Parliamentary
Budget Office

APPENDIX H – COSTING DOCUMENTATION FOR THE INDEPENDENT MEMBER FOR INDI'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

Locally-Owned Renewables	
Party:	Independent Member for Indi
Summary of proposal: The proposal has 2 components to drive investment in locally owned renewable energy in regional Australia. **Component 1** would establish a dedicated fund for community energy projects in regional Australia, with $300 million allocated over 4 years. **Component 2** would conduct an independent review of the Australian Renewable Energy Agency (ARENA) and Clean Energy Finance Corporation (CEFC) to identify opportunities to better support regional community energy projects. The final report to the minister would be due by 1 November 2022 with the government response no later than 1 January 2023. The proposal would have effect from 1 October 2022.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $313 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered and departmental expenses.

The proposal would have an 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.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding amount for Component 1 is sufficient to meet the objectives of the proposal.

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

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-82.3	-76.9	-76.9	-76.9	**-313.0**
Underlying cash balance	-82.3	-76.9	-76.9	-76.9	**-313.0**

(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

The administered expense for Component 1 is as specified in the proposal.

The departmental expenses were based on the cost of administering similar programs and would be in addition to the funding amount.

The cost of the independent review of ARENA and CEFC was estimated based on 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 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 – Locally-Owned Renewables – financial implications

Table A1: Locally-Owned Renewables – 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**
Payments													
Administered													
Community Energy Projects Fund	*-75.0*	*-75.0*	*-75.0*	*-75.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-300.0***	***-300.0***
Total – administered	***-75.0***	***-75.0***	***-75.0***	***-75.0***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-300.0***	***-300.0***
Departmental													
Community Energy Projects Fund	*-3.8*	*-1.9*	*-1.9*	*-1.9*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-9.5***	***-9.5***
Independent review of ARENA & CEFC	*-3.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-3.5***	***-3.5***
Total – departmental	***-7.3***	***-1.9***	***-1.9***	***-1.9***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-13.0***	***-13.0***
Total – payments	**-82.3**	**-76.9**	**-76.9**	**-76.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-313.0**	**-313.0**
Total (excluding PDI)	**-82.3**	**-76.9**	**-76.9**	**-76.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-313.0**	**-313.0**

(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: Locally-Owned Renewables – 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	*-0.9*	*-2.8*	*-4.6*	*-6.4*	*-7.4*	*-7.6*	*-7.9*	*-8.1*	*-8.4*	*-8.6*	*-9.5*	***-14.7***	***-72.2***
Underlying cash balance	*-0.8*	*-2.5*	*-4.3*	*-6.2*	*-7.3*	*-7.6*	*-7.8*	*-8.1*	*-8.3*	*-8.6*	*-9.4*	***-13.8***	***-70.9***

(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

Home Battery Incentives and Electrification Loans	
Party:	Independent Member for Indi

Summary of proposal:

The proposal has 2 components that would commence 1 October 2022.

Component 1 would amend the *Renewable Energy (Electricity) Act 2000* to add home batteries as an eligible technology to earn Small-scale Technology Certificates (STCs) through the Small-scale Renewable Energy Scheme. It would also extend the 'deeming rate' for home batteries to 15 years; then, from 2025, to the time between installation and when the scheme would end (2040).

Component 2 would require the Clean Energy Finance Corporation (CEFC) to administer zero-interest loans of up to $5,000 to households to purchase and install eligible zero-emission technologies. These technologies would include electric vehicles, heat pumps, household batteries, and electric cookers. The CEFC would administer the loans in collaboration with commercial partners.

- 200,000 loans with a term of 6 years would be administered across 4 years, with a maximum of 50,000 loans in each year. Any unallocated loans would be returned to the CEFC's budget at the end of the proposal.
- 25,000 loans in each financial year would be reserved for households in rural, regional, and remote Australia. Furthermore, only households with an annual income below $90,000 for individuals and $150,000 for couples would be eligible.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $208 million, decrease the underlying cash balance by around $101 million, and decrease the headline cash balance by around $691 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.

Component 1 would not impact administered revenue or expenses because:

- liable entities under the Renewable Energy Target Scheme must surrender certificates to the Clean Energy Regulator, but the surrender of certificates is not a monetary transaction
- the number of certificates that liable entities must surrender would not be affected by the proposal, meaning that demand for certificates is expected to remain unchanged
- goods and services tax (GST) is levied on the price of eligible technologies before discounts are applied, so the proposal is not expected to affect the amount of GST collected on each unit.

Departmental expenses associated with Component 1 reflect the costs of implementing the proposal, enforcing compliance, and communicating changes to stakeholders.

The financial implications of Component 2 are sensitive to the rate at which households take up and default on the zero-interest loans. Take-up rates are likely to be affected by the prices of eligible technologies and the prices of other electricity sources, which in turn are likely to be affected by market conditions as well as electricity and climate policies. Furthermore, some states and territories administer similar schemes subsidising the cost of home battery storage, which could affect the take-up rate of the proposal. The Parliamentary Budget Office (PBO) has not made any assessment of whether the proposal would interact with other available subsidies and schemes.

Consistent with *PBO Guidance 02/2015*, public debt interest (PDI) expenses have been included in the financial implications in this response because the concessional loans provided under the 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 amounts. Specifically, only the fiscal balance reflects concessional loan discount expenses, 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 would 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	-72.7	-50.9	-44.5	-39.4	**-207.5**
Underlying cash balance	-29.7	-20.0	-23.9	-27.0	**-100.6**
Headline cash balance	-238.7	-188.0	-150.9	-113.0	**-690.6**

(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 the proposal.

Component 1

- The proposal would not affect the amount of GST collected on home battery purchases.

Component 2

- Legislative amendments to allow the CEFC to make zero-interest loans would be passed before the proposal start date.
- The CEFC would be able to implement the proposal and still fulfil its current financing obligations.
- The full number of loans on offer would be taken up by eligible households in each financial year.
- Households would access the maximum amount of interest free-finance available.
- The average default rate would be 1.5 per cent, which is informed by the Reserve Bank of Australia's observations of non-performing loans and default probabilities for various sectors.

Methodology

Component 1

Departmental expenses were estimated based on similar measures costed by the PBO, informed by the estimates in the explanatory memorandum to the Renewable Energy (Electricity) Bill 2000.

Component 2

Administered items were estimated with the PBO's concessional loan model, based on the specifications of the proposal and the assumptions detailed above.

Departmental expenses were estimated based on similar programs administered by the Department of Industry, Science, Energy and Resources.

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 Industry, Science, Energy and Resources provided information on the Clean Energy Finance Corporation's funding commitments, equity investments, concessional loans, and operational expenses over the 2022-23 Budget forward estimates.

Reserve Bank of Australia, 2022. *Personal Lending Rates*, accessed 12 June 2022.

Reserve Bank of Australia, 2021. *Financial Stability Review – April 2021*, accessed 12 June 2022.

Reserve Bank of Australia, 2021. *Financial Stability Review – October 2021*, accessed 12 June 2022.

Clean Energy Regulator, 2020. *Scheme participants and industry*, accessed 12 June 2022.

Clean Energy Regulator, 2018. *Small-scale technology certificates*, accessed 12 June 2022

Clean Energy Regulator, 2018. *Liable entities*, accessed 12 June 2022.

Clean Energy Regulator, 2017. *Buying and selling small-scale technology certificates*, accessed 12 June 2022

Parliament of Australia, 2000. *Renewable Energy (Electricity) Bill 2000*, accessed 12 June 2022.

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

Attachment A – Home Battery Incentives and Electrification Loans – financial implications

Table A1: Home Battery Incentives and Electrification Loans – 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													
Income from unwinding of discounts	*14.3*	*26.7*	*36.9*	*44.9*	*36.0*	*26.5*	*16.3*	*8.3*	*2.8*	*-*	*-*	***122.8***	***212.7***
Total – revenue	**14.3**	**26.7**	**36.9**	**44.9**	**36.0**	**26.5**	**16.3**	**8.3**	**2.8**	**-**	**-**	**122.8**	**212.7**
Expenses													
Administered													
Concessional loan discount expense	*-53.2*	*-53.2*	*-53.2*	*-53.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-212.8***	***-212.8***
Write downs	*-3.8*	*-3.8*	*-3.8*	*-3.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-15.2***	***-15.2***
Commercial partner delivery costs	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-31.4***	***-31.4***
Total – administered	***-69.5***	***-63.3***	***-63.3***	***-63.3***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-259.4***	***-259.4***
Departmental													
Clean Energy Regulator	*-2.3*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	***-3.8***	***-7.3***
Clean Energy Finance Corporation	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-31.4***	***-31.4***
Total – departmental	***-14.8***	***-6.8***	***-6.8***	***-6.8***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-35.2***	***-38.7***
Total – expenses	**-84.3**	**-70.1**	**-70.1**	**-70.1**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-294.6**	**-298.1**
Total (excluding PDI)	**-70.0**	**-43.4**	**-33.2**	**-25.2**	**35.5**	**26.0**	**15.8**	**7.8**	**2.3**	**-0.5**	**-0.5**	**-171.8**	**-85.4**
PDI impacts	***-2.7***	***-7.5***	***-11.3***	***-14.2***	***-13.7***	***-9.9***	***-6.2***	***-3.4***	***-1.6***	***-1.0***	***-2.7***	***-35.7***	***-74.2***
Total (including PDI)	**-72.7**	**-50.9**	**-44.5**	**-39.4**	**21.8**	**16.1**	**9.6**	**4.4**	**0.7**	**-1.5**	**-3.2**	**-207.5**	**-159.6**

(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: Home Battery Incentives and Electrification Loans – 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													
Commercial partner delivery costs	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-31.4***	***-31.4***
Total – administered	***-12.5***	***-6.3***	***-6.3***	***-6.3***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-31.4***	***-31.4***
Departmental													
Clean Energy Regulator	*-2.3*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	***-3.8***	***-7.3***
Clean Energy Finance Corporation	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-31.4***	***-31.4***
Total – departmental	***-14.8***	***-6.8***	***-6.8***	***-6.8***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-35.2***	***-38.7***
Total – payments	**-27.3**	**-13.1**	**-13.1**	**-13.1**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-66.6**	**-70.1**
Total (excluding PDI)	**-27.3**	**-13.1**	**-13.1**	**-13.1**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-66.6**	**-70.1**
PDI impacts	***-2.4***	***-6.9***	***-10.8***	***-13.9***	***-13.8***	***-10.3***	***-6.7***	***-3.8***	***-1.8***	***-1.1***	***-2.5***	***-34.0***	***-74.0***
Total (including PDI)	**-29.7**	**-20.0**	**-23.9**	**-27.0**	**-14.3**	**-10.8**	**-7.2**	**-4.3**	**-2.3**	**-1.6**	**-3.0**	**-100.6**	**-144.1**

(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: Home Battery Incentives and Electrification Loans – 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													
Loan repayments	*41.0*	*82.0*	*123.0*	*164.0*	*164.0*	*164.0*	*123.0*	*82.0*	*41.0*	*-*	*-*	***410.0***	***984.0***
Total – receipts	**41.0**	**82.0**	**123.0**	**164.0**	**164.0**	**164.0**	**123.0**	**82.0**	**41.0**	**-**	**-**	**410.0**	**984.0**
Payments													
Administered													
Loans made	*-250.0*	*-250.0*	*-250.0*	*-250.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1,000.0***	***-1,000.0***
Commercial partner delivery costs	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-31.4***	***-31.4***
Total – administered	***-262.5***	***-256.3***	***-256.3***	***-256.3***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-1,031.4***	***-1,031.4***
Departmental													
Clean Energy Regulator	*-2.3*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	***-3.8***	***-7.3***
Clean Energy Finance Corporation	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-31.4***	***-31.4***
Total – departmental	***-14.8***	***-6.8***	***-6.8***	***-6.8***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-35.2***	***-38.7***
Total – payments	**-277.3**	**-263.1**	**-263.1**	**-263.1**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-0.5**	**-1,066.6**	**-1,070.1**
Total (excluding PDI)	**-236.3**	**-181.1**	**-140.1**	**-99.1**	**163.5**	**163.5**	**122.5**	**81.5**	**40.5**	**-0.5**	**-0.5**	**-656.6**	**-86.1**
PDI impacts	***-2.4***	***-6.9***	***-10.8***	***-13.9***	***-13.8***	***-10.3***	***-6.7***	***-3.8***	***-1.8***	***-1.1***	***-2.5***	***-34.0***	***-74.0***
Total (including PDI)	**-238.7**	**-188.0**	**-150.9**	**-113.0**	**149.7**	**153.2**	**115.8**	**77.7**	**38.7**	**-1.6**	**-3.0**	**-690.6**	**-160.1**

(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 Commonwealth.

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 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 consider 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.

Net Zero Emissions Farms	
Party:	Independent Member for Indi

Summary of proposal:

The proposal consists of 2 components:

Component 1 would establish a network of Agricultural Extension Officers (AEOs) to support Australian farmers to meet the Government's net zero emissions target by 2050.

The network includes 200 AEOs across 20 regional centres in Australia to support farms to achieve Carbon Neutral Certification, purchase zero emissions equipment, and implement new technical and other practices to reduce emissions.

This component of the proposal would be in effect from 1 October 2022 and would terminate after 4 years.

Component 2 would see the Department of Agriculture and the Department of Industry partner to develop a new Carbon Neutral Certification Scheme for farms (Scheme) through the Climate Active initiative. The certification scheme for farms would be an ongoing standard under the Climate Active initiative.

This component of the proposal would start from 1 October 2022 and would be ongoing.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balance by around $126 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 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	-25.3	-32.9	-33.3	-33.5	**-125.0**
Underlying cash balance	-25.3	-32.9	-33.3	-33.5	**-125.0**

(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.

Component 1

- The jobs specified in the proposal do not currently fall under the standard Australian Public Service (APS) classifications. The AEO roles have been estimated based on the APS classifications that closely match their salary and level of experience.
  - The network of AEOs assumes a mix of APS staff levels (APS 6 and Executive Level 1).

Component 2

- The Scheme will make use of existing Climate Active infrastructure and processes.
- Departmental expenses are higher in the first year to account for additional costs associated with establishing the Scheme.
- Beyond the forward estimates, departmental expenses would grow in line with the wage cost index 3 (WCI3) and account for the efficiency dividend.

Methodology

Component 1

Departmental expenses of this component were derived using PBO's departmental cost model which projects the APS salary using the latest wage index parameters.

- Total departmental costs associated with AEOs include other salary and non-salary related expenses such as superannuation, human resource service, staff training and development and organisational services.
- Variable costs such as overtime pay, and rural loadings have not been included in the calculation.

Component 2

Departmental expenses of this component over the forward estimates were estimated by the Climate Active component of the *Emissions Reduction and New Investments under the Technology Investment Roadmap measure* from the 2021-22 Budget.

- Additional costs of establishing the Scheme were added in the first year.
- Beyond the forward estimates, departmental expenses would grow in line with WCI3 and account for the efficiency dividend.

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

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

Data sources

The Department of Finance provided the standard departmental costs for salaries and non-salary related costs as at the 2022 Pre-election Economic and Fiscal Outlook.

Economic parameters used in the model were provided by the Department of Finance and the Treasury as at the 2022 Pre-election Economic and Fiscal Outlook.

Information on the Climate Active component of the *Emissions Reduction and New Investments under the Technology Investment Roadmap* measure from the 2021-22 Budget was provided by Department of Industry, Science, Energy and Resources, as at the *2021-22 Budget*.

Australian Government (2021) *Budget Measures Budget Paper No.2 2021-22*, Australian Government, accessed 14 June 2022.

Climate Active (n.d) *Climate Active*, accessed 14 June 2022.

Attachment A – Net Zero Emissions Farms – financial implications

Table A1: Net Zero Emissions Farms – 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	*-23.9*	*-32.0*	*-32.2*	*-32.4*	*-8.2*	*-*	*-*	*-*	*-*	*-*	*-*	***-120.5***	***-128.7***
Component 2	*-1.4*	*-0.9*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	*-1.2*	*-1.2*	***-4.5***	***-12.6***
Total – expenses	**-25.3**	**-32.9**	**-33.3**	**-33.5**	**-9.3**	**-1.1**	**-1.1**	**-1.2**	**-1.2**	**-1.2**	**-1.2**	**-125.0**	**-141.3**
Total (excluding PDI)	**-25.3**	**-32.9**	**-33.3**	**-33.5**	**-9.3**	**-1.1**	**-1.1**	**-1.2**	**-1.2**	**-1.2**	**-1.2**	**-125.0**	**-141.3**

(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: Net Zero Emissions Farms – 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*	*-1.7*	*-2.5*	*-3.1*	*-3.3*	*-3.4*	*-3.6*	*-3.7*	*-3.9*	*-4.2*	***-5.5***	***-30.7***
Underlying cash balance	*-0.3*	*-0.9*	*-1.6*	*-2.4*	*-3.0*	*-3.3*	*-3.4*	*-3.5*	*-3.7*	*-3.9*	*-4.2*	***-5.2***	***-30.2***

(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.

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

Parliamentary Budget Office

Australian Federal Integrity Commission	
Party:	Independent Member for Indi

Summary of proposal:

The proposal would establish an Australian Federal Integrity Commission (AFIC) with functions as follows:

- The AFIC would be an independent statutory agency responsible for implementing a new national integrity strategy and preventing corruption in federal public administration.
  - The AFIC framework would include a comprehensive anti-corruption research program, the creation of a national anti-corruption action plan, and dedicated education, training and prevention functions. AFIC would also have strong investigatory powers to allow it to hold hearings and make findings in relation to allegations of serious and/or systemic corruption in federal public administration.
- AFIC would require eight statutory leadership appointments and employ around 197 staff.
  - The Australian Commission for Law Enforcement Integrity (ACLEI) would be subsumed into AFIC. ACLEI's funding and current staff would be redirected to AFIC less any merger related savings.
- Funding of $14.5 million each year would be provided for external legal, research, policy advice contracting and independent auditing services.
- A Corporate Services and Facilities branch would also require funding to manage travel expenses and other contracting services. This funding would be indexed over time.

AFIC funding would be indexed by CPI.

The proposal would begin on 1 October 2022.

Detailed policy specifications are provided at Attachment B.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $155 million over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in departmental expenses.

This financial impact relates to the proposal's staffing and specified operating costs only. Costs of accommodating staff have not been included in this costing because of the high level of uncertainty surrounding cost of constructing, leasing and fitting out suitable buildings.

The proposal would have ongoing financial impacts 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.

This costing's estimates are relatively certain as they are largely based on specified staff numbers and the average cost of employing each person. Each staff member's average cost amount, over the medium term in particular, is moderately sensitive to wage cost indexation rates and the effect of the efficiency dividend.

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

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-37.5	-37.2	-38.9	-41.7	**-155.3**
Underlying cash balance	-37.5	-37.2	-38.9	-41.7	**-155.3**

(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.
\- Indicates nil.

Key assumptions

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

- There would be a 20% saving in corporate costs from ACLEI being subsumed by AFIC in 2022-23.
- Remuneration for the new statutory appointments would be comparable to similar existing full-time public office appointments.
- AFIC's travel and contracting services (including annual audit and printing services)[1] are estimated to cost $10 million per annum.

Methodology

Staffing costs were calculated by multiplying the specified number of staff within each agency by average staffing costs for each APS level.

The average staffing costs for each APS employee are included in the standard departmental costing template provided by the Department of Finance over the 2022-23 Budget forward estimates period. The PBO extended this costing template beyond the forward estimates period by indexing costs and allowing for the impact of the efficiency dividend. The costing template includes: base salary amounts, superannuation, long service leave, staff training and development, HR support, organisational services and ICT services on a per employee basis.

Remuneration for the new statutory appointments was estimated using publicly available information about the remuneration of other full-time public office appointments, which were also determined by the Remuneration Tribunal.

Funding to AFIC is indexed by CPI as specifed.

Funding is available from the Contingency Reserve for the establishment of a Commonwealth Integrity Commission. This has been treated as a savings for the proposal.

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] All other operational expense amounts were explicitly specified in the proposal.

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

Data sources

Australian Commission for Law Enforcement (2021) *Annual Report of the Integrity Commissioner 2020-21*, Australian Commission for Law Enforcement, accessed on 10 April 2022.

Department of Finance (2022) *Portfolio Budget Statements 2022-23*, Department of Finance.

Remuneration Tribunal, 2021. Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office Determination 2021).

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

Attachment A – Australian Federal Integrity Commission – financial implications

Table A1: Australian Federal Integrity Commission – 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													
Australian Federal Integrity Commission	*-69.0*	*-80.0*	*-82.0*	*-85.0*	*-87.0*	*-89.0*	*-91.0*	*-93.0*	*-95.0*	*-98.0*	*-100.0*	***-316.0***	***-969.0***
Australian Commission for Law Enforcement Integrity	*18.5*	*24.8*	*25.1*	*25.3*	*25.6*	*25.8*	*26.1*	*26.3*	*26.6*	*26.8*	*27.1*	***93.7***	***278.0***
Commonwealth Integrity Commission	*13.0*	*18.0*	*18.0*	*18.0*	*18.0*	*18.0*	*18.0*	*18.0*	*18.0*	*18.0*	*18.0*	***67.0***	***193.0***
Total – expenses	**-37.5**	**-37.2**	**-38.9**	**-41.7**	**-43.4**	**-45.2**	**-46.9**	**-48.7**	**-50.4**	**-53.2**	**-54.9**	**-155.3**	**-498.0**
Total (excluding PDI)	**-37.5**	**-37.2**	**-38.9**	**-41.7**	**-43.4**	**-45.2**	**-46.9**	**-48.7**	**-50.4**	**-53.2**	**-54.9**	**-155.3**	**-498.0**

(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: Australian Federal Integrity Commission – 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*	*-1.3*	*-2.2*	*-3.1*	*-4.2*	*-5.5*	*-6.9*	*-8.5*	*-10.4*	*-12.5*	*-15.1*	*-7.0*	*-70.1*
Underlying cash balance	*-0.4*	*-1.2*	*-2.1*	*-3.0*	*-4.1*	*-5.3*	*-6.7*	*-8.3*	*-10.1*	*-12.2*	*-14.8*	*-6.7*	*-68.2*

(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[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)

Attachment B – Detailed policy specification

- The AFIC executive would comprise the following full-time Canberra based statutory appointments, whose salaries would be determined by the Remuneration Tribunal.
  - Australian Federal Integrity Commissioner (Chair)
  - Law Enforcement Commissioner (currently the ACLEI Commissioner)
  - Whistle-blower Protection Commissioner
  - Assistant Commissioner for Public Interest and Research
  - Assistant Commissioner for Assessment and Referrals
  - Assistant Commissioner for Education, Training and Prevention
  - Chief Executive Officer
  - AFIC Parliamentary Inspector.
- AFIC would include the following sub-branches and staffing requirements:
  - Offices of the Commissioners, Assistant Commissioners and CEO
    - the Commissioner will need an Executive Officer (EL1) and Executive Assistant (APS5)
    - the Commissioners and CEO would have an Executive Support and Secretariat Unit to manage correspondence, internal reporting and Commissioner meetings. This would require a unit head (EL1) and 2 supporting staff across the APS4 to EL1 levels.
  - Corporate Services and Facilities
    - Branch Head – 1 x SES1
    - Media and Communications –1 x EL2, 4 supporting staff across APS4 to EL1
    - Information Technology –1 x EL2, 4 supporting staff across APS4 to EL1
    - Building Services – 1 x EL2, 4 supporting staff across APS4 to APS6
    - Procurement and Contracting – 1 x EL2, 2 supporting staff across APS5 to EL1
    - Human Resourcing – 1 x EL2, 4 supporting staff across APS5 to EL1
    - Reception and Front Security – 1 x EL1, 4 supporting staff across APS4 to APS6
    - Hearings Operations – 1 x SES1, 1 x EL2, 4 supporting staff across APS4 to EL1
    - Corporate Counsel – 1 x SES1, 1 x EL2, 4 supporting staff across APS4 to EL1 – all legal.
  - Whistleblower Protection Unit
    - Branch Head – 1 x SES1
    - Advice and Support – 1 x EL2, 10 supporting staff across APS4 to EL1.
  - Assessment and Investigations
    - Branch Head – 1 x SES1
    - Outbound Referrals – 3 x EL2, 10 supporting staff across APS4 to EL1.
    - Investigations – 2 x SES1, 8 x EL2, 30 supporting staff across APS4 to EL1 – all legal

        - Operations and Warrants – 2 x EL2, 5 supporting staff across APS4 to EL1
        - an external legal contracting budget of $5 million per year.
    - Public Interest Research
        - Branch Head – 1 x SES1
        - Internal Research – 3 x EL2, 8 supporting staff across APS4 to EL1
        - External Research – 3 x EL2, 8 supporting staff across APS4 to EL1
        - an external research contracting budget of $5 million per year.
    - National Policy and Stakeholder Coordination
        - Branch Head – 1 x SES1
        - Policy – 3 x EL2, 8 supporting staff across APS4 to EL1
        - Stakeholder Coordination – 2 x EL2, 6 supporting staff across APS4 to EL1
        - an external policy contracting budget of $2 million per year.
    - Education, Training and Prevention Initiatives
        - Branch Head – 1 x SES1
        - Education and Training – 2 x EL2, 6 supporting staff across APS4 to EL1
        - Prevention Initiatives – 2 x EL2, 6 supporting staff across APS4 to EL1
        - an external contracting budget of $2 million per year.
    - ACLEI would be entirely subsumed by AFIC
        - ACLEI's entire funding would be reallocated to AFIC less any merger related corporate cost savings.
- AFIC would have its own building in Canberra with a bespoke high-tech hearing room and a public gallery (around 50 observers), and 2 smaller hearing rooms (around 10 observers).
- AFIC would also have a smaller corporate presence in Sydney, Melbourne, Brisbane and Perth with no hearing rooms.
- The AFIC Parliamentary Inspector would be based in Parliament House and would have functions similar to other Parliamentary Inspectors. This would require a generous budget to be able to engage high-quality independent auditing services to assess whether AFIC has enough resources to fulfil its stated purposes under the Act every three years (estimated at $500,000 per year).
- A new Parliamentary Joint Committee for the Australian Federal Integrity Commission would also be created and would need a dedicated secretariat function.

Parliamentary Budget Office

Political Donation Reform	
Party:	Independent Member for Indi

Summary of proposal:

The proposal would amend the *Commonwealth Electoral Act 1918* to require all registered political parties, state branches of political parties, individual political candidates, groups of political candidates, or associated entities to declare all (cumulative) donations received above $1,000 within 3 months, and above the Australian Electoral Commission (AEC) threshold (currently $14,500) within 5 business days.

The proposal would be ongoing and commence 1 July 2023.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by about $83.2 million over the 2022-23 Budget forward estimates period. This impact entirely reflects 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.

The financial implications of the proposal are highly uncertain and are sensitive to information and communication technology (ICT) costs as well as the number of staff required for compliance activities.

In addition, there may be revenue that arises from financial penalties from non-disclosure of donations. However, it is unclear what the level of non-compliance would be and how often the AEC would pursue these matters through legal action. Consequently, these revenues have been omitted from the financial implications in this response.

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

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-47.0	-11.8	-12.4	-12.0	**-83.2**
Underlying cash balance	-47.0	-11.8	-12.4	-12.0	**-83.2**

(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 AEC would need to replace the ICT system it currently uses for financial disclosures with a new system, which would result in initial and ongoing costs.
  - The initial costs for the ICT replacement would commence 12 months before the proposal start date (ie from 1 July 2022) to allow sufficient time for the replacement to be completed before the proposal would commence.
- Education and outreach costs would be ongoing, with the AEC receiving supplementary funding for election years.
- Compliance and auditing costs would grow in line with the wage cost index 3 (WCI3) and the efficiency dividend.

Methodology

ICT costs have been estimated based on historical ICT budget measures, but they are highly uncertain.

- The AEC's current ICT system for financial disclosures is both dated and bespoke. It would require an entirely new system as it is unlikely that the upgrades necessary to carry out a higher volume of disclosures and more timely reporting of disclosures could be made on the existing infrastructure.
- The PBO expects that ICT costs would be no less than what the Queensland Government has spent to upgrade the Electoral Commission of Queensland's ICT system to handle disclosure of political donations (scaled up for Australia's population) but no more than Australian Government's spending on the GovPass Program.
- If the proposal were to become government policy, it is highly likely it would be subject to an ICT Investment Approval Process (IIAP). More information about an IIAP can be found on the Digital Transformation Agency website[1]. The PBO has not factored in an IIAP for this proposal, which means the costs of a first and second pass approval are not included in the financial implications. It is also likely that this proposal would take longer to implement if an IIAP was needed.

Education, outreach, compliance auditing costs were estimated separately and are based on information provided by the Department of Finance on the AEC's expenses related to political donations. There is uncertainty around the number of people needed to ensure disclosures are compliant with the legislation, given the significant lowering of the donation threshold. If more (or fewer) people are required compared to what has been assumed, the cost of compliance could be readily scaled up (or down).

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

Data sources

Information on the AEC's expenses related to political donations as at 10 February 2022 was provided by the Department of Finance.

Economic parameters were provided by the Treasury as at the *Pre-election Economic and Fiscal Outlook*.

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[1] https://www.dta.gov.au/help-and-advice/digital-and-ict-investments/ict-investment-approval-process

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

Australian Government (2019) *Budget Measures Budget Paper No.2 2019-20*, Australian Government, accessed 9 June 2022.

Queensland Government (2016) *Capital Statement Budget Paper No.3 Queensland Budget 2016-17*, Queensland Government, accessed 9 June 2022.

Wood D, Griffiths K and Crowley T (2022) *More than half of funding for the major parties remains secret - and this is how they want it*, Grattan Institute, accessed 9 June 2022.

Attachment A – Political Donation Reform– financial implications

Table A1: Political Donation Reform – 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													
Australian Electoral Commission	*-47.0*	*-11.8*	*-12.4*	*-12.0*	*-12.1*	*-12.7*	*-12.3*	*-12.4*	*-13.0*	*-12.6*	*-12.7*	***-83.2***	***-171.0***
Total (excluding PDI)	**-47.0**	**-11.8**	**-12.4**	**-12.0**	**-12.1**	**-12.7**	**-12.3**	**-12.4**	**-13.0**	**-12.6**	**-12.7**	**-83.2**	**-171.0**

(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: Political Donation Reform – 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	*-0.5*	*-1.2*	*-1.5*	*-1.8*	*-2.2*	*-2.5*	*-2.9*	*-3.4*	*-3.9*	*-4.5*	*-5.4*	***-5.0***	***-29.8***
Underlying cash balance	*-0.5*	*-1.1*	*-1.5*	*-1.8*	*-2.1*	*-2.5*	*-2.9*	*-3.3*	*-3.9*	*-4.4*	*-5.3*	***-4.9***	***-29.3***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals of 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[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

Mobile Blackspots Program	
Party:	Independent Member for Indi
Summary of proposal: The proposal would build 20 mobile phone base stations in the worst remaining black spots in Indi, Victoria. The proposal would also increase the $500,000 cap on Australian Government funding for individual mobile phone towers through the Mobile Black Spot Program (MBSP) to $1 million per tower. Funding for the proposal would be drawn from uncommitted funds under the MBSP, as well as be reported and administered as a separate funding round. The proposal would be in effect from 1 October 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. This reflects nil impact in administered expenses, as the proposal is covered by sufficient uncommitted funds under the MBSP. The main impact of this proposal will be to reprioritise expenditure within the MBSP.

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 (PBO) has made the following assumptions in costing this proposal.

- Uncommitted funds from the MBSP in 2022-23 will be used to fund the proposal.
- The proposal is assumed to be implemented during Round 7 of the MBSP which occurs at the start date of 1 July 2022.
- The average cost of each of the 20 new mobile base stations will equal the average cost of stations from previous rounds of the MBSP (around $676,000 (includes GST)).
- Any additional departmental expenses would be met from existing allocations under the MBSP.

Methodology

Estimated uncommitted funding for the MBSP over the 2022-23 forward estimates period was based on information provided by the Department of Infrastructure, Transport, Regional Development and Communications. The cost of the proposal was derived by multiplying the average cost of a mobile base station with the number of stations.

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 information on the average cost of a base station and uncommitted funding data for the program as at 25 March 2022.

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

Attachment A – Mobile Blackspots Program – financial implications

Table A1: Mobile Blackspots 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**
Expenses													
Administered													
Mobile Blackspot Program	-	*-13.5*	-	-	-	-	-	-	-	-	-	***-13.5***	***-13.5***
Uncomitted funds allocated to the program	-	*13.5*	-	-	-	-	-	-	-	-	-	***13.5***	***13.5***
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: Mobile Blackspots 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)

Regional Internet Standards	
Party:	Independent Member for Indi
Summary of proposal: The proposal would legislate higher standards, rules, and benchmarks for statutory infrastructure providers (SIPs) concerning timeframes for internet connections, peak speeds and repairs. These standards would be incorporated into the *Telecommunications Act 1997*. The proposal does not involve any changes to the penalties imposed on SIPs for non-compliance. The proposal would have effect from 1 October 2022.	

Costing overview

The proposal would be likely to increase both expenses and revenue, but the overall magnitude and direction of the financial impact is highly uncertain. The Parliamentary Budget Office (PBO) has determined that the financial impact of this proposal is unquantifiable due to the significant level of uncertainty around how SIPs (including the NBN Co) would respond to the new legislation and how this would affect the revenue the government would receive from penalties.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period which are unquantifiable. The unquantifiable financial implications (including separate PDI tables) over the period to 2032-33 are 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.
* Unquantifiable.

Uncertainties

As changes to legislation do not have any financial impacts, the incorporation of higher standards, rules and benchmarks for SIPs into legislation has no financial implications. Any costs associated with meeting the changes to standards, rules and benchmarks would be incurred by the SIPs.

Revenue from penalties incurred by non-compliant SIPs was not able to be quantified as it is unclear how SIPs would respond to the proposed standards. For instance, some SIPs would be likely to upgrade their infrastructure to avoid paying penalties, while others may decide it is more cost effective to pay the penalties.[1]

For this same reason, expenses incurred by the Australian Communications and Media Authority taking non-compliant SIPs to court were not able to be quantified.

The government-owned NBN Co is a SIP, which means there would be financial implications if it were to upgrade its infrastructure to meet the changes to standards, rules and benchmarks. However, there is significant uncertainty around how NBN Co would respond, how any upgrades would be funded and what impact changes would have on the Government's return on its NBN Co investment.

[1] The PBO does not generally take into account second-round effects when costing proposals, such as changes to tax revenue resulting from companies investing more in their infrastructure

Attachment A – Regional Internet Standards – financial implications

Table A1: Regional Internet Standards – Unquantifiable – 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													
Regional Internet Standards	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
Regional Internet Standards	*	*	*	*	*	*	*	*	*	*	*	*	*
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.

(b) PDI impacts are not included in this table.

* Unquantifiable.

Table A2: Regional Internet Standards – Unquantifiable – 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 of 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.

* Unquantifiable.

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

Parliamentary
Budget Office

Health Workforce	
Party:	Independent Member for Indi

Summary of proposal:

The proposal comprises three components:

Component 1: provide an additional $22 million in funding to support the Health Workforce Scholarship Program (HWSP), indexed to consumer price index (CPI), commencing 1 July 2022. The eligibility for this program will be expanded to include applicants from regional centres (Modified Monash Model category MM2), and applicants employed in the public health system.

Component 2: provide funding to support additional Commonwealth Supported Places (CSP) as part of the Murray – Darling Medical Schools Network (MDMSN) rural based university medical school programs:

- An additional 45 CSP in the Bachelor of Biomedical Science (Medical) offered by La Trobe University, Albury-Wodonga, commencing January 2023.
- An additional 45 CSP in the Doctor of Medicine offered by the University of Melbourne in Shepparton, commencing January 2026.

Component 3: provide funding to examine the feasibility of broadening the Murray–Darling Medical Schools Network (MDMSN) to include allied health, pharmacy, and nursing rural based university programs. This component would commence on 1 July 2022.

Costing overview

The proposal would decrease the fiscal balance by around $109 million, the underlying cash balance by around $108 million, and the headline cash balance by around $112 million over the 2022-23 Budget forward estimates.

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 Component 1 of this proposal are sensitive to assumptions about the demand for scholarships and bursaries under the HWSP.

The financial implications of Component 2 of this proposal are uncertain and sensitive to assumptions about demand for medical school CSP places in regional universities as well as assumptions about student attrition. There are also inherent uncertainties in the baseline estimates for the relevant student loan programs, 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 provided under Component 2 of the proposal involve financial asset transactions.

The fiscal, underlying cash, and headline cash balances differ in the treatment of interest payments and the flow of loan principal. Specifically, 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 would 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)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-23.3	-25.8	-28.3	-31.4	**-108.8**
Underlying cash balance	-23.2	-25.7	-28.1	-31.1	**-108.1**
Headline cash balance	-23.4	-26.4	-29.3	-32.9	**-112.0**

(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 (PBO) has made the following assumptions in costing this proposal.

Component 1

- There would be sufficient demand that the entire funding envelope would be spent on scholarships and bursaries each year.
- Associated departmental expenses would not be significant and would be absorbed within existing resources.

Component 2

- The rate of attrition each year for commencing and continuing students would be 2% and 1% respectively.
  - This is based off the latest report from Medical Education and Training which measures medical student attrition rates.
- There would be sufficient teaching capacity and demand for the additional CSP places in the Bachelor of Biomedical Science (Medical) offered by La Trobe University Albury-Wodonga, and the Doctor of Medicine offered by the University of Melbourne in Shepparton.
- The Equivalent Full Time Student Load (EFTSL) of both programs would remain unchanged.
- The rates of debt not expected to be repaid across the Higher Education Loan Program (HELP) would remain unchanged under the proposal.
- The ratio of students expected to make up-front payments towards their student contributions across HELP would remain unchanged under the proposal.
- Deferral of enrolments would be marginal and has not been included in this costing.
- Associated departmental expenses would not be significant and would be absorbed within existing resources.

Component 3

- The feasibility study would take 18 months and be managed by staff in the Department of Education, Skills and Employment (DESE).

Methodology

Component 1

The financial implications were calculated as specified in the request.

Component 2

The financial implications of the proposal were calculated using the DESE HELP and Commonwealth Grants Scheme (CGS) models.

- The additional CSPs allocated to La Trobe University and University of Melbourne were scaled to estimate the number of effective CSPs in each year.
  - 'Effective CSPs' refers to the number of commencing and continuing students after factoring in the respective attrition rates.
- Australian Government contributions were calculated by multiplying the number of CSPs in each year by the applicable funding amount for medical students under the CGS.
- The HELP model used the number of effective CSPs to derive the impact on student loans.

Component 3

- Additional departmental expenses for DESE were estimated based on the resource requirements 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 economic parameters as at 2022-23 Budget.

The Department of Education, Skills and Employment provided the Higher Education Loan Program and Commonwealth Grant Scheme modelling as at 2022-23 Budget.

Department of Health, 2020, Medical Education and Training (MET) Data Collection. [Online] Accessed 21 February 2022 at: https://hwd.health.gov.au/resources/information/met.html

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

Attachment A – Health Workforce – financial implications

Table A1: Health Workforce – 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 2 – Indexation on loans	-	..	..	..	*0.10*	*0.10*	*0.20*	*0.30*	*0.40*	*0.50*	*0.60*	**..**	***2.20***
Component 2 – Unwinding concessional loan discount	-	-	-	-	-	-	..	*0.01*	*0.02*	*0.03*	*0.05*	**-**	***0.11***
Total – revenue	**-**	**..**	**..**	**..**	**0.1**	**0.1**	**0.2**	**0.3**	**0.4**	**0.5**	**0.7**	**..**	**2.3**
Expenses													
Administered													
Component 1 - Funding to support the HWSP	*-22.0*	*-22.7*	*-23.3*	*-23.9*	*-24.5*	*-25.1*	*-25.7*	*-26.3*	*-27.0*	*-27.7*	*-28.4*	***-91.9***	***-276.6***
Component 2 – Commonwealth Grant Scheme	*-0.7*	*-2.0*	*-3.4*	*-5.1*	*-6.9*	*-8.5*	*-10.2*	*-11.2*	*-11.4*	*-11.7*	*-12.0*	***-11.2***	***-83.1***
Component 2 – Personal benefits	..	*-0.01*	*-0.01*	*-0.01*	*-0.02*	*-0.02*	*-0.03*	*-0.03*	*-0.03*	*-0.03*	*-0.03*	***-0.03***	***-0.22***
Component 2 – Remissions	-	-	-	-	..	..	..	..	..	*-0.01*	*-0.01*	**-**	***-0.02***
Component 2 – Concessional loan discount	-	-	-	-	-	..	*-0.1*	*-0.1*	*-0.2*	*-0.3*	*-0.3*	**-**	***-1.0***
Component 2 – Other loan financing	..	*-0.1*	*-0.2*	*-0.3*	*-0.4*	*-0.5*	*-0.6*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	***-0.6***	***-4.9***
Total – administered	***-22.7***	***-24.8***	***-26.9***	***-29.3***	***-31.8***	***-34.1***	***-36.6***	***-38.3***	***-39.3***	***-40.4***	***-41.4***	***-103.7***	***-365.8***

	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**
Departmental													
Component 3 – Department of Education, Skills and Employment	*-0.3*	*-0.2*	-	-	-	-	-	-	-	-	-	***-0.5***	***-0.5***
Total – departmental	***-0.3***	***-0.2***	-	-	-	-	-	-	-	-	-	***-0.5***	***-0.5***
Total – expenses	**-23.0**	**-25.0**	**-26.9**	**-29.3**	**-31.8**	**-34.1**	**-36.6**	**-38.3**	**-39.3**	**-40.4**	**-41.4**	**-104.2**	**-366.3**
Total (excluding PDI)	**-23.0**	**-25.0**	**-26.9**	**-29.3**	**-31.7**	**-34.0**	**-36.4**	**-38.0**	**-38.9**	**-39.9**	**-40.8**	**-104.2**	**-364.0**
PDI impacts	***-0.3***	***-0.8***	***-1.4***	***-2.1***	***-3.0***	***-3.9***	***-5.1***	***-6.4***	***-8.0***	***-9.7***	***-11.7***	***-4.6***	***-52.4***
Total (including PDI)	**-23.3**	**-25.8**	**-28.3**	**-31.4**	**-34.7**	**-37.9**	**-41.5**	**-44.4**	**-46.9**	**-49.6**	**-52.5**	**-108.8**	**-416.4**

(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: Health Workforce – 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 2 – Interest receipts	*-*	*-*	*-*	*..*	*..*	*..*	*0.01*	*0.02*	*0.03*	*0.03*	*0.03*	***..***	***0.12***
Total – receipts	**-**	**-**	**-**	**..**	**..**	**..**	**0.01**	**0.02**	**0.03**	**0.03**	**0.03**	**..**	**0.12**
Payments													
Administered													
Component 1 - funding to support the HWSP	*-22.0*	*-22.7*	*-23.3*	*-23.9*	*-24.5*	*-25.1*	*-25.7*	*-26.3*	*-27.0*	*-27.7*	*-28.4*	***-91.9***	***-276.6***
Component 2 – Commonwealth Grant Scheme	*-0.7*	*-2.0*	*-3.4*	*-5.1*	*-6.9*	*-8.5*	*-10.2*	*-11.2*	*-11.4*	*-11.7*	*-12.0*	***-11.2***	***-83.1***
Component 2 – Personal Benefits	*..*	*-0.01*	*-0.01*	*-0.01*	*-0.02*	*-0.02*	*-0.03*	*-0.03*	*-0.03*	*-0.03*	*-0.03*	***-0.03***	***-0.22***
Total – administered	***-22.7***	***-24.7***	***-26.7***	***-29.0***	***-31.4***	***-33.6***	***-35.9***	***-37.5***	***-38.4***	***-39.4***	***-40.4***	***-103.1***	***-359.9***
Departmental													
Component 3 – Department of Education, Skills and Employment	*-0.3*	*-0.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.5***	***-0.5***
Total – departmental	***-0.3***	***-0.2***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-0.5***	***-0.5***
Total – payments	**-23.0**	**-24.9**	**-26.7**	**-29.0**	**-31.4**	**-33.6**	**-35.9**	**-37.5**	**-38.4**	**-39.4**	**-40.4**	**-103.6**	**-360.4**
Total (excluding PDI)	**-23.0**	**-24.9**	**-26.7**	**-29.0**	**-31.4**	**-33.6**	**-35.9**	**-37.5**	**-38.4**	**-39.4**	**-40.4**	**-103.6**	**-360.3**
PDI impacts	***-0.2***	***-0.8***	***-1.4***	***-2.1***	***-2.9***	***-3.8***	***-5.0***	***-6.3***	***-7.8***	***-9.5***	***-11.5***	***-4.5***	***-51.3***
Total (including PDI)	**-23.2**	**-25.7**	**-28.1**	**-31.1**	**-34.3**	**-37.4**	**-40.9**	**-43.8**	**-46.2**	**-48.9**	**-51.9**	**-108.1**	**-411.6**

(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: Health Workforce – 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 2 - Interest receipts	-	-	-	..	..	..	*0.01*	*0.02*	*0.03*	*0.03*	*0.03*	**..**	***0.1***
Component 2 - Loan principal repayments	-	..	..	..	*0.10*	*0.10*	*0.20*	*0.30*	*0.50*	*0.60*	*0.80*	**..**	***2.60***
Total – receipts	**-**	**..**	**..**	**..**	**0.1**	**0.1**	**0.2**	**0.3**	**0.5**	**0.6**	**0.8**	**..**	**2.7**
Payments													
Administered													
Component 1 - funding to support the HWSP	*-22.0*	*-22.7*	*-23.3*	*-23.9*	*-24.5*	*-25.1*	*-25.7*	*-26.3*	*-27.0*	*-27.7*	*-28.4*	***-91.9***	***-276.6***
Component 2 – Commonwealth Grant Scheme	*-0.7*	*-2.0*	*-3.4*	*-5.1*	*-6.9*	*-8.5*	*-10.2*	*-11.2*	*-11.4*	*-11.7*	*-12.0*	***-11.2***	***-83.1***
Component 2 - Personal benefits	..	*-0.01*	*-0.01*	*-0.01*	*-0.02*	*-0.02*	*-0.03*	*-0.03*	*-0.03*	*-0.03*	*-0.03*	***-0.03***	***-0.22***
Component 2 - Total loans	*-0.2*	*-0.7*	*-1.2*	*-1.8*	*-2.5*	*-3.1*	*-3.7*	*-4.0*	*-4.1*	*-4.2*	*-4.3*	***-3.9***	***-29.8***
Total – administered	***-22.9***	***-25.4***	***-27.9***	***-30.8***	***-33.9***	***-36.7***	***-39.6***	***-41.5***	***-42.5***	***-43.6***	***-44.7***	**-107.0**	***-389.7***
Departmental													
Component 3 – Department of Education, Skills and Employment	*-0.3*	*-0.2*	-	-	-	-	-	-	-	-	-	***-0.5***	***-0.5***
Total – departmental	***-0.3***	***-0.2***	-	-	-	-	-	-	-	-	-	**-0.5**	***-0.5***
Total – payments	**-23.2**	**-25.6**	**-27.9**	**-30.8**	**-33.9**	**-36.7**	**-39.6**	**-41.5**	**-42.5**	**-43.6**	**-44.7**	**-107.5**	**-390.2**
Total (excluding PDI)	**-23.2**	**-25.6**	**-27.9**	**-30.8**	**-33.8**	**-36.6**	**-39.4**	**-41.2**	**-42.0**	**-43.0**	**-43.9**	**-107.5**	**-387.5**
PDI impacts	***-0.2***	***-0.8***	***-1.4***	***-2.1***	***-2.9***	***-3.8***	***-5.0***	***-6.3***	***-7.8***	***-9.5***	***-11.5***	**-4.5**	***-51.3***
Total (including PDI)	**-23.4**	**-26.4**	**-29.3**	**-32.9**	**-36.7**	**-40.4**	**-44.4**	**-47.5**	**-49.8**	**-52.5**	**-55.4**	**-112.0**	**-438.8**

(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 Commonwealth.

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 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.

[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

Mental Health Workforce	
Party:	Independent Member for Indi

Summary of proposal:

This proposal is related to the 2021-22 Mid-Year Economic and Fiscal Outlook measure *Medical Workforce* which would eliminate all or part of the Higher Education Loan Program (HELP) debt for eligible healthcare workers if they reside in and practice in rural, regional, or remote Australia.

Under this proposal, the policy would be expanded to 3 additional eligible professions:

- Clinical Psychology
- Social Work
- Psychiatry

Eligible participants would be required to work:

- at least 24 hours per week for a period equivalent to half the length of their degree, for those working in remote areas
- at least 24 hours per week for a period equivalent to their entire degree, for those working in rural and regional areas

The proposal is ongoing and would be in effect from 1 October 2022.

Costing overview

This proposal would be expected to decrease the fiscal balance by around $19.5 million, the underlying cash balance by around $7.7 million, and the headline cash balance by around $16.0 million over the 2022-23 Budget forward estimates period. These impacts are primarily driven by a reduction in loan principal repayments related to waiving of Higher Education Contribution Scheme - Higher Education Loan Program (HECS-HELP) debts, and associated interest forgone.

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 and behavioural impacts of this proposal on the relevant workforce are highly uncertain. The Parliamentary Budget Office (PBO) anticipates that the profile of persons within the existing workforce in rural, remote, and regional areas would not be significantly influenced by this proposal, as the remaining HECS-HELP debt of this cohort would be small, in comparison to their annual salary. Growth in headcount in rural, remote, and regional areas would be driven by numbers of new entrants into the professional workforce.

Consistent with *PBO Guidance 02/2015*, public debt interest (PDI) expense impacts have been included in this costing because the concessional loans affected under this proposal would 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 and associated unwinding income, 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	-2.1	-1.8	-7.3	-8.3	**-19.5**
Underlying cash balance	-1.8	-1.2	-2.2	-2.5	**-7.7**
Headline cash balance	-1.8	-1.2	-6.2	-6.8	**-16.0**

(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.

- Half of the eligible workforce of clinical psychologists would have completed a 4-year bachelor's degree followed by 2 years of employment as a provisional psychologist, before entering the workforce. The other half of the eligible workforce of clinical psychologists would have completed a 4-year bachelor's degree followed by a 2-year master's degree.
- Newly qualified psychiatrists would not have an outstanding HECS debt remaining upon completion of the 5-year psychiatry training program at the Royal Australian and New Zealand College of Psychiatrists (RANZCP).
- Half of the eligible workforce of social workers would have completed a 4-year bachelor's degree, and the other half of the eligible workforce would have completed a 2-year master's degree.
- Newly qualified health professionals that would participate in the program would enter the workforce in a rural, remote, or regional area within their first year of eligibility.
- There would be negligible behavioural impact on the existing workforce of practicing health professionals.
- The existing workforce of practicing health professionals would not have a significant HECS-HELP debt.
- The distribution of clinical psychologists in rural, regional, and remote areas would remain consistent with the current workforce profile.
- The distribution of social workers and psychiatrists in rural, regional, and remote areas would be consistent with the workforce profile of general practitioners (GPs).
- All participants would have enrolled into a Commonwealth Supported Place (CSP) for their qualifying degree, would have accrued a HECS-HELP debt, and would not have made voluntary repayments.
- In the absence of this policy, participants would have made compulsory repayments towards their HECS-HELP debt through the tax system.
- Under the existing policy baseline, all individuals affected by this proposal would have been expected to fully repay their HELP loans.

- All participants would reside in rural, regional, and remote areas and complete eligible work for the required amount of time to receive a 100% reduction of their outstanding HELP debt.

Methodology

The distribution of newly qualified professionals in rural, remote, and regional areas was estimated as described in *Key assumptions*. The headcount of the relevant professionals in rural, remote, and regional areas was projected over the medium term, based upon historical growth rates of new entrants to each workforce.

The average HECS-HELP debt of participants was calculated based on student contribution amounts of a CSP, and the length of the respective qualifying degree. Student contribution amounts were projected by the consumer price index over the medium term.

Where qualification as a health professional would not occur immediately following graduation from university study, the HECS-HELP debt of relevant participants was reduced by the average compulsory repayments of debt, calculated as the average salary that would be earned in the workforce following graduation and before obtaining professional qualifications.

The financial implications of a waiver of HECS debt would be delayed. Assuming an average duration of study of 3 years, a participant entering the program on 1 October 2022 and practicing in a rural area would become eligible for a 50% HECS debt waiver on 1 April 2024. Eligibility would be assessed in the 2023-24 tax return and the waiver would be provided in 2024-25.

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 *Budget 2022-23*.

The Department of Health provided the Budget model of the 2021-22 Mid-Year Economic and Fiscal Outlook measure *Medical Workforce*.

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

Department of Education, Skills and Employment (2021) *2022 Allocation of units of study to funding clusters*, Australian Government, accessed 28 January 2022.

Department of Education, Skills and Employment (2021) *Job Outlook – Social Workers*, Australian Government, accessed 28 January 2022.

Department of Health (2021) *Dashboard, Summary Statistics – Metrics*, Australian Government, accessed 28 January 2022.

Department of Health (2022) *Fact sheet – HELP for rural doctors and nurse practitioners*, Australian Government, accessed 14 June 2022.

Department of Health (2021) *Summary Statistics, MET (Medical Education and Training) 4th 2019*, Australian Government, accessed 28 January 2022.

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

Industrial Relations Commission of New South Wales (2021) *Health Professional and Medical Salaries (State) Award 2021*, NSW Government, accessed 28 January 2022.

Attachment A – Mental Health Workforce – financial implications

Table A1: Mental Health Workforce – 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													
Indexation on loans	*-0.3*	*-0.6*	*-1.1*	*-1.4*	*-1.8*	*-2.2*	*-2.7*	*-3.3*	*-3.9*	*-4.4*	*-5.1*	***-3.4***	***-26.8***
Unwinding concessional loan discount	-	-	-	-	-	-	..	*-0.1*	*-0.2*	*-0.3*	*-0.4*	-	***-1.0***
Total – revenue	**-0.3**	**-0.6**	**-1.1**	**-1.4**	**-1.8**	**-2.2**	**-2.7**	**-3.4**	**-4.1**	**-4.7**	**-5.5**	-3.4	-27.8
Expenses													
Administered													
Waiver of HECS-HELP debt	-	-	*-5.0*	*-5.4*	*-10.8*	*-11.8*	*-12.7*	*-13.8*	*-14.8*	*-15.8*	*-16.8*	***-10.4***	***-106.9***
Total – administered	-	-	***-5.0***	***-5.4***	***-10.8***	***-11.8***	***-12.7***	***-13.8***	***-14.8***	***-15.8***	***-16.8***	***-10.4***	***-106.9***
Departmental													
Departmental resourcing	*-1.8*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	*-1.2*	*-1.2*	*-1.2*	*-1.3*	*-1.3*	*-1.3*	***-5.2***	***-13.9***
Total – departmental	***-1.8***	***-1.1***	***-1.1***	***-1.2***	***-1.2***	***-1.2***	***-1.2***	***-1.2***	***-1.3***	***-1.3***	***-1.3***	***-5.2***	***-13.9***
Total – expenses	**-1.8**	**-1.1**	**-6.1**	**-6.6**	**-12.0**	**-13.0**	**-13.9**	**-15.0**	**-16.1**	**-17.1**	**-18.1**	**-15.6**	**-120.8**
Total (excluding PDI)	**-2.1**	**-1.7**	**-7.2**	**-8.0**	**-13.8**	**-15.2**	**-16.6**	**-18.4**	**-20.2**	**-21.8**	**-23.6**	**-19.0**	**-148.6**
PDI impacts	**..**	***-0.1***	***-0.1***	***-0.3***	***-0.5***	***-0.8***	***-1.2***	***-1.7***	***-2.3***	***-2.9***	***-3.6***	***-0.5***	***-13.5***
Total (including PDI)	**-2.1**	**-1.8**	**-7.3**	**-8.3**	**-14.3**	**-16.0**	**-17.8**	**-20.1**	**-22.5**	**-24.7**	**-27.2**	**-19.5**	**-162.1**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Mental Health Workforce – 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													
Interest receipts	*-*	*-*	*-1.0*	*-1.0*	*-2.1*	*-2.3*	*-2.5*	*-2.7*	*-2.8*	*-3.0*	*-3.2*	***-2.0***	***-20.6***
Total – receipts	**-**	**-**	**-1.0**	**-1.0**	**-2.1**	**-2.3**	**-2.5**	**-2.7**	**-2.8**	**-3.0**	**-3.2**	-2.0	-20.6
Departmental													
Departmental resourcing	*-1.8*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	*-1.2*	*-1.2*	*-1.2*	*-1.3*	*-1.3*	*-1.3*	***-5.2***	***-13.9***
Total – departmental	***-1.8***	***-1.1***	***-1.1***	***-1.2***	***-1.2***	***-1.2***	***-1.2***	***-1.2***	***-1.3***	***-1.3***	***-1.3***	***-5.2***	***-13.9***
Total – payments	**-1.8**	**-1.1**	**-1.1**	**-1.2**	**-1.2**	**-1.2**	**-1.2**	**-1.2**	**-1.3**	**-1.3**	**-1.3**	-5.2	-13.9
Total (excluding PDI)	**-1.8**	**-1.1**	**-2.1**	**-2.2**	**-3.3**	**-3.5**	**-3.7**	**-3.9**	**-4.1**	**-4.3**	**-4.5**	**-7.2**	**-34.5**
PDI impacts	**..**	***-0.1***	***-0.1***	***-0.3***	***-0.5***	***-0.8***	***-1.2***	***-1.7***	***-2.2***	***-2.8***	***-3.5***	***-0.5***	***-13.2***
Total (including PDI)	**-1.8**	**-1.2**	**-2.2**	**-2.5**	**-3.8**	**-4.3**	**-4.9**	**-5.6**	**-6.3**	**-7.1**	**-8.0**	**-7.7**	**-47.7**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Mental Health Workforce – 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													
Interest receipts	-	-	-1.0	-1.0	-2.1	-2.3	-2.5	-2.7	-2.8	-3.0	-3.2	***-2.0***	***-20.6***
Loan principal repayments	-	-	-4.0	-4.3	-8.8	-9.5	-10.3	-11.2	-11.9	-12.8	-13.6	***-8.3***	***-86.4***
Total – receipts	**-**	**-**	**-5.0**	**-5.3**	**-10.9**	**-11.8**	**-12.8**	**-13.9**	**-14.7**	**-15.8**	**-16.8**	**-10.3**	**-107.0**
Departmental													
Departmental resourcing	-1.8	-1.1	-1.1	-1.2	-1.2	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	***-5.2***	***-13.9***
Total – departmental	***-1.8***	***-1.1***	***-1.1***	***-1.2***	***-1.2***	***-1.2***	***-1.2***	***-1.2***	***-1.3***	***-1.3***	***-1.3***	***-5.2***	***-13.9***
Total – payments	**-1.8**	**-1.1**	**-1.1**	**-1.2**	**-1.2**	**-1.2**	**-1.2**	**-1.2**	**-1.3**	**-1.3**	**-1.3**	**-5.2**	**-13.9**
Total (excluding PDI)	**-1.8**	**-1.1**	**-6.1**	**-6.5**	**-12.1**	**-13.0**	**-14.0**	**-15.1**	**-16.0**	**-17.1**	**-18.1**	**-15.5**	**-120.9**
PDI impacts	***..***	***-0.1***	***-0.1***	***-0.3***	***-0.5***	***-0.8***	***-1.2***	***-1.7***	***-2.2***	***-2.8***	***-3.5***	***-0.5***	***-13.2***
Total (including PDI)	**-1.8**	**-1.2**	**-6.2**	**-6.8**	**-12.6**	**-13.8**	**-15.2**	**-16.8**	**-18.2**	**-19.9**	**-21.6**	**-16.0**	**-134.1**

(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 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.[3] The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.[4] 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] As described in *Key Assumptions*, all individuals affected by this proposal would have been expected to fully repay their HELP loans.

[4] 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.

Home Care Wait Times	
Party:	Independent Member for Indi
Summary of proposal: This proposal would improve the delivery of Home Care Packages in Australia by amending the *Aged Care Act 1997* to legislate a maximum 30-day wait time between the assessment and delivery of a home care package. To ensure a maximum 30-day waiting period, the cap on the total number of Home Care Packages would be removed. The proposal would have effect from 1 October 2022.	

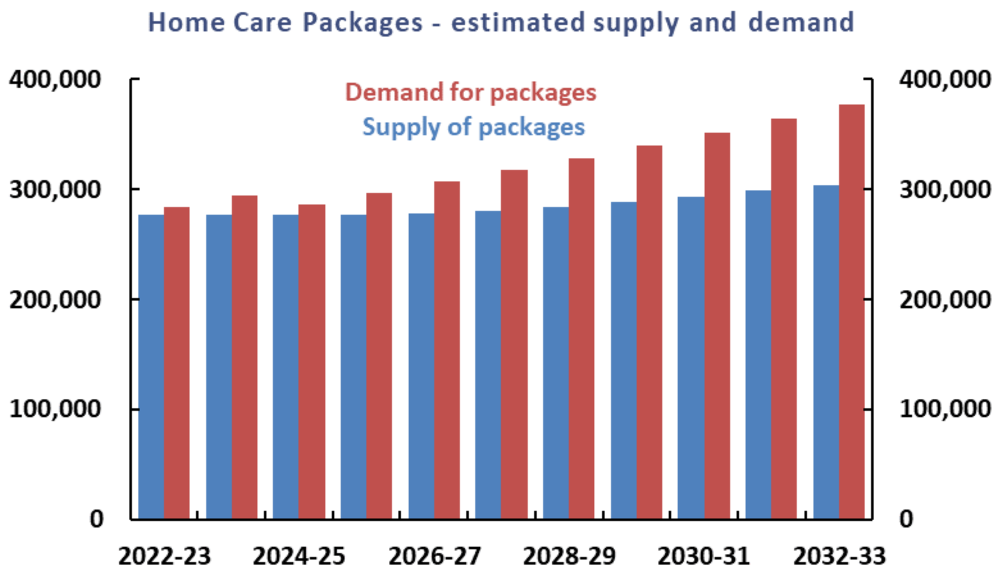
Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around $722 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of around $720 million and an increase in departmental expenses of around $2 million.

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 the number of people on the waiting list at any time and the number of people who have waited more than 30 days.

There is only a small amount of unmet demand for Home Care packages in the first years of the proposal due to the extra 80,000 Home Care Packages announced in the 2021-22 Budget measure *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – home care*. The chart below compares the projected number of Home Care Packages available under the baseline and demand for packages, in the absence of this proposal. Under this proposal, supply would equal the demand for Home Care Packages.



The Parliamentary Budget Office (PBO) has not undertaken any analysis to determine if staffing or any other resourcing constraints would prevent the desired objective of a maximum 30-day waiting period being met.

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

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-110.4	-170.5	-120.4	-321.0	**-722.3**
Underlying cash balance	-110.4	-170.5	-120.4	-321.0	**-722.3**

(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.

Key assumptions

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

- In the absence of the proposal there would be no change in average waiting times for Home Care Packages.
- The annual growth of people queued for home care packages would remain constant at approximately 1% throughout the medium term, consistent with the projected annual growth for the 2024-25 financial year.

Methodology

The financial implications include administered and departmental expenses.

Administered expenses were calculated by multiplying the estimated number of people in the home care package waiting list who have waited for more than 30 days by the average cost of a package in that year. The Department of Health provided the estimated number of people in the home care package waiting list, the distribution of wait times by package levels and number of days, and the home care estimates model from which the average cost of a package was derived.

The departmental expenses are based on the 2021-22 Budget measure *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – home care*.

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 home care estimates model as at the 2022-23 Budget
- the annual estimated number of home care package waiting list as at 22 April 2022
- the waiting time distribution for people queued for home care package as at 22 April 2022.

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

Attachment A – Home Care Wait Times – financial implications

Table A1: Home Care Wait Times – 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	*-110.0*	*-170.0*	*-120.0*	*-320.0*	*-600.0*	*-840.0*	*-1,020.0*	*-1,170.0*	*-1,310.0*	*-1,380.0*	*-1,650.0*	***-720.0***	***-8,690.0***
Departmental	*-0.4*	*-0.5*	*-0.4*	*-1.0*	*-2.0*	*-2.7*	*-3.3*	*-3.8*	*-4.3*	*-4.5*	*-5.4*	***-2.3***	***-28.3***
Total – expenses	**-110.4**	**-170.5**	**-120.4**	**-321.0**	**-602.0**	**-842.7**	**-1,023.3**	**-1,173.8**	**-1,314.3**	**-1,384.5**	**-1,655.4**	**-722.3**	**-8,718.3**
Total (excluding PDI)	**-110.4**	**-170.5**	**-120.4**	**-321.0**	**-602.0**	**-842.7**	**-1,023.3**	**-1,173.8**	**-1,314.3**	**-1,384.5**	**-1,655.4**	**-722.3**	**-8,718.3**

(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: Home Care Wait Times – 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*	*-8.0*	*-13.0*	*-24.0*	*-43.0*	*-71.0*	*-105.0*	*-148.0*	*-198.0*	*-260.0*	***-26.0***	***-875.0***
Underlying cash balance	*-1.0*	*-4.0*	*-7.0*	*-12.0*	*-23.0*	*-41.0*	*-67.0*	*-101.0*	*-143.0*	*-192.0*	*-253.0*	***-24.0***	***-844.0***

(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)

Minimum Aged Care Staff Times	
Party:	Independent Member for Indi

Summary of proposal:

The proposal has two components.

Component 1 would bring forward the start date of the mandatory care time standard from 1 October 2023 to 1 October 2022.

- From 1 October 2022, the minimum staff time standard would 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 2022, residential aged care facilities must have one registered nurse on site per residential aged care facility for 16 hours per day.

Component 2 would increase the minimum care time standard from 1 October 2024 as follows:

- The minimum staff time standard would require approved providers to engage registered nurses, enrolled nurses and personal care workers 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.
- Residential aged care facilities should have one registered nurse on site per residential aged care facility at all times.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $2,340 million over the 2022-23 Budget forward estimates period. The financial implications reflect the impact of increases in administered and departmental expenses.

The proposal would be expected to 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.

Announced at the 2021-22 Budget, funding under the Australian National Aged Care Classification (AN-ACC) model will commence on 1 October 2022 with the introduction of mandatory care time standard from 1 October 2023. Under this proposal, bringing forward the mandatory care time standard from 1 October 2023 to 1 October 2022 (Component 1) will have a nil financial impact, as the baseline funding under the AN-ACC funding model commences from 1 October 2022.

The financial implications of this proposal are sensitive to assumed wage levels and 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 would be sufficient to work the specified additional time

- the implications for personal income tax revenue or transfer payments associated with sourcing any additional aged care workers
- 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.

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

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-	-960.9	-1,375.5	**-2,336.4**
Underlying cash balance	-	-	-960.9	-1,375.5	**-2,336.4**

(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.

Key assumptions

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

- The average hourly rate for aged care workers remains consistent with the current average wages of aged care workers, grown in line with growth in average weekly earnings.
- For the 24/7 nurse care requirement, only small facilities with an average of 34 residential care places 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 overnight at affected aged care facilities.

Methodology

The administered expense for increasing aged care carer minutes was 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 administered expense for 24/7 nurse care was estimated by multiplying the additional number of registered nurse hours required under the proposal by the hourly registered nurse wage rate which is projected to grow in line with average weekly earnings, inclusive of night loading.

The ongoing departmental expense of the proposal was calculated by estimating the annual cost of administering the wage increase payments per employee under the proposal. Both the initial and ongoing costs were based on an existing program of similar size and complexity.

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 the economic parameters as at the *2022-23 Budget*.

The Department of Health provided aged care funding models as at the *2022-23 Budget*.

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[1] 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.

Australian Bureau of Statistics (2021) *Average Weekly Earnings, Australia*, accessed 20 December 2021.

Australian Institute of Health and Welfare (2021) *Size of residential aged care services over time*, Australian Government, accessed 20 December 2021.

Department of Health (2021) *2020 Aged Care Workforce Census Report*, Australian Government, accessed 20 December 2021.

The StewartBrown (2021) *Aged Care Sector Report*, The StewartBrown, accessed 23 March 2022.

Attachment A – Minimum Aged Care Staff Times – financial implications

Table A1: Minimum Aged Care Staff Times – 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	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Component 2	-	-	-950.0	-1,360.0	-1,460.0	-1,570.0	-1,680.0	-1,800.0	-1,930.0	-2,080.0	-2,220.0	***-2,310.0***	***-15,050.0***
Total – administered	**-**	**-**	***-950.0***	***-1,360.0***	***-1,460.0***	***-1,570.0***	***-1,680.0***	***-1,800.0***	***-1,930.0***	***-2,080.0***	***-2,220.0***	***-2,310.0***	***-15,050.0***
Departmental													
Component 1	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Component 2	-	-	-10.9	-15.5	-16.6	-17.9	-19.1	-20.5	-22.0	-23.6	-25.2	***-26.4***	***-171.3***
Total – departmental	**-**	**-**	***-10.9***	***-15.5***	***-16.6***	***-17.9***	***-19.1***	***-20.5***	***-22.0***	***-23.6***	***-25.2***	***-26.4***	***-171.3***
Total – expenses	**-**	**-**	**-960.9**	**-1,375.5**	**-1,476.6**	**-1,587.9**	**-1,699.1**	**-1,820.5**	**-1,952.0**	**-2,103.6**	**-2,245.2**	**-2,336.4**	**-15,221.3**
Total (excluding PDI)	**-**	**-**	**-960.9**	**-1,375.5**	**-1,476.6**	**-1,587.9**	**-1,699.1**	**-1,820.5**	**-1,952.0**	**-2,103.6**	**-2,245.2**	**-2,336.4**	**-15,221.3**

(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: Minimum Aged Care Staff Times – 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	-	-	-11.0	-38.0	-73.0	-114.0	-163.0	-220.0	-286.0	-364.0	-454.0	***-49.0***	***-1,723.0***
Underlying cash balance	-	-	-10.0	-35.0	-68.0	-109.0	-157.0	-213.0	-278.0	-355.0	-444.0	***-45.0***	***-1,669.0***

(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[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

Home Ownership Uplift Scheme	
Party:	Independent Member for Indi

Summary of proposal:

The proposal would establish a shared equity scheme 'Home Ownership Uplift Scheme' for first home buyers.

The Government will provide equity of up to a maximum of 25% of the home purchase price. The applicant will be required to have a minimum 2% deposit and finance the remainder of the purchase. The property price thresholds will be the same as the price thresholds required under the New Home Guarantee program each year.

During the loan period, the applicant will be able to buy back the Government's equity share, at market value. At the time of sale, the Government will recover its equity loan plus a share of capital gains.

The Home Ownership Uplift Scheme will be available to 10,000 purchases in total each financial year. Each year 5,000 of the 10,000 places would be reserved for people living in regional Australia.

Only first home buyers are eligible to access the Home Ownership Uplift Scheme. The income thresholds to access the Home Ownership Uplift Scheme are $80,000 per annum for individuals and $130,000 per annum for joint applicants.

The policy proposal would have effect from 1 October 2022.

Costing overview

The proposal would be expected to decrease the fiscal balance by $284 million, the underlying cash balance by $271 million and the headline cash balance by $5,406 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 fiscal and underlying cash balance impact over the forward estimates period largely reflect the Departmental cost required to process the applications and the capital gains realised from the equity buy back.

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 the transaction of financial assets. The fiscal, underlying cash and headline cash balance impacts differ in the treatment of investment 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.

This costing is subject to a high degree of uncertainty. Given the recent volatility in house prices and lending criteria, it is difficult to estimate the total equity investment the government would contribute towards the applicant's home purchase and the amounts that would be repaid from equity buy backs.

The equity buy back could either result in a capital gain or loss, depending on the market value of the house at the time of the buy back. Tighter lending standards may reduce the applicant's ability to borrow and therefore they may require a larger equity contribution from the scheme. Furthermore, it is difficult for the PBO to measure when, and to what magnitude, applicants will buy back the government's equity share. These uncertainties will have a considerable impact on the headline cash balance.

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

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-26.0	-55.1	-86.1	-117.2	**-284.4**
Underlying cash balance	-24.0	-52.1	-82.1	-113.2	**-271.4**
Headline cash balance	-1,307.0	-1,336.1	-1,366.1	-1,397.2	**-5,406.4**

(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.

- There will be a full take-up of the 'Home Ownership Uplift Scheme' scheme. That is, every year, all 10,000 places will be exhausted. While half the places go to cities and half go to regional areas, the composition of these are allocated in line with population. The regional and city split is based on population shares as at June 2021 and held constant.
- Regional Australia is defined as the rest of Australia outside the eight capital cities.
- 30% of applicants will be single applicants, and 70% will be joint applicants.
- For 90% of applicants, the government would contribute the full 25% equity of the purchase price of the house.
- For the remaining 10% of applicants, the government would contribute 8% in equity of the purchase price of the house.
- House prices are assumed to remain steady until 2025-26, but then grow at the historical average house price growth rate (measured between 2003 to 2021) from 2026-27 onwards. This means that on average and over the longer term, the government will recognise a capital gain and no capital loss on their equity share of the houses. Both regional and city house prices are assumed to grow by the same historical average house price growth rate.
- Defaults will not have an impact on the Budget, as the Commonwealth is the first party to receive payments from the sale of the house as specified in the costing specification.
- The home purchase price is based on the maximum borrowing power of the applicants but capped at the rate set by the National Housing Finance and Investment Corporation (NHFIC).
  - The maximum borrowing power for single applicants is $350,000, and $575,000 for joint applicants.

– The assumed house value caps, by jurisdiction, are:

Jurisdiction	Capital city	Rest of state
NSW	$950,000	$550,000
Vic	$850,000	$550,000
Qld	$650,000	$500,000
WA	$550,000	$400,000
SA	$550,000	$400,000
Tas	$500,000	$400,000
ACT	$600,000	
NT	$550,000	

- After 5 years of the program's implementation, 5% of applicants will either sell their house or buy back the government's equity share each year.
- The Government will provide funding to the NHFIC to cover the equity and departmental components.

Methodology

The total size of the government's equity injection in each year was calculated by multiplying the 10,000 places by the Government's expected equity contribution per application. The expected equity contributions are based on the applicant's borrowing capacity, NHFIC house price cap by jurisdiction and regional areas, and assumptions on the portion of equity that the government would contribute.

House prices in the model are calculated using a 'bottom up' approach whereby the individual's borrowing capacity is estimated to determine the expected purchase price and the government's expected equity share. House prices under this approach are calculated as sum of:

- the individual's housing deposit
- the amount borrowed by the individual (based on the individual's assessed maximum borrowing capacity)
- the government's equity contribution.

The government's realised capital gains were calculated by subtracting the value of the government's equity share when the applicant buys back the equity or sells the house, from the value of the government's equity share when the applicant first purchased the house.

Departmental expenses were calculated based on the average time to process an application multiplied by 10,000 applications per year and based on the average time to process one application multiplied by the number of applicants who execute the equity buy back or sell their house from the fifth year 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

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

Australian Bureau of Statistics (ABS) (2019) *Housing Occupancy and Costs, 2017-18,* ABS.

ABS *(2022) Lending indicators, 2021*, ABS.

ABS (2022) *Residential Property Price Indexes: Eight Capital Cities, December 2021*, ABS.

ABS (2022) *Regional population, 2020-21 financial year,* ABS.

ABS (2022) *National, state and territory population, September 2021, ABS*.

Commonwealth Bank (2022) *Borrowing Power Calculator,* Commonwealth Bank.

National Housing Finance and Investment Corporation (2021) *New Home Guarantee Fact Sheet 2021/22*, National Housing Finance and Investment Corporation.

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

Attachment A – Home Ownership Uplift Scheme – financial implications

Table A1: Home Ownership Uplift 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													
Administered non-tax													
Capital gains from equity buyback - capital cities	-	-	-	-	*2.0*	*8.0*	*18.0*	*33.0*	*53.0*	*79.0*	*110.0*	**-**	***303.0***
Capital gains from equity buyback - non-capital cities	-	-	-	-	*1.6*	*6.5*	*15.1*	*27.6*	*44.3*	*65.5*	*91.7*	**-**	***252.3***
Total – revenue	**-**	**-**	**-**	**-**	**3.6**	**14.5**	**33.1**	**60.6**	**97.3**	**144.5**	**201.7**	**-**	**555.3**
Expenses													
Departmental													
Departmental expense	*-11.0*	*-11.1*	*-11.1*	*-11.2*	*-11.3*	*-11.3*	*-11.4*	*-11.4*	*-11.5*	*-11.6*	*-11.6*	***-44.4***	***-124.5***
Total – expenses	**-11.0**	**-11.1**	**-11.1**	**-11.2**	**-11.3**	**-11.3**	**-11.4**	**-11.4**	**-11.5**	**-11.6**	**-11.6**	**-44.4**	**-124.5**
Total (excluding PDI)	**-11.0**	**-11.1**	**-11.1**	**-11.2**	**-7.7**	**3.2**	**21.7**	**49.2**	**85.8**	**132.9**	**190.1**	**-44.4**	**430.8**
PDI impacts	***-15.0***	***-44.0***	***-75.0***	***-106.0***	***-138.0***	***-172.0***	***-207.0***	***-242.0***	***-277.0***	***-309.0***	***-348.0***	***-240.0***	***-1,933.0***
Total (including PDI)	**-26.0**	**-55.1**	**-86.1**	**-117.2**	**-145.7**	**-168.8**	**-185.3**	**-192.8**	**-191.2**	**-176.1**	**-157.9**	**-284.4**	**-1,502.2**

(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.

\- Indicates nil.

Table A2: Home Ownership Uplift 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													
Administered non-tax													
Capital gains from equity buyback - capital cities	-	-	-	-	*2.0*	*8.0*	*18.0*	*33.0*	*53.0*	*79.0*	*110.0*	-	***303.0***
Capital gains from equity buyback - non-capital cities	-	-	-	-	*1.6*	*6.5*	*15.1*	*27.6*	*44.3*	*65.5*	*91.7*	-	***252.3***
Total – receipts	**-**	**-**	**-**	**-**	**3.6**	**14.5**	**33.1**	**60.6**	**97.3**	**144.5**	**201.7**	**-**	**555.3**
Payments													
Departmental													
Departmental expense	*-11.0*	*-11.1*	*-11.1*	*-11.2*	*-11.3*	*-11.3*	*-11.4*	*-11.4*	*-11.5*	*-11.6*	*-11.6*	***-44.4***	***-124.5***
Total – payments	**-11.0**	**-11.1**	**-11.1**	**-11.2**	**-11.3**	**-11.3**	**-11.4**	**-11.4**	**-11.5**	**-11.6**	**-11.6**	**-44.4**	**-124.5**
Total (excluding PDI)	**-11.0**	**-11.1**	**-11.1**	**-11.2**	**-7.7**	**3.2**	**21.7**	**49.2**	**85.8**	**132.9**	**190.1**	**-44.4**	**430.8**
PDI impacts	***-13.0***	***-41.0***	***-71.0***	***-102.0***	***-134.0***	***-168.0***	***-203.0***	***-238.0***	***-272.0***	***-306.0***	***-344.0***	***-227.0***	***-1,892.0***
Total (including PDI)	**-24.0**	**-52.1**	**-82.1**	**-113.2**	**-141.7**	**-164.8**	**-181.3**	**-188.8**	**-186.2**	**-173.1**	**-153.9**	**-271.4**	**-1,461.2**

(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: Home Ownership Uplift Scheme – 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													
Capital gains from equity buyback - capital cities	-	-	-	-	*2.0*	*8.0*	*18.0*	*33.0*	*53.0*	*79.0*	*110.0*	-	***303.0***
Capital gains from equity buyback - non-capital cities	-	-	-	-	*1.6*	*6.5*	*15.1*	*27.6*	*44.3*	*65.5*	*91.7*	-	***252.3***
Total – receipts	**-**	**-**	**-**	**-**	**3.6**	**14.5**	**33.1**	**60.6**	**97.3**	**144.5**	**201.7**	**-**	**555.3**
Payments													
Administered													
Equity contributions - capital cities	*-700.0*	*-700.0*	*-700.0*	*-700.0*	*-700.0*	*-700.0*	*-701.0*	*-701.0*	*-701.0*	*-701.0*	*-701.0*	***-2,800.0***	***-7,705.0***
Equity contributions - non-capital cities	*-583.0*	*-584.0*	*-584.0*	*-584.0*	*-584.0*	*-584.0*	*-584.0*	*-584.0*	*-584.0*	*-584.0*	*-585.0*	***-2,335.0***	***-6,424.0***
Equity buyback - capital cities	-	-	-	-	*37.0*	*78.0*	*123.0*	*173.0*	*228.0*	*289.0*	*355.0*	-	***1,283.0***
Equity buyback - non-capital cities	-	-	-	-	*31.0*	*65.0*	*103.0*	*144.0*	*190.0*	*241.0*	*296.0*	-	***1,070.0***
Departmental													
Departmental expense	*-11.0*	*-11.1*	*-11.1*	*-11.2*	*-11.3*	*-11.3*	*-11.4*	*-11.4*	*-11.5*	*-11.6*	*-11.6*	***-44.4***	***-124.5***
Total – payments	**-1,294.0**	**-1,295.1**	**-1,295.1**	**-1,295.2**	**-1,227.3**	**-1,152.3**	**-1,070.4**	**-979.4**	**-878.5**	**-766.6**	**-646.6**	**-5,179.4**	**-11,900.5**
Total (excluding PDI)	**-1,294.0**	**-1,295.1**	**-1,295.1**	**-1,295.2**	**-1,223.7**	**-1,137.8**	**-1,037.3**	**-918.8**	**-781.2**	**-622.1**	**-444.9**	**-5,179.4**	**-11,345.2**
PDI impacts	***-13.0***	***-41.0***	***-71.0***	***-102.0***	***-134.0***	***-168.0***	***-203.0***	***-238.0***	***-272.0***	***-306.0***	***-344.0***	***-227.0***	***-1,892.0***
Total (including PDI)	**-1,307.0**	**-1,336.1**	**-1,366.1**	**-1,397.2**	**-1,357.7**	**-1,305.8**	**-1,240.3**	**-1,156.8**	**-1,053.2**	**-928.1**	**-788.9**	**-5,406.4**	**-13,237.2**

(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

Various capped costings – Independent Member for Indi	
Party:	Independent Member for Indi
This document details the administered, departmental, and total funding amounts for capped costings included in Appendix D, Table D-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.

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

Attachment A – Various capped costings – Independent Member for Indi – financial implications

Table A1: Various capped costings – Independent Member for Indi – 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
Albury-Wodonga Hospital[g]	*Administered*	*-300.0*	-	-	-	-	-	-	-	-	-	-	***-300.0***	***-300.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-300.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-300.0**	**-300.0**
Eating Disorder Facility[h]	*Administered*	*-6.0*	-	-	-	-	-	-	-	-	-	-	***-6.0***	***-6.0***
	Departmental	*-0.5*	-	-	-	-	-	-	-	-	-	-	***-0.5***	***-0.5***
	Total	**-6.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-6.5**	**-6.5**
Quality Rail Precincts[a][g]	*Administered*	*-2.1*	-	-	-	-	-	-	-	-	-	-	***-2.1***	***-2.1***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-2.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2.1**	**-2.1**
Regional Housing Fund[b][h]	*Administered*	*-500.0*	*-500.0*	*-500.0*	*-500.0*	-	-	-	-	-	-	-	***-2,000.0***	***-2,000.0***
	Departmental	*-25.0*	*-12.5*	*-12.5*	*-12.5*	-	-	-	-	-	-	-	***-62.5***	***-62.5***
	Total	**-525.0**	**-512.5**	**-512.5**	**-512.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2,062.5**	**-2,062.5**
Regional NBN Infrastructure[c][h]	*Administered*	*-300.0*	-	-	-	-	-	-	-	-	-	-	***-300.0***	***-300.0***
	Departmental	*-15.0*	-	-	-	-	-	-	-	-	-	-	***-15.0***	***-15.0***
	Total	**-315.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-315.0**	**-315.0**
Regional Tourism Fund[d][h]	*Administered*	*-250.0*	*-250.0*	*-250.0*	*-250.0*	-	-	-	-	-	-	-	***-1,000.0***	***-1,000.0***
	Departmental	*-12.5*	*-6.3*	*-6.3*	*-6.3*	-	-	-	-	-	-	-	***-31.4***	***-31.4***
	Total	**-262.5**	**-256.3**	**-256.3**	**-256.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1,031.4**	**-1,031.4**
Rural Aged Care Facility Fund[e][h][i]	*Administered*	*-250.0*	*-250.0*	*-250.0*	*-250.0*	*-256.0*	*-262.0*	*-268.0*	*-275.0*	*-282.0*	*-289.0*	*-296.0*	***-1,000.0***	***-2,928.0***
	Departmental	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-6.4*	*-6.6*	*-6.7*	*-6.9*	*-7.1*	*-7.2*	*-7.4*	***-31.4***	***-79.7***
	Total	**-262.5**	**-256.3**	**-256.3**	**-256.3**	**-262.4**	**-268.6**	**-274.7**	**-281.9**	**-289.1**	**-296.2**	**-303.4**	**-1,031.4**	**-3,007.7**
Rural Hospital Fund[f][h][i]	*Administered*	*-250.0*	*-250.0*	*-250.0*	*-250.0*	*-256.0*	*-262.0*	*-268.0*	*-275.0*	*-282.0*	*-289.0*	*-296.0*	***-1,000.0***	***-2,928.0***
	Departmental	*-12.5*	*-6.3*	*-6.3*	*-6.3*	*-6.4*	*-6.6*	*-6.7*	*-6.9*	*-7.1*	*-7.2*	*-7.4*	***-31.4***	***-79.7***
	Total	**-262.5**	**-256.3**	**-256.3**	**-256.3**	**-262.4**	**-268.6**	**-274.7**	**-281.9**	**-289.1**	**-296.2**	**-303.4**	**-1,031.4**	**-3,007.7**
Total – Administered		***-1,858.1***	***-1,250.0***	***-1,250.0***	***-1,250.0***	***-512.0***	***-524.0***	***-536.0***	***-550.0***	***-564.0***	***-578.0***	***-592.0***	***-5,608.1***	***-9,464.1***
Total – Departmental		***-78.0***	***-31.4***	***-31.4***	***-31.4***	***-12.8***	***-13.2***	***-13.4***	***-13.8***	***-14.2***	***-14.4***	***-14.8***	***-172.2***	***-268.8***
Total		**-1,936.1**	**-1,281.4**	**-1,281.4**	**-1,281.4**	**-524.8**	**-537.2**	**-549.4**	**-563.8**	**-578.2**	**-592.4**	**-606.8**	**-5,780.3**	**-9,732.9**

- Indicates nil.

Components may not sum to totals due to rounding.

(a) This commitment has 2 administered components:

- $2 million for the Benalla Rail Precinct Upgrade
- $100,000 for the Euroa Railway Precinct Structure Plan.

(b) This commitment would provide direct funding to regional councils to build essential infrastructure.

(c) This commitment is for funding to the Regional Co-Investment Fund to finance projects put forward by local governments.

(d) This commitment is for funding for infrastructure projects that increase visitation rates and grow long-term local jobs in the tourism, accommodation and hospitality sectors.

(e) This commitment is to establish a fund which would invest in upgrades to health facilities in small rural towns across Australia.

(f) This commitment is to establish a rural hospital fund to finance essential health infrastructure in small towns across regional Australia.

(g) The departmental cost of administering this commitment is assumed to be funded from existing departmental resources.

(h) Departmental costs are based on the costs of administering similar programs.

(i) This commitment is assumed as ongoing from 2026-27 over the medium term, consistent with PBO general election guidance.

Table A2: Memorandum item: Public Debt Interest (PDI) impacts – Various capped costings – Independent Member for Indi – 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	*-22.1*	*-58.7*	*-89.2*	*-120.6*	*-144.3*	*-161.9*	*-181.6*	*-203.5*	*-228.1*	*-255.6*	*-299.2*	***-290.6***	***-1,764.8***
Underlying cash balance	*-19.2*	*-54.4*	*-85.6*	*-116.6*	*-141.5*	*-159.8*	*-179.2*	*-200.9*	*-225.2*	*-252.1*	*-294.2*	***-275.8***	***-1,728.7***

(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)