-	-	***-60.0***	***-60.0***
	Departmental	*-1.2*	*-1.0*	-	-	-	-	-	-	-	-	-	***-2.2***	***-2.2***
	Total	**-21.2**	**-41.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-62.2**	**-62.2**
Entrepreneurs Program - reduce uncommitted funding[bj][bm]	*Administered*	-	-	*96.0*	*102.0*	*104.0*	*107.0*	*109.0*	*112.0*	*115.0*	*118.0*	*121.0*	***198.0***	***984.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**96.0**	**102.0**	**104.0**	**107.0**	**109.0**	**112.0**	**115.0**	**118.0**	**121.0**	**198.0**	**984.0**
Expanding the work of the National Institute for Forest Products and Innovation and extending funding for Regional Forestry Hubs[q][bj]	*Administered*	*-12.0*	*-15.0*	*-25.0*	*-28.3*	*-28.3*	-	-	-	-	-	-	***-80.3***	***-108.6***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-12.0**	**-15.0**	**-25.0**	**-28.3**	**-28.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-80.3**	**-108.6**
Fighting Online Scams[r][bj]	*Administered*	*-2.0*	-	-	-	-	-	-	-	-	-	-	***-2.0***	***-2.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2.0**	**-2.0**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
First Nations Foreign Policy[s][bj]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
First Nations Justice[t][bl][bm]	*Administered*	*-12.4*	*-23.9*	*-23.9*	*-23.9*	*-24.4*	*-24.9*	*-25.6*	*-26.2*	*-26.8*	*-27.7*	*-28.3*	***-84.1***	***-268.0***
	Departmental	*-2.6*	*-4.2*	*-4.2*	*-4.2*	*-4.3*	*-4.4*	*-4.5*	*-4.6*	*-4.7*	*-4.9*	*-5.0*	***-15.2***	***-47.6***
	Total	**-15.0**	**-28.1**	**-28.1**	**-28.1**	**-28.7**	**-29.3**	**-30.1**	**-30.8**	**-31.5**	**-32.6**	**-33.3**	**-99.3**	**-315.6**
Flinders Medical Centre[u][bj]	*Administered*	*-3.0*	*-7.5*	*-20.0*	*-50.0*	*-59.7*	*-59.8*	-	-	-	-	-	***-80.5***	***-200.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-3.0**	**-7.5**	**-20.0**	**-50.0**	**-59.7**	**-59.8**	**-**	**-**	**-**	**-**	**-**	**-80.5**	**-200.0**
Forestry Workforce Training Program[bj][bm]	*Administered*	*-0.5*	*-1.5*	*-4.0*	*-4.0*	*-4.1*	*-4.1*	*-4.2*	*-4.2*	*-4.3*	*-4.4*	*-4.4*	***-10.0***	***-39.7***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-0.5**	**-1.5**	**-4.0**	**-4.0**	**-4.1**	**-4.1**	**-4.2**	**-4.2**	**-4.3**	**-4.4**	**-4.4**	**-10.0**	**-39.7**
Funding for Community Legal Centres in flood and bushfire affected areas[bj][bm]	*Administered*	*-3.0*	*-3.0*	*-3.0*	*-3.0*	*-3.1*	*-3.1*	*-3.2*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	***-12.0***	***-35.2***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-3.0**	**-3.0**	**-3.0**	**-3.0**	**-3.1**	**-3.1**	**-3.2**	**-3.3**	**-3.4**	**-3.5**	**-3.6**	**-12.0**	**-35.2**
Helping Families Learn and Grow with Playgroups[v][bj][bm]	*Administered*	*-2.5*	*-3.5*	*-3.5*	*-1.5*	*-1.5*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.8*	***-11.0***	***-22.6***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.5**	**-3.5**	**-3.5**	**-1.5**	**-1.5**	**-1.6**	**-1.6**	**-1.7**	**-1.7**	**-1.7**	**-1.8**	**-11.0**	**-22.6**
Hunter Super Hydrogen Hub[w][bj]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Implementing the Uluru Statement from the Heart[x][bl]	*Administered*	*-6.6*	*-13.3*	*-6.6*	-	-	-	-	-	-	-	-	***-26.5***	***-26.5***
	Departmental	*-0.5*	*-0.4*	*-0.3*	-	-	-	-	-	-	-	-	***-1.2***	***-1.2***
	Total	**-7.1**	**-13.7**	**-6.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-27.7**	**-27.7**
Improving Mobile Coverage[y][bj]	*Administered*	*-15.0*	*-15.0*	*-10.0*	-	-	-	-	-	-	-	-	***-40.0***	***-40.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-15.0**	**-15.0**	**-10.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-40.0**	**-40.0**
Improving the Adult Migrant English Program[bj][bm]	*Administered*	*-2.5*	*-5.0*	*-5.0*	*-7.5*	*-7.7*	*-7.9*	*-8.1*	*-8.3*	*-8.5*	*-8.7*	*-8.9*	***-20.0***	***-78.1***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.5**	**-5.0**	**-5.0**	**-7.5**	**-7.7**	**-7.9**	**-8.1**	**-8.3**	**-8.5**	**-8.7**	**-8.9**	**-20.0**	**-78.1**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Indo-Pacific Broadcasting[z][bm]	*Administered*	-8.0	-8.0	-8.0	-8.0	-8.2	-8.4	-8.6	-8.8	-9.0	-9.3	-9.5	**-32.0**	**-93.8**
	Departmental	8.0	8.0	8.0	8.0	8.2	8.4	8.6	8.8	9.0	9.3	9.5	**32.0**	**93.8**
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Landcare Rangers and Facilitator[aa][bl]	*Administered*	-18.8	-18.8	-18.8	-18.8	-	-	-	-	-	-	-	**-75.0**	**-75.0**
	Departmental	-1.1	-0.6	-0.6	-0.6	-	-	-	-	-	-	-	**-2.9**	**-2.9**
	Total	**-19.9**	**-19.4**	**-19.4**	**-19.4**	-	-	-	-	-	-	-	**-77.9**	**-77.9**
Local Community, Sport and Infrastructure Projects[ab][bj]	*Administered*	-87.0	-106.0	-76.0	-	-	-	-	-	-	-	-	**-269.0**	**-269.0**
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-87.0**	**-106.0**	**-76.0**	-	-	-	-	-	-	-	-	**-269.0**	**-269.0**
Local Health Investments[ac][bj][bm]	*Administered*	-10.6	-8.0	-10.8	-5.8	-0.8	-0.8	-0.9	-0.9	-0.9	-0.9	-1.0	**-35.2**	**-41.4**
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-10.6**	**-8.0**	**-10.8**	**-5.8**	**-0.8**	**-0.8**	**-0.9**	**-0.9**	**-0.9**	**-0.9**	**-1.0**	**-35.2**	**-41.4**
Local Industry Grants[ad][bj]	*Administered*	-87.1	-41.5	-10.0	-10.0	-10.0	-10.0	-10.0	-	-	-	-	**-148.6**	**-178.6**
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-87.1**	**-41.5**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	-	-	-	-	**-148.6**	**-178.6**
Local Multicultural Projects[ae][bl]	*Administered*	-17.0	-14.3	-	-	-	-	-	-	-	-	-	**-31.3**	**-31.3**
	Departmental	-1.0	-0.6	-	-	-	-	-	-	-	-	-	**-1.6**	**-1.6**
	Total	**-18.0**	**-14.9**	-	-	-	-	-	-	-	-	-	**-32.9**	**-32.9**
Marine Parks Management[af][bj][bm]	*Administered*	-1.0	-1.0	-1.0	-1.0	-	-	-	-	-	-	-	**-4.0**	**-4.0**
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-1.0**	**-1.0**	**-1.0**	**-1.0**	-	-	-	-	-	-	-	**-4.0**	**-4.0**
Marking WWI Graves[ag][bj][bm]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-
National Anti-Corruption Commission[ah][bk][bm]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	**-40.0**	**-110.0**
	Total	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-40.0**	**-110.0**
National Autism Strategy[ai][aj]	*Administered*	-4.0	-	-	-	-	-	-	-	-	-	-	**-4.0**	**-4.0**
	Departmental	-1.3	-	-	-	-	-	-	-	-	-	-	**-1.3**	**-1.3**
	Total	**-5.3**	-	-	-	-	-	-	-	-	-	-	**-5.3**	**-5.3**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
National Melanoma Nurse Network[bj][bm]	*Administered*	*-1.7*	*-3.3*	*-4.7*	*-5.2*	*-5.3*	*-5.5*	*-5.6*	*-5.7*	*-5.9*	*-6.0*	*-6.2*	***-14.8***	***-54.9***
	Departmental	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
	Total	**-1.7**	**-3.3**	**-4.7**	**-5.2**	**-5.3**	**-5.5**	**-5.6**	**-5.7**	**-5.9**	**-6.0**	**-6.2**	**-14.8**	**-54.9**
National Nurse and Midwife Health Support Service[ak][bl][bm]	*Administered*	*-3.1*	*-6.4*	*-6.6*	*-6.8*	*-7.0*	*-7.3*	*-7.6*	*-7.8*	*-8.1*	*-8.4*	*-8.7*	***-22.9***	***-77.8***
	Departmental	*-0.2*	*-0.3*	*-0.3*	*-0.3*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	***-1.1***	***-3.9***
	Total	**-3.3**	**-6.7**	**-6.9**	**-7.1**	**-7.4**	**-7.7**	**-8.0**	**-8.2**	**-8.5**	**-8.8**	**-9.1**	**-24.0**	**-81.7**
New Energy Apprenticeships[al][bl]	*Administered*	*-5.0*	*-10.0*	*-15.0*	*-20.0*	*-20.0*	*-15.0*	*-10.0*	*-5.0*	*-*	*-*	*-*	***-50.0***	***-100.0***
	Departmental	*-0.4*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.5*	*-0.3*	*-*	*-*	*-*	***-2.0***	***-4.0***
	Total	**-5.4**	**-10.5**	**-15.5**	**-20.6**	**-20.6**	**-15.6**	**-10.5**	**-5.3**	**-**	**-**	**-**	**-52.0**	**-104.0**
New Energy Skills Program[am][bl]	*Administered*	*-5.0*	*-5.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-10.0***	***-10.0***
	Departmental	*-0.4*	*-0.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.7***	***-0.7***
	Total	**-5.4**	**-5.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-10.7**	**-10.7**
Plan for the Murray-Darling Basin[an][ao][bm]	*Administered*	*-12.5*	*-20.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-32.5***	***-32.5***
	Departmental	*-15.6*	*-13.4*	*-12.8*	*-12.8*	*-10.1*	*-10.1*	*-10.2*	*-10.2*	*-10.3*	*-10.3*	*-10.4*	***-54.6***	***-126.2***
	Total	**-28.1**	**-33.4**	**-12.8**	**-12.8**	**-10.1**	**-10.1**	**-10.2**	**-10.2**	**-10.3**	**-10.3**	**-10.4**	**-87.1**	**-158.7**
Powering Australia - Community Batteries for Household Solar[bl]	*Administered*	*-50.0*	*-50.0*	*-50.0*	*-50.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-200.0***	***-200.0***
	Departmental	*-2.5*	*-1.3*	*-1.3*	*-1.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-6.4***	***-6.4***
	Total	**-52.5**	**-51.3**	**-51.3**	**-51.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-206.4**	**-206.4**
Powering Australia - Development of Australia's Seaweed Farming[ap][bj]	*Administered*	*-4.0*	*-4.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-8.0***	***-8.0***
	Departmental	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
	Total	**-4.0**	**-4.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-8.0**	**-8.0**
Powering Australia - Real World Vehicle Testing[aq][bl][bm]	*Administered*	*-0.5*	*-0.5*	*-3.5*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-3.9*	*-4.0*	*-4.2*	***-8.0***	***-35.1***
	Departmental	*0.3*	*0.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***0.5***	***0.5***
	Total	**-0.2**	**-0.3**	**-3.5**	**-3.5**	**-3.6**	**-3.7**	**-3.8**	**-3.9**	**-3.9**	**-4.0**	**-4.2**	**-7.5**	**-34.6**
Powering Australia - Solar Banks[bl]	*Administered*	*-25.0*	*-25.0*	*-25.0*	*-25.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-100.0***	***-100.0***
	Departmental	*-1.5*	*-0.8*	*-0.8*	*-0.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-3.9***	***-3.9***
	Total	**-26.5**	**-25.8**	**-25.8**	**-25.8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-103.9**	**-103.9**
Reduce uncommitted funding in the Community Development Grants Program[bj]	*Administered*	*25.0*	*240.0*	*85.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***350.0***	***350.0***
	Departmental	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
	Total	**25.0**	**240.0**	**85.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**350.0**	**350.0**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Reef 2050 Plan(bj)	*Administered*	-	-31.5	-31.5	-31.5	-	-	-	-	-	-	-	-94.5	-94.5
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-31.5**	**-31.5**	**-31.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-94.5**	**-94.5**
Renewing Australia's efforts to end the HIV pandemic(ar)(bj)(bm)	*Administered*	-2.6	-1.4	-1.4	-1.4	-1.4	-1.4	-1.5	-1.5	-1.5	-1.5	-1.6	-6.8	-17.2
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.6**	**-1.4**	**-1.4**	**-1.4**	**-1.4**	**-1.4**	**-1.5**	**-1.5**	**-1.5**	**-1.5**	**-1.6**	**-6.8**	**-17.2**
Reprioritising unallocated funding from the Modern Manufacturing Initiative(as)(bj)	*Administered*	75.3	73.3	-	-	-	-	-	-	-	-	-	148.6	148.6
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**75.3**	**73.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**148.6**	**148.6**
Restoring Funding for Homelands(at)(bl)	*Administered*	-100.0	-	-	-	-	-	-	-	-	-	-	-100.0	-100.0
	Departmental	-5.0	-	-	-	-	-	-	-	-	-	-	-5.0	-5.0
	Total	**-105.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-105.0**	**-105.0**
Restoring funding to Environmental Defenders Offices and Environmental Justice Australia(bj)(bm)	*Administered*	-2.3	-2.3	-2.3	-2.3	-2.4	-2.4	-2.5	-2.5	-2.6	-2.7	-2.7	-9.2	-27.0
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.3**	**-2.3**	**-2.3**	**-2.3**	**-2.4**	**-2.4**	**-2.5**	**-2.5**	**-2.6**	**-2.7**	**-2.7**	**-9.2**	**-27.0**
Robodebt Royal Commission(bj)	*Administered*	-30.0	-	-	-	-	-	-	-	-	-	-	-30.0	-30.0
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-30.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-30.0**	**-30.0**
Safe Kids are eSmart Kids(au)(bm)	*Administered*	-2.0	-2.0	-2.0	-2.0	-2.0	-2.1	-2.1	-2.2	-2.3	-2.3	-2.4	-8.0	-23.4
	Departmental	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4	8.0	23.4
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Save Our Centrelink(av)(bk)(bm)	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8	-2.4	-7.4
	Total	**-0.6**	**-0.6**	**-0.6**	**-0.6**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.8**	**-2.4**	**-7.4**
Schools Upgrade Fund(bj)	*Administered*	-144.0	-94.0	-	-	-	-	-	-	-	-	-	-238.0	-238.0
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-144.0**	**-94.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-238.0**	**-238.0**
Shepherd Centres(aw)(bj)	*Administered*	-3.9	-1.9	-0.8	-	-	-	-	-	-	-	-	-6.6	-6.6
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-3.9**	**-1.9**	**-0.8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-6.6**	**-6.6**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Shovel Ready Catchment and Reef Restoration Projects[bl]	*Administered*	*-21.3*	*-21.3*	*-21.3*	*-21.3*	-	-	-	-	-	-	-	***-85.0***	***-85.0***
	Departmental	*-1.3*	*-0.6*	*-0.6*	*-0.6*	-	-	-	-	-	-	-	***-3.1***	***-3.1***
	Total	**-22.6**	**-21.9**	**-21.9**	**-21.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-88.1**	**-88.1**
Sport4All[bl][bm]	*Administered*	*-3.4*	*-2.7*	*-2.3*	*-1.9*	*-1.9*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.3*	***-10.3***	***-24.9***
	Departmental	*-0.3*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.6***	***-1.3***
	Total	**-3.7**	**-2.8**	**-2.4**	**-2.0**	**-2.0**	**-2.1**	**-2.1**	**-2.2**	**-2.2**	**-2.3**	**-2.4**	**-10.9**	**-26.2**
Stay Afloat[ax][bj]	*Administered*	*-0.8*	*-0.8*	-	-	-	-	-	-	-	-	-	***-1.5***	***-1.5***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-0.8**	**-0.8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1.5**	**-1.5**
Strengthening First Nations Health[ay][bl][bm]	*Administered*	*-22.9*	*-23.5*	*-25.5*	*-27.7*	*-12.8*	*-6.1*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-4.0*	***-99.5***	***-137.5***
	Departmental	*-1.4*	*-0.7*	*-0.7*	*-0.7*	*-0.6*	*-0.3*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-3.5***	***-5.4***
	Total	**-24.3**	**-24.2**	**-26.2**	**-28.4**	**-13.4**	**-6.4**	**-3.8**	**-3.9**	**-4.0**	**-4.1**	**-4.2**	**-103.0**	**-142.9**
Strengthening Medicare Fund[az][bl]	*Administered*	-	*-250.0*	*-250.0*	*-250.0*	*	*	*	*	*	*	*	***-750.0***	***-750.0***
	Departmental	-	*-12.5*	*-6.3*	*-6.3*	-	-	-	-	-	-	-	***-25.1***	***-25.1***
	Total	**-**	**-262.5**	**-256.3**	**-256.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-775.1**	**-775.1**
Strengthening Medicare GP Grants[ba][bl]	*Administered*	*-198.0*	*-22.0*	-	-	-	-	-	-	-	-	-	***-220.0***	***-220.0***
	Departmental	*-9.9*	*-0.7*	-	-	-	-	-	-	-	-	-	***-10.6***	***-10.6***
	Total	**-207.9**	**-22.7**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-230.6**	**-230.6**
Student Wellbeing Boost[bb][bj]	*Administered*	*-201.5*	-	-	-	-	-	-	-	-	-	-	***-201.5***	***-201.5***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-201.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-201.5**	**-201.5**
Supporting Australian Tourism and Travel[bc][bl]	*Administered*	*-24.0*	*-24.0*	-	-	-	-	-	-	-	-	-	***-48.0***	***-48.0***
	Departmental	*-0.8*	*-0.5*	-	-	-	-	-	-	-	-	-	***-1.3***	***-1.3***
	Total	**-24.8**	**-24.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-49.3**	**-49.3**
Supporting Australia's Textile, Clothing and Footwear Industry[bj][bm]	*Administered*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	***-8.0***	***-23.4***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.1**	**-2.1**	**-2.2**	**-2.3**	**-2.3**	**-2.4**	**-8.0**	**-23.4**
Supporting Community Broadcasting[bl][bm]	*Administered*	-	*-4.0*	*-4.0*	*-4.0*	*-4.1*	*-4.2*	*-4.3*	*-4.4*	*-4.5*	*-4.6*	*-4.7*	***-12.0***	***-42.8***
	Departmental	-	*-0.3*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-0.7***	***-2.1***
	Total	**-**	**-4.3**	**-4.2**	**-4.2**	**-4.3**	**-4.4**	**-4.5**	**-4.6**	**-4.7**	**-4.8**	**-4.9**	**-12.7**	**-44.9**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Supporting Regional and Local Newspapers[bd][bj][bm]	*Administered*	*-12.5*	*-2.5*	-	-	-	-	-	-	-	-	-	***-15.0***	***-15.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-12.5**	**-2.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-15.0**	**-15.0**
Surf Life Saving Clubs[bl]	*Administered*	*-1.6*	*-1.6*	*-1.6*	-	-	-	-	-	-	-	-	***-4.8***	***-4.8***
	Departmental	*-0.1*	*-0.1*	*-0.1*	-	-	-	-	-	-	-	-	***-0.3***	***-0.3***
	Total	**-1.7**	**-1.7**	**-1.7**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-5.1**	**-5.1**
TAFE Technology Fund[be][bj]	*Administered*	*-25.0*	*-25.0*	-	-	-	-	-	-	-	-	-	***-50.0***	***-50.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-25.0**	**-25.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-50.0**	**-50.0**
Tasmanian Irrigation[bf][bj]	*Administered*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	-	-	-	-	-	-	***-80.0***	***-100.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-80.0**	**-100.0**
Teaching First Nations Languages in Schools[bl]	*Administered*	*-2.0*	*-6.0*	*-6.0*	-	-	-	-	-	-	-	-	***-14.0***	***-14.0***
	Departmental	*-0.2*	*-0.3*	*-0.3*	-	-	-	-	-	-	-	-	***-0.8***	***-0.8***
	Total	**-2.2**	**-6.3**	**-6.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-14.8**	**-14.8**
Telehealth Nurse Program - Patient Pathways[bj]	*Administered*	*-0.8*	*-0.8*	*-0.8*	-	-	-	-	-	-	-	-	***-2.4***	***-2.4***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-0.8**	**-0.8**	**-0.8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2.4**	**-2.4**
Trade Diversification Plan[bg][bj]	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Urban Rivers and Catchments Program[bh][bl]	*Administered*	*-5.0*	*-5.0*	*-10.0*	*-20.0*	*-40.0*	*-40.0*	*-40.0*	*-40.0*	-	-	-	***-40.0***	***-200.0***
	Departmental	*-0.4*	*-0.3*	*-0.5*	*-0.6*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	-	-	-	***-1.8***	***-5.8***
	Total	**-5.4**	**-5.3**	**-10.5**	**-20.6**	**-41.0**	**-41.0**	**-41.0**	**-41.0**	**-**	**-**	**-**	**-41.8**	**-205.8**
Veterans' Wellbeing Package[bi][bl][bm]	*Administered*	*-10.7*	*-10.7*	*-10.7*	*-10.7*	*-11.0*	*-11.2*	*-11.5*	*-11.8*	*-12.1*	*-12.4*	*-12.7*	***-42.8***	***-125.4***
	Departmental	*-0.9*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-2.4***	***-6.5***
	Total	**-11.6**	**-11.2**	**-11.2**	**-11.2**	**-11.5**	**-11.8**	**-12.1**	**-12.4**	**-12.7**	**-13.0**	**-13.3**	**-45.2**	**-131.9**
Women's Safety - 500 new community workers[bl][bm]	*Administered*	*-18.2*	*-37.4*	*-48.2*	*-49.6*	*-50.8*	*-52.0*	*-53.2*	*-54.6*	*-56.0*	*-57.4*	*-58.8*	***-153.4***	***-536.2***
	Departmental	*-1.1*	*-0.9*	*-1.2*	*-1.2*	*-1.2*	*-1.3*	*-1.3*	*-1.3*	*-1.4*	*-1.4*	*-1.4*	***-4.4***	***-13.7***
	Total	**-19.3**	**-38.3**	**-49.4**	**-50.8**	**-52.0**	**-53.3**	**-54.5**	**-55.9**	**-57.4**	**-58.8**	**-60.2**	**-157.8**	**-549.9**

Commitment Title		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Y Career Agency[bj]	*Administered*	*-15.2*	-	-	-	-	-	-	-	-	-	-	***-15.2***	***-15.2***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-15.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-15.2**	**-15.2**
Total - Administered		***-1,465.6***	***-1,072.5***	***-1,183.3***	***-1,241.5***	***-607.1***	***-525.6***	***-290.9***	***-281.3***	***-241.9***	***-247.9***	***-254.1***	***-4,962.8***	***-7,411.5***
Total - Departmental		***-61.3***	***-53.1***	***-43.9***	***-43.5***	***-25.8***	***-25.7***	***-25.6***	***-25.3***	***-24.2***	***-24.1***	***-24.3***	***-201.6***	***-376.6***
Total		**-1,526.9**	**-1,125.5**	**-1,227.1**	**-1,285.0**	**-632.9**	**-551.3**	**-316.5**	**-306.6**	**-266.1**	**-272.0**	**-278.4**	**-5,164.4**	**-7,788.1**

- Indicates nil

* Indicates unquantifiable

Components may not sum to totals due to rounding.

(a) The costed part of this commitment is for a Multicultural Policy Review. The 2 other components, a Multicultural Entrepreneurship Program and a CALD Digital Access and Literacy Strategy, are to be funded from existing resources.

(b) This commitment has 2 departmental components:

- $1 million per year to establish the Inspector General for Animal Welfare
- $5 million over 4 years from 2022-23 to renew the Animal Welfare Strategy.

(c) This commitment matches the Coalition's package to help parents-to-be with reproductive services, pregnancy planning and post-natal care - Perinatal Mental Health Hubs (ECR100). Of the $53 million, $13.7 million for expanding the Birth of a Child Life Event Service pilot program and $14.4 million to subsidise IVF storage costs for people with certain conditions is already included in the Budget baseline. The remaining component would increase funding by $25.6 million between 2022-23 and 2025-26 to the Gidget Foundation Australia (GFA) to establish 20 new perinatal mental health and wellbeing services, with at least one new service to be established in every state and territory. The proposal is ongoing with fixed costs of $7.9 million per year to GFA from 2026-27 to continue the operation of the 20 new hubs.

(d) This commitment is for $6.5 million over 4 years for a Pacific Defence School ($250,000 in 2022-23 and 2023-24, $4 million in 2024-25 and $2 million in 2025-26). The cost of this commitment would be met from within the Defence global budget.

(e) The commitment is a joint effort with the Western Australian Government, with costs shared on a 50/50 basis.

(f) This commitment has 4 administered components:

- Component 1 would provide $20 million across 2022-23 to 2023-24 to conduct a national audit of mobile coverage and identify black spots
- Component 2 would provide $400 million across 2022-23 to 2026-27 to provide multi-carrier mobile coverage on roads with black spots and in regional communities
- Component 3 would provide $200 million across 2022-23 to 2026-27 for place-based regional telecommunications projects
- Component 4 would provide $30 million across 2022-23 to 2026-27 to farmers to extend connectivity in fields and access connected-machinery and sensor technology.

The cost of this commitment would be met from existing resources allocated in the 2022-23 Budget measure Government Response to 2021 Regional Telecommunications Review.

(g) This commitment is to increase Pacific Maritime Security Program funding by $12 million a year from 2024-25. The cost of this commitment is to be met from existing Department of Defence resources.

(h) This commitment corresponds with the Coalition commitment Cairns Water Security - Stage 1 (ECR100).

(i) This commitment has 3 components:

- $0.6 million per year for 2 new expert panels in the Fair Work Commission - one for Pay Equity and one for the Care and Community Sector
- $1.5 million per year for a research unit on pay equity in the Fair Work Commission to support the 2 new expert panels
- $1 million per year of funding to organisations working to equip and encourage more women across the political spectrum to run for public office at local, state and federal levels, fully offset from departmental resources.

(j) This commitment is for grants of up to $30,000 to eligible community language schools.

(k) The financial implications of this commitment are based on costing models provided by the Department of Finance and the Treasury for the Coalition's commitment - Establishment of the Bragg Comprehensive Cancer Centre, South Australia (ECR100).

(l) The profile for this commitment was drawn from the corresponding Coalition commitment - Establishment of a Comprehensive Cancer Centre, Queensland (ECR100).

(m) This commitment has 5 components, 4 of which are fully offset:

- $481.1 million over the forward estimates to support Australia's bilateral and regional Overseas Development Assistance (ODA) programs for Southeast Asian developing countries
- $7.3 million for Southeast Asia Step Up (fully offset within agency resources)
- 2-year pilot program for flexible in-country language studies programs in Vietnam, based on the Australian Consortium for In-Country Indonesia Studies (ACICIS) model (fully offset within agency resources)
- $2 million over the forward estimates for commitment of an Association of South-East Asian Nations special envoy (departmental, fully offset within agency resources)
- $200 million in initial grant funding, from existing ODA program funding, to establish Australia-Indonesia Climate Resilience and Infrastructure Partnership.

(n) This commitment has 5 fully offset components:

- $95,000 in 2022-23 for a Defence history grant, with costs to be offset from the Saluting Their Service program
- $5 million to Licella towards the development of a Queensland biorefinery, with expenses offset from Next Generation Technology Fund
- $32 million to help build a military simulation and training facility in Townsville, with expenses offset from Next Generation Technology Fund
- $4 million in new funding to support Australian quantum researchers - $3 million for quantum technology PhDs and $1 million to support national collaboration on quantum research, with expenses offset from Next Generation Technology Fund
- $4.5 million to the Oasis Townsville Veteran Wellbeing Centre to help develop the Operation Navigator app, with expenses offset from within the Department of Defence global budget.

This commitment has one component that is not offset:

- $3 million to the Scott Palmer Services Centre for 6 units plus offices for on-site support services for Veterans' Supported Accommodation.

(o) This commitment has 2 administered components:

- Component 1 would double the number of rangers in the Indigenous Rangers program, which was determined to have nil impact as the same proposal was included in the 2022-23 Budget measure Indigenous Rangers - capacity building
- Component 2 would provide $10 million each year from 2023-24 for Indigenous Protected Areas.

(p) This commitment has 2 administered components for capped grants to support energy efficient equipment upgrades for small and medium sized businesses:

- Small businesses would have a maximum grant of $25,000 and would not be required to make a co-contribution
- Medium businesses would have a maximum grant of $50,000 and would be required to match the funding amount.

This commitment matches the Coalition's commitment Powering Business (ECR100).

(q) This commitment has 2 components and corresponds to the Coalition's commitment Australia-Wide National Institute for Forest Products Innovation (ECR100):

- $100 million over 5 years from 2022-23 to establish a National Institute for Forest Products Innovation host hub in Launceston (University of Tasmania), with 5 regionally located centres of excellence across Australia
- $6.6 million over 2 years from 2025-26 to extend funding for the 11 existing Regional Forestry Hubs.

This commitment has an additional component of $2 million in 2022-23 for Forestry Hubs.

(r) This commitment is to help victims of identity theft by doubling the funding for identification recovery services in 2022-23.

(s) This commitment is for $2 million over 4 years for a First Nations Foreign Policy Program, including establishing an Office of First Nations Engagement headed by an Ambassador for First Nations Peoples within the Department of Foreign Affairs and Trade.

(t) This commitment has the following components:

- $10.3 million in 2022-23 and at least $19.6 million per year from 2023-24 for Justice Reinvestment Partnerships that will enable up to 30 communities to establish locally tailored initiatives that address the underlying causes of incarceration and deaths in custody
- $1.8 million in 2022-23 and at least $3.6 million from 2023-24 for a Justice Reinvestment Unit within the Attorney-General's Department

- $1.85 million in 2022-23 and at least $3.85 million from 2023-24 in specific, standalone funding for Aboriginal and Torres Strait Islander legal services
- National Action on Deaths in Custody - establish consolidated real-time reporting of First Nations deaths in custody at a national level. Funding for this component would be offset from the Indigenous Advancement Strategy
- $1 million over the forward estimates and at least $250,000 per year from 2026-27 to build capacity and support the leadership of the National Aboriginal and Torres Strait Islander Legal Services (NATSILS)
- $3 million over the forward estimates and at least to $750,000 per year from 2026-27 to support the work of the National Family Violence Prevention Legal Services Forum (FVPLS).

(u) This commitment is in equal partnership with the South Australian Government to provide $400 million for the expansion of Flinders Medical Centre.

(v) This commitment is to support Playgroups Australia and Toy Libraries Australia, upgrade facilities and purchase new materials at playgroups and toy libraries, and expand intergenerational playgroups.

(w) Funding for this commitment is to be drawn from existing allocated but not yet contracted funding for the Clean Hydrogen Industrial Hubs program.

(x) This commitment has 2 administered components:

- A referendum to constitutionally enshrine a Voice to Parliament
- A Makarrata Commission with responsibility for truth-telling and treaty.

(y) This commitment would provide $40 million in grants to address mobile blackspots.

(z) This commitment is for $32 million ($8 million per year from 2022-23) to support Indo-Pacific Broadcasting. Funding is offset from within existing Department of Foreign Affairs and Trade resources.

(aa) This commitment is for up to 1,000 fulltime equivalent Landcare Ranger positions across the country over 4 years. Each position will be for an average of 12 months and will include access to fee-free TAFE programs to study relevant courses in areas of skills shortage. Landcare Rangers will work with local Landcare and Natural Resource Management groups on practical restoration and conservation projects.

(ab) This commitment would fund over 300 identified local community, sport and infrastructure projects.

(ac) This commitment has the following components:

- $560,000 per year to the Hunter GP Access After Hours Service
- $3.69 million in 2022-23 and $0.75 million in 2023-24 for the Morayfield Health Hub
- $4.0 million to the Clifford Craig Research hub at the Launceston General Hospital for capital works to relocate the Clifford Craig Foundation
- $20 million over 3 years from 2023-24 towards the construction of a dedicated palliative care centre in northern Tasmania with the model of care for the new service, including the location, to be informed by the State's clinical service planning. Operational funding for the centre is expected to be provided by the Tasmanian Government. This component corresponds to the Coalition's commitment Northern Tasmania Palliative Care Centre (ECR100).
- $0.25 million per year to the Kaden Centre
- $580,000 for a cancer support pilot (W.P. Holman Clinic pilot program) in 2022-23
- $2.95 million over 2 years for upgrades to Anam Cara House.

(ad) This commitment has 2 administered components:

- $128.6 million over 2 years from 2022-23 for various local industry grants. This commitment would be funded from savings from reprioritising unallocated funding from the Modern Manufacturing Initiative
- $50 million over 5 years from 2024-25 to 2028-29 for the Nyrstar Electrolysis Plant Expansion. This corresponds to the Coalition's commitment Nyrstar Electrolysis Plant Expansion (ECR100).

(ae) This commitment provides funding for a total of 10 new projects to support multicultural and faith communities:

- $10 million for the Northcote Greek Cultural Precinct
- $5 million for a Youth and Community Centre in Padstow
- $4 million for a purpose-built Maronite Community and Youth Centre, and a Maronite Heritage Centre
- $3.5 million for Australia India House
- $2.1 million for Aboriginal Community Elders Services
- $2 million for the Northern Tasmanian Migrant Resource Centre
- $1.8 million for Greek Centre Community Hubs
- $1.75 million for a Chung Wah Association Chinese and Family Community Centre

- $1 million to upgrade the Sikh Association of WA community centre
- $0.15 million for the Perth Hindu Temple.

(af) This commitment is for funding for the states and territory governments to address existing capacity shortcomings in managing state marine parks.

(ag) The cost of this commitment would be met with existing resources under the 'Saluting their Service' program at the Department of Veterans' Affairs.

(ah) This commitment is for a National Anti-Corruption Commission. The funding provided would be in addition to existing funding provided for the Commonwealth Integrity Commission.

(ai) This commitment has 2 administered components:

- $2 million in funding for the Autism Cooperative Research Centre
- $2 million in funding for the AEIOU Foundation.

(aj) This commitment also has one departmental component of $1.3 million for the creation of a National Autism Strategy and mental health National Roadmap.

(ak) This commitment would commence from 1 January 2023 so has a half year cost in the first year.

(al) This commitment is for administered funding for up to 10,000 New Energy Apprenticeships.

(am) This commitment is for a program to create training courses for workers in the emerging renewable energy industry.

(an) This commitment has 2 administered components:

- $3.5 million in 2022-23 to commission an independent study into how climate change is likely to affect Ramsar sites across the Basin
- $29 million to over 2 years improve metering and measuring throughout the Basin.

(ao) This commitment has 4 departmental components:

- $2 million per year to reinstate the Sustainable Rivers Audit
- $8.5 million over 4 years to commission the CSIRO to re-run the Sustainable Yield study to inform the review
- $10 million in 2022-23 and $8 million per year ongoing from 2023-24 for a National Water Commission
- $1.3 million to improve metering and measuring throughout the Basin.

(ap) This commitment would provide funding to install 400 community batteries across Australia.

(aq) This commitment would provide $3.5 million per year from 1 July 2022 to establish real world emissions testing for vehicles. This would be offset in 2022-23 and 2023-24 by $6.5 million from abolishing part of the 2022-23 Budget measure “Infrastructure Investment - Priority Regional Infrastructure Investments” for the Australian Automobile Association to conduct on road emissions testing of light vehicles.

(ar) This commitment has 2 material administered components:

- Restore funding to the Australian Federation of AIDS Organisations (AFAO) and the National Association of People with HIV Australia (NAPWHA)
- Fund a pilot to develop models for peer-led contact tracing and wrap-around clinical and peer support at diagnosis, as proposed through AFAO’s Agenda 2025.

(as) Savings from this commitment would be used to fund the Local Industry Grants commitment over the forward estimates period.

(at) This commitment is for urgent housing and essential infrastructure on Northern Territory homelands.

(au) This commitment would fund the national rollout of the eSmart Digital Licence+ for primary and secondary school students, as well as the eSmart Media Literacy Lab for secondary school students, to be developed and delivered by the Alannah & Madeline Foundation. It would provide ongoing funding of $2 million per year over the period 2022-23 to 2025-26 with funding indexed each year after that. This funding would be offset by reducing departmental funding for the Department of Infrastructure, Transport, Regional Development and Communications.

(av) This commitment is for funding for the Sorell Centrelink office.

(aw) This commitment has 3 administered components:

- $2.5 million for a Shepherd Centre in Launceston and Hobart
- $2.5 million for a new Shepherd Centre in Sydney's southwest
- $1.5 million to fund the development of a digital HearHub platform run by the Shepherd Centres.

(ax) This commitment extends and expands the Stay Afloat trial program to deliver specialist mental health support to the Australian seafood industry.

(ay) This commitment has funding for 3 administered components:

- $52.9 million over 6 years from 2022-23 for a First Nations Health Worker Traineeship Program
- $45 million over 4 years from 2022-23 for better renal services in the city and bush
- $3.35 million each year from 2022-23 to help eradicate rheumatic heart disease

This commitment also includes the following projects which will be met from uncommitted funding from the 2021-22 Mid-Year Economic and Fiscal Outlook measure *Closing the Gap Package*:

- $13.35 million over 3 years from 2022-23 for new health facilities for Yadu Health in Ceduna
- $2.5 million in 2022-23 for Ipswich health and family infrastructure
- $19 million over 3 years from 2022-23 in health infrastructure upgrades in Alice Springs, Mutitjulu and Ltyentye Apurte (Santa Teresa).

(az) This commitment has 2 components:

- Establish the Strengthening Medicare Taskforce in 2022-23 (no additional funding provided)
- Provide funding of at least $250 million each year from 2023-24 to implement the recommendations of the taskforce.

The ongoing (2026-27 and beyond) implications of the proposal are unquantifiable as the specific details of the recommendations (including whether they are ongoing or terminating) are unknown.

(ba) This commitment is for grants for GPs to upgrade IT systems including to support telehealth consultations, upskill staff, purchase new equipment, upgrade practices to be COVID safe, and make other improvements.

(bb) This commitment has 2 administered components:

- A one-off Student Wellbeing Boost to every school for activities to improve students' mental health and wellbeing. The average amount per school would be $20,000.
- $10.5 million for a new voluntary mental health check tool for schools to help identify children who are struggling.

(bc) This commitment has 5 administered components:

- $10 million for marketing strategies to attract workers to Australia's tourism industry
- $10 million over 2 years towards expanding 'The Hub'
- $10 million to help tourism businesses wholesalers and exporters
- $8 million for the Quality Tourism Framework, working in partnership with the Australian Tourism Industry Council
- $10 million in grant funding available to support upgrades to caravan parks.

This commitment has 2 components with no direct cost:

- Ensure tourism and accommodation providers can set their own prices
- Include the Business Events Sector in international and national visitor data sets.

(bd) This commitment is to help eligible regional and local newspaper publishers absorb newsprint price increases.

(be) This commitment is for funding over the 2023 calendar year to the states and territories for capital grants to improve IT facilities, workshops, laboratories and tele-health simulators.

(bf) This commitment is to provide additional funding to the Tasmanian Irrigation Scheme.

(bg) The commitment provides $4 million over 2 years to develop a trade diversification plan, to be fully offset within existing departmental funding for the Department of Foreign Affairs and Trade.

(bh) This commitment would provide grants for community groups, local and state government to fund projects which deliver improvements to water quality and the local environment, create improved open spaces and local jobs.

(bi) This commitment has 2 components:

- At least $10.7 million each year to establish 10 new Veterans' Hubs - one-stop shops where veterans and their families can get help to access the services they need
- $24 million to educate businesses about the benefits of employing a veteran as well as extra civilian-ready training programs. This component is to be fully offset by existing Department of Defence departmental resources.

(bj) The departmental cost of administering this commitment is assumed to be funded from existing departmental resources.

(bk) Departmental costs are as specified in the policy proposal.

(bl) Departmental costs are based on the costs of administering similar programs.

(bm) This commitment is assumed as ongoing from 2026-27 over the medium term, consistent with PBO general election guidance.

(bn) This commitment includes $250 million over the period 2022-23 to 2027-28 comprising:

- $39.3 million over four years ($11.35 million in 2022-23, $9.65 million in 2023-24, $9.2 million in 2024-25 and $9.1 million in 2025-26) to partner with the National Roads and Motorists' Association (NRMA) to rollout a national electric vehicle charging network
- $210.7 million over four years from 2024-25 ($50 million in 2024-25, $50 million in 2025-26, $55.5 million in 2026-27 and $55.2 million in 2027-28) for Hydrogen Highways ($80 million) with the remainder of the funding to be added to the Future Fuels Fund (which is to be renamed to the Driving the Nation Fund).

Table A2: Memorandum item: Public Debt Interest (PDI) impacts – Various capped costings – Australian Labor Party – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-16.7*	*-47.7*	*-75.8*	*-105.8*	*-131.1*	*-149.6*	*-165.3*	*-179.5*	*-194.5*	*-210.5*	*-238.3*	***-245.9***	***-1,514.6***
Underlying cash balance	*-14.8*	*-43.6*	*-71.9*	*-102.4*	*-127.6*	*-147.0*	*-163.3*	*-177.8*	*-192.9*	*-208.5*	*-234.6*	***-232.7***	***-1,484.3***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[1].

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

[1] Online budget glossary – Parliament of Australia (aph.gov.au)