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| 2015–16 Budget and forward estimates — charts  |
| A graphical summary of the 2015–16 Budget relative to the 2014–15 MYEFO, showing the impacts of policy decisions and other factors |
| Date issued: 28 May 2015 |

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Notes

These charts provide a visual summary of the key drivers of the 2015–16 Budget, and the policy decisions underpinning them.

Data contained in these charts are primarily based on information published in the
2015–16 Budget, as well as the 2014–15 Mid-Year Economic and Fiscal Outlook (MYEFO), and government agency portfolio budget statements. Where applicable, additional information provided by the Treasury and the Department of Finance (Finance) has supplemented the publicly available information.

The charts prepared at the aggregate level for the *underlying cash balance*, *total receipts*, and *total payments* have all been prepared on a cash basis. Charts on revenue heads and selected programs are prepared on an accruals basis, consistent with the presentation of decisions in the Budget papers.

Consistent with the Budget, the charts show the financial impact of policy decisions up to and including 2018–19. The charts show movements due to parameter and other variations since the 2014–15 MYEFO, which are available for the 2014–15 to 2017–18 years.

The PBO does not have access to the details of provisions for individual items in the Contingency Reserve. Accordingly, the charts in this report are subject to the qualification that they are prepared in the absence of information on the possible impact of any provisions in the Contingency Reserve.

 Underlying cash balance

Figure : Underlying cash balance – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 7.37 billion | 7.99 billion | 13.577 billion | 15.757 billion | 17.19 billion | 19.754 billion | -27.013 billion | -54.494 billion | -47.463 billion | -43.36 billion | -18.834 billion | -48.456 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates** |  |  |  |  |  |  |  |  |  |  |  | -48.456 billion | -40.362 billion | -31.239 billion | -20.844 billion | -11.48 billion |  |
| **2015-16 Budget estimates** |  |  |  |  |  |  |  |  |  |  |  |  | -41.121 billion | -35.115 billion | -25.836 billion | -14.396 billion | -6.905 billion |

Figure : Underlying cash balance – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |
| **Effect of measures** | -0.578 billion | -4.525 billion | -2.547 billion | -1.665 billion | 0.289 billion |
| **Effect of parameter and other variations** | -0.181 billion | 0.649 billion | -2.445 billion | -1.251 billion |  |

* Policy decisions are expected to decrease the underlying cash balance by $9.0 billionover the five years to 2018–19, relative to the 2014–15 MYEFO.
* Parameter and other variations are expected to decrease the underlying cash balance by $3.2 billion over the four years to 2017–18, relative to the 2014–15 MYEFO.

Total receipts

Figure : Total receipts – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 204.613 billion | 217.775 billion | 235.984 billion | 255.943 billion | 272.637 billion | 294.917 billion | 292.6 billion | 284.662 billion | 302.024 billion | 329.874 billion | 351.052 billion | 360.322 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 360.322 billion | 379.483 billion | 403.362 billion | 429.228 billion | 459.806 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 360.322 billion | 377.309 billion | 397.98 billion | 422.461 billion | 453.595 billion | 488.233 billion |

Figure : Total receipts – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0.04 billion | -0.432 billion | 0.396 billion | 0.783 billion | 1.886 billion |
| **Effect of parameter and other variations** | 0 billion | -2.214 billion | -4.95 billion | -7.163 billion | -6.994 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase total receipts by $2.7 billion over the five years to 2018–19, including the continuation of the GST compliance program ($3.6 billion) and other measures to strengthen the integrity of the tax system ($3.2 billion). These increases in receipts are partially offset by the three-part tax relief package for small businesses which is expected to reduce receipts by $5 billion over the period.
* Parameter and other variations are expected to decrease total receipts by $21.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely driven by substantial downward forecast revisions to nominal GDP.

Total payments

Figure : Total payments – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 197.243 billion | 209.785 billion | 222.407 billion | 240.136 billion | 253.321 billion | 271.843 billion | 316.046 billion | 336.9 billion | 346.102 billion | 371.032 billion | 367.204 billion | 406.43 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 406.43 billion | 416.526 billion | 431.078 billion | 446.42 billion | 467.362 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 406.43 billion | 415 billion | 429.836 billion | 444.923 billion | 464.292 billion | 491.101 billion |

Figure : Total payments – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0.618 billion | 4.093 billion | 2.943 billion | 2.448 billion |
| **Effect of parameter and other variations** | 0 billion | -2.144 billion | -5.335 billion | -4.44 billion | -5.518 billion |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase total payments by $11.7 billion over the five years to 2018–19. Over the five years, the largest contributors are funding to support access to child care services ($2.6 billion), amendments to Medicare policy ($3.0 billion) and changes to income support policies for *Job Seekers under 30* ($2.3 billion).
* Parameter and other variations are expected to decrease total payments by $17.4 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, including $10.1 billion over five years to 2018–19 due to the removal of the provision in the Contingency Reserve for the Paid Parental Leave Scheme.

Revenue – individuals and other withholding taxes

Figure : Revenue – individuals and other withholding taxes – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 91.303 billion | 98.779 billion | 108.519 billion | 114.431 billion | 117.614 billion | 126.135 billion | 125.777 billion | 122.82 billion | 136.772 billion | 151.433 billion | 160.551 billion | 167.915 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 167.915 billion | 181.4 billion | 197.11 billion | 211.69 billion | 227.44 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 167.915 billion | 181.16 billion | 194.26 billion | 207.96 billion | 222.95 billion | 240.54 billion |

Figure : Revenue – individuals and other withholding taxes – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |
| **Effect of measures** | 0 billion | -0.003 billion | -0.232 billion | -0.519 billion | -0.434 billion |
| **Effect of parameter and other variations** | 0 billion | -0.237 billion | -2.618 billion | -3.211 billion | -4.056 billion |

* Relative to the 2014–15 MYEFO, policy decisions are expected to decrease individuals and other withholding tax revenue by $1.1 billion over the five years to 2018–19, including the five per cent tax discount for unincorporated small business activity and the expanded accelerated depreciation for small businesses.
* Parameter and other variations are expected to decrease individuals and other withholding tax revenue by $10.1 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely reflecting an expected weaker outlook for incomes growth.

Revenue – company tax

Figure : Revenue – company tax – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 33.365 billion | 36.337 billion | 43.106 billion | 48.987 billion | 58.538 billion | 64.79 billion | 60.705 billion | 53.193 billion | 57.312 billion | 66.726 billion | 68.208 billion | 68.764 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 68.764 billion | 70.93 billion | 72.5 billion | 78.1 billion | 83.3 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 68.764 billion | 69.9 billion | 69.8 billion | 75.5 billion | 82.1 billion | 88.2 billion |

Figure : Revenue – company tax – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.342 billion | -0.554 billion | -0.544 billion |
| **Effect of parameter and other variations** | 0 billion | -1.03 billion | -2.358 billion | -2.046 billion | -0.656 billion |

* Relative to the 2014–15 MYEFO, policy decisions are expected to decrease company tax revenue by $1.5 billion over the five years to 2018–19, which includes the policy decisions to provide a tax cut for small business companies and expanded accelerated depreciation for these companies
* Parameter and other variations are expected to decrease company tax revenue by $6.1 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely reflecting lower expected corporate profitability including the impact of lower commodity prices.

Revenue – goods and services tax

Figure : Revenue – goods and services tax – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 31.257 billion | 34.121 billion | 35.473 billion | 39.118 billion | 41.208 billion | 44.381 billion | 42.626 billion | 46.553 billion | 48.093 billion | 48.849 billion | 50.313 billion | 55.517 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 55.517 billion | 56.82 billion | 60.39 billion | 63.51 billion | 66.95 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 55.517 billion | 56.69 billion | 60.33 billion | 64.13 billion | 67.79 billion | 71.78 billion |

Figure : Revenue – goods and services tax – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0.004 billion | 0.391 billion | 0.592 billion | 0.679 billion |
| **Effect of parameter and other variations** | 0 billion | -0.13 billion | -0.064 billion | 0.229 billion | 0.248 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase goods and services tax (GST) revenue by $1.7 billion over the four years to 2018–19, including the decisions to continue the GST compliance program, and to apply GST to imported digital products and services.
* Parameter and other variations are expected to increase goods and services tax revenue by $0.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely reflecting higher forecasts of consumption spending over 2016–17 and 2017–18.

Revenue – excise and customs duties

Figure : Revenue – excise and customs duties – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 26.36 billion | 26.69 billion | 27.529 billion | 26.915 billion | 28.378 billion | 29.596 billion | 30.595 billion | 30.295 billion | 31.631 billion | 32.585 billion | 33.883 billion | 34.929 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 34.929 billion | 34.42 billion | 35.3 billion | 37.09 billion | 38.67 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 34.929 billion | 33.89 billion | 34.4 billion | 35.77 billion | 37.11 billion | 38.89 billion |

Figure : Revenue – excise and customs duties – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | -0.53 billion | -0.9 billion | -1.32 billion | -1.56 billion |  |

* Parameter and other variations are expected to decrease excise and excise equivalent customs duty revenue by $4.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, reflecting lower consumption of fuel products (excluding crude oil) consistent with weaker economic activity, lower crude oil excise consistent with lower expected oil prices, and lower forecasts for tobacco consumption.

Revenue – non-tax revenue

Figure : Revenue – non-tax revenue – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 11.72 billion | 12.209 billion | 12.564 billion | 15.522 billion | 15.9 billion | 17.5 billion | 20.28 billion | 24.767 billion | 20.885 billion | 21.33 billion | 22.836 billion | 22.862 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 22.862 billion | 23.917 billion | 24.433 billion | 27.216 billion | 32.706 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 22.862 billion | 24.981 billion | 25.276 billion | 26.81 billion | 32.388 billion | 37.083 billion |

Figure : Revenue – non-tax revenue – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0.048 billion | 0.294 billion | 0.551 billion | 0.593 billion | 0.616 billion |
| **Effect of parameter and other variations** | 0 billion | 1.016 billion | 0.549 billion | -0.957 billion | -0.911 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase non-tax revenue by $2.1 billion over the five years to 2018–19, including interest revenue from providing concessional loans through the Northern Australia Infrastructure Facility ($0.4 billion), moving to full cost recovery for citizenship costs and increases in the visa application charge for a range of visas ($0.3 billion).
* Parameters and other variations are expected to decrease non-tax revenue by $0.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO.

Expenses – Age Pension

Figure : Expenses – Age Pension – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 17.74 billion | 19.54 billion | 19.974 billion | 20.586 billion | 22.753 billion | 24.574 billion | 28.095 billion | 29.378 billion | 32.151 billion | 34.69 billion | 36.283 billion | 39.392 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 39.392 billion | 41.945 billion | 44.503 billion | 47.172 billion | 49.103 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 39.392 billion | 41.529 billion | 44.067 billion | 46.13 billion | 47.619 billion | 50.277 billion |

Figure : Expenses – Age Pension – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.077 billion | -0.689 billion | -1.219 billion | -1.189 billion |
| **Effect of parameter and other variations** | 0 billion | -0.416 billion | -0.36 billion | -0.353 billion | -0.265 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to reduce expenses on the Age Pension by $3.2 billion over the four years to 2018–19, largely due to increasing the assets test thresholds and the withdrawal rate at which pensions are reduced once the threshold is reached.
* Parameter and other variations are expected to decrease expenses on the Age Pension by $1.4 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely reflecting lower expected average payment rates and recipient numbers.

Expenses – Family Tax Benefit

Figure : Expenses – Family Tax Benefit – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 10.474 billion | 12.869 billion | 12.826 billion | 13.534 billion | 14.042 billion | 14.143 billion | 17.258 billion | 18.021 billion | 18.032 billion | 18.343 billion | 18.932 billion | 20.738 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 20.738 billion | 21.373 billion | 20.113 billion | 18.781 billion | 17.886 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 20.738 billion | 21.519 billion | 20.152 billion | 18.737 billion | 17.785 billion | 18.142 billion |

Figure : Expenses – Family Tax Benefit – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.068 billion | -0.127 billion | -0.112 billion | -0.098 billion |
| **Effect of parameter and other variations** | 0 billion | 0.146 billion | 0.107 billion | 0.082 billion | 0.01 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to decrease expenses on Family Tax Benefit by $0.4 billion over the four years to 2018–19, largely as a result of the decision to restrict access to certain Government payments if children do not meet immunisation requirements.
* Parameter and other variations are expected to increase expenses on Family Tax Benefit by $0.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, including the impact of expected lower wage growth driving up average payment rates and recipient numbers.

Expenses – Disability Support Pension

Figure : Expenses – Disability Support Pension – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 6.852 billion | 7.493 billion | 7.911 billion | 8.257 billion | 8.651 billion | 9.37 billion | 10.918 billion | 11.86 billion | 13.356 billion | 14.57 billion | 14.99 billion | 16.102 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 16.102 billion | 16.932 billion | 17.315 billion | 17.798 billion | 18.283 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 16.102 billion | 16.746 billion | 17.059 billion | 17.514 billion | 17.987 billion | 18.599 billion |

Figure : Expenses – Disability Support Pension – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.019 billion | -0.044 billion | -0.052 billion |
| **Effect of parameter and other variations** | 0 billion | -0.186 billion | -0.237 billion | -0.24 billion | -0.244 billion |

* Relative to the 2014–15 MYEFO, policy decisions are expected to decrease expenses on the Disability Support Pension by $0.1 billion over the four years to 2018–19, largely due to the decision to enhance fraud prevention and debt recovery associated with welfare payments.
* Parameter and other variations are expected to decrease expenses on the Disability Support Pension by $0.9 billion over the four years to 2017–18, relative to the
2014–15 MYEFO, largely reflecting lower expected recipient numbers and average payment rates.

Expenses – aged care

Figure : Expenses – aged care – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 5.746 billion | 6.679 billion | 6.908 billion | 7.294 billion | 7.904 billion | 8.557 billion | 9.29 billion | 10.204 billion | 11.256 billion | 12.534 billion | 13.291 billion | 14.126 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 14.126 billion | 15.228 billion | 15.545 billion | 16.456 billion | 17.528 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 14.126 billion | 15.258 billion | 16.041 billion | 16.356 billion | 17.395 billion | 18.65 billion |

Figure : Expenses – aged care – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.005 billion | 0.013 billion | 0.019 billion | -0.002 billion |
| **Effect of parameter and other variations** | 0 billion | 0.031 billion | 0.501 billion | -0.113 billion | -0.153 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to decrease expenses on aged care by $0.3 billion over the four years to 2018–19, including an increase in the number of short term restorative places, which is expected to reduce the number of premature admissions into residential care, and revised aged care means testing arrangements.
* The increase in parameter and other variations in aged care expenses in 2015–16 reflects the provision made in the 2014–15 MYEFO for the National Partnership payment for Home and Community Care and its subsequent publication in the 2015–16 Budget ($0.6 billion).

Expenses – job seeker income support

Figure : Expenses – job seeker income support – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 5.765 billion | 5.625 billion | 5.443 billion | 5.311 billion | 5.183 billion | 4.796 billion | 5.585 billion | 6.974 billion | 6.967 billion | 7.453 billion | 8.519 billion | 10.05 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 10.05 billion | 10.811 billion | 10.76 billion | 10.783 billion | 10.507 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 10.05 billion | 10.81 billion | 11.515 billion | 11.591 billion | 11.445 billion | 12.048 billion |

Figure : Expenses – job seeker income support – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0.577 billion | 0.342 billion | 0.315 billion | 0.737 billion |
| **Effect of parameter and other variations** | 0 billion | -0.001 billion | 0.177 billion | 0.465 billion | 0.623 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase expenses on job seeker income support by $2.0 billion over the four years to 2018–19, largely reflecting the replacement of the previously proposed policy for people under 25 years to actively seek work for six months before receiving income support with the currently proposed four week period ($2.3 billion).
* Parameter and other variations are expected to increase expenses on job seeker income by $1.3 billion over the four years to 2017–18, largely reflecting higher expected recipient numbers.

Expenses – income support for carers

Figure : Expenses – income support for carers – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 1.799 billion | 2.213 billion | 2.462 billion | 2.738 billion | 2.991 billion | 3.643 billion | 4.5 billion | 4.078 billion | 5.107 billion | 5.719 billion | 6.249 billion | 6.972 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 6.972 billion | 7.652 billion | 8.269 billion | 8.972 billion | 9.721 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 6.972 billion | 7.497 billion | 8.107 billion | 8.799 billion | 9.485 billion | 10.07 billion |

Figure : Expenses – income support for carers – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.011 billion | -0.027 billion | -0.075 billion | -0.371 billion |
| **Effect of parameter and other variations** | 0 billion | -0.155 billion | -0.151 billion | -0.145 billion | -0.161 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to decrease expenses on income support to carers by $0.5 billion over the five years to 2018–19, largely reflecting the decision to enhance fraud prevention and debt recovery associated with welfare payments.
* Parameter and other variations are expected to reduce income support for carers expenses by $0.6 billion over the four years to 2017–18, relative to the 2014–15 MYEFO.

Expenses – child care fee assistance

Figure : Expenses – child care fee assistance – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 1.364 billion | 1.388 billion | 1.463 billion | 1.501 billion | 1.929 billion | 2.316 billion | 3.288 billion | 3.304 billion | 3.771 billion | 4.215 billion | 4.769 billion | 5.589 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 5.589 billion | 6.61 billion | 7.449 billion | 8.185 billion | 8.972 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 5.589 billion | 6.51 billion | 7.261 billion | 7.923 billion | 10.003 billion | 11.018 billion |

Figure : Expenses – child care fee assistance – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.032 billion | -0.071 billion | 1.256 billion | 1.481 billion |
| **Effect of parameter and other variations** | 0 billion | -0.1 billion | -0.155 billion | -0.191 billion | -0.225 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase expenses on child care fee assistance by $2.6 billion over the five years to 2018–19, largely reflecting the introduction of a new Child Care Subsidy from 1 July 2017.
* Parameter and other variations are expected to decrease expenses on child care fee assistance by $0.7 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely reflecting lower expected utilisation of child care services.

Expenses – parents’ income support

Figure : Expenses – parents’ income support – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 5.8 billion | 6.067 billion | 6.206 billion | 6.127 billion | 5.986 billion | 5.462 billion | 5.366 billion | 5.546 billion | 5.665 billion | 5.939 billion | 5.612 billion | 5.488 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 5.488 billion | 5.633 billion | 5.64 billion | 5.618 billion | 5.607 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 5.488 billion | 5.683 billion | 5.703 billion | 5.733 billion | 5.819 billion | 6.097 billion |

Figure : Expenses – parents’ income support – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | -0.047 billion | -0.081 billion | -0.081 billion | 0.026 billion |
| **Effect of parameter and other variations** | 0 billion | 0.05 billion | 0.11 billion | 0.197 billion | 0.293 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to reduce expenses on parents’ income support by $0.2 billion over the four years to 2018–19, reflecting the decision to enhance fraud prevention and debt recovery associated with welfare payments.
* Parameter and other variations are expected to increase expenses on parents’ income support by $0.9 billion, largely reflecting revised higher projected recipient numbers.

Expenses – Medicare Benefits Schedule

Figure : Expenses – Medicare Benefit Schedule – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 8.092 billion | 8.498 billion | 10.063 billion | 10.825 billion | 11.673 billion | 12.957 billion | 14.142 billion | 15.387 billion | 16.266 billion | 17.826 billion | 18.56 billion | 19.263 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 19.263 billion | 20.087 billion | 20.473 billion | 21.444 billion | 22.288 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 19.263 billion | 20.321 billion | 21.141 billion | 22.126 billion | 22.975 billion | 24.272 billion |

Figure : Expenses – Medicare Benefit Schedule – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2018-19** |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0.183 billion | 0.666 billion | 0.694 billion | 0.7 billion | 0.728 billion |
| **Effect of parameter and other variations** | 0 billion | 0.052 billion | 0.002 billion | -0.013 billion | -0.013 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase expenses on Medicare spending by $3.0 billion over the five years to 2018–19. This largely reflects the decision to not proceed with both the $5 reduction in rebates for GP consultations and the redefinition of GP consultation items of less than 20 minutes included in the 2014–15 MYEFO measure *A Strong and Sustainable Medicare*.
* The 2015–16 Budget does not include any significant parameter variations on the Medicare Benefits Schedule relative to the 2014–15 MYEFO.

Expenses – assistance to the states and territories for public hospitals

Figure : Expenses – assistance to the states and territories for public hospitals – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 7.113 billion | 7.493 billion | 7.955 billion | 8.325 billion | 8.819 billion | 9.758 billion | 10.257 billion | 11.224 billion | 11.991 billion | 12.544 billion | 13.305 billion | 13.841 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 13.841 billion | 15.343 billion | 16.492 billion | 17.555 billion | 18.307 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 13.841 billion | 15.459 billion | 16.441 billion | 17.382 billion | 18.103 billion | 18.873 billion |

Figure : Expenses – assistance to the states and territories for public hospitals – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | 0.117 billion | -0.051 billion | -0.172 billion | -0.204 billion |  |

* Parameter and other variations are expected to decrease expenses on assistance to the states and territories for public hospitals by $0.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO.

Expenses – pharmaceutical benefits

Figure : Expenses – pharmaceutical benefits – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 5.473 billion | 6.07 billion | 6.473 billion | 6.632 billion | 6.871 billion | 7.467 billion | 8.119 billion | 8.831 billion | 9.244 billion | 9.52 billion | 9.07 billion | 9.206 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 9.206 billion | 9.758 billion | 9.816 billion | 10.311 billion | 10.666 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 9.206 billion | 9.672 billion | 10.139 billion | 10.63 billion | 11.025 billion | 11.373 billion |

Figure : Expenses – pharmaceutical benefits – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | -0.008 billion | 0.374 billion | 0.441 billion | 0.446 billion | 0.426 billion |
| **Effect of parameter and other variations** | 0 billion | -0.078 billion | -0.051 billion | -0.123 billion | -0.086 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase spending on the pharmaceutical benefits scheme by $1.7 billion over the four years to 2018–19, reflecting new and amended listings on the pharmaceutical benefits.
* Parameter and other variations are expected to reduce pharmaceutical benefits expenses by $0.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO.

Expenses – private health insurance rebate

Figure : Expenses – private health insurance rebate – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 2.327 billion | 2.547 billion | 2.86 billion | 3.215 billion | 3.501 billion | 3.812 billion | 4.14 billion | 4.493 billion | 4.89 billion | 5.678 billion | 5.408 billion | 5.827 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 5.827 billion | 5.827 billion | 6.119 billion | 6.359 billion | 6.632 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 5.827 billion | 6.139 billion | 6.336 billion | 6.586 billion | 6.844 billion | 7.292 billion |

Figure : Expenses – private health insurance rebate – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | 0.313 billion | 0.217 billion | 0.227 billion | 0.212 billion |  |

* Relative to the 2014–15 MYEFO, parameter and other variations are expected to increase spending on the private health insurance rebate by $1.0 billion over the four years to 2017–18. This increase is largely the result of a higher expected number of people covered by private health insurance hospital treatment cover.

Expenses – National Disability Insurance Scheme

Figure : Expenses – National Disability Insurance Scheme – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0.033 billion | 0.313 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 0.313 billion | 0.65 billion | 1.073 billion | 4.356 billion | 11.826 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 0.313 billion | 0.629 billion | 1.079 billion | 4.331 billion | 11.785 billion | 19.202 billion |

Figure : Expenses – National Disability Insurance Scheme – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | -0.027 billion | -0.013 billion | -0.042 billion | -0.004 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | 0.006 billion | 0.019 billion | 0.017 billion | -0.037 billion |  |

* Parameter and other variations are expected to reduce National Disability Insurance Scheme expenses by $0.1 billion over the four years to 2017–18, relative to the
2014–15 MYEFO.

Expenses – schools

Figure : Expenses - schools – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 5.331 billion | 6.012 billion | 6.672 billion | 7.289 billion | 7.745 billion | 7.914 billion | 8.66 billion | 9.75 billion | 10.636 billion | 11.335 billion | 11.925 billion | 13.188 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 13.188 billion | 14.688 billion | 15.853 billion | 17.22 billion | 18.331 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 13.188 billion | 14.664 billion | 15.743 billion | 17.012 billion | 18.031 billion | 18.76 billion |

Figure : Expenses - schools – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0.003 billion | 0.002 billion | 0 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | -0.024 billion | -0.114 billion | -0.21 billion | -0.3 billion |  |

* Parameter and other variations are expected to decrease spending on schools by $0.6 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely reflecting lower projected enrollments for non-government schools.

Expenses – higher education

Figure : Expenses – higher education – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 3.988 billion | 4.352 billion | 4.613 billion | 5.392 billion | 5.797 billion | 6.658 billion | 6.793 billion | 8.423 billion | 8.46 billion | 9.185 billion | 8.866 billion | 9.628 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 9.628 billion | 10.139 billion | 10.447 billion | 10.495 billion | 10.894 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 9.628 billion | 10.02 billion | 10.258 billion | 10.122 billion | 10.599 billion | 10.985 billion |

Figure : Expenses – higher education – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | -0.005 billion | -0.008 billion | -0.156 billion | -0.048 billion | -0.086 billion |
| **Effect of parameter and other variations** | 0 billion | -0.114 billion | -0.181 billion | -0.217 billion | -0.246 billion |  |

* Policy decisions are expected to decrease expenses on higher education[[1]](#footnote-1) by $0.3 billion over the four years to 2018–19, relative to the 2014–15 MYEFO, reflecting the redirection of some research spending to the National Collaborative Research Infrastructure Strategy.
* Parameter and other variations are expected to reduce expenses on higher education by $0.8 billion over the four years to 2018–19, relative to the 2014–15 MYEFO.

Defence (expenses and net capital investment)

Figure : Defence (expenses and net capital investment) – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 13.135 billion | 13.862 billion | 14.521 billion | 16.392 billion | 17.798 billion | 19.148 billion | 22.218 billion | 24.286 billion | 23.917 billion | 24.433 billion | 22.987 billion | 25.484 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 25.484 billion | 28.084 billion | 28.446 billion | 28.624 billion | 31.435 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 25.484 billion | 28.364 billion | 30.099 billion | 29.475 billion | 32.273 billion | 34.669 billion |

Figure : Defence (expenses and net capital investment) – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0.005 billion | 0.766 billion | 0.029 billion | 0.018 billion | -0.001 billion |
| **Effect of parameter and other variations** | 0 billion | 0.276 billion | 0.886 billion | 0.821 billion | 0.821 billion |  |

* Relative to the 2014–15 MYEFO, policy decisions are expected to increase spending on defence by $0.8 billion over the five years to 2018–19, including the decision to commence Operations Highroad and Manitou, continued support for Operation Okra, and the extension of Operations Accordion and Resolute.
* Relative to the 2014–15 MYEFO, parameter and other variations are expected to increase defence spending by $2.8 billion over the four years to 2017–18, including expected increases in expenses and net capital investment as a result of foreign exchange movements.

Expenses – public debt interest

Figure : Expenses – public debt interest – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 4.629 billion | 4.001 billion | 3.88 billion | 3.628 billion | 3.592 billion | 3.544 billion | 3.946 billion | 6.303 billion | 9.273 billion | 11.421 billion | 12.521 billion | 13.414 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 13.414 billion | 14.733 billion | 16.016 billion | 16.944 billion | 17.44 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 13.414 billion | 14.468 billion | 15.561 billion | 16.455 billion | 16.846 billion | 17.364 billion |

Figure : Expenses – public debt interest – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | -0.265 billion | -0.455 billion | -0.489 billion | -0.594 billion |  |

* Relative to the 2014–15 MYEFO, parameter and other variations are expected to decrease expenses on public debt interest by $1.8 billion over the four years to
2017–18 as a result of a reduction in the weighted average cost of borrowing, partially offset by the deterioration in the headline cash balance.

Expenses – public sector superannuation

Figure : Expenses – public sector superannuation – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 7.499 billion | 6.967 billion | 7.391 billion | 7.946 billion | 8.269 billion | 8.692 billion | 8.912 billion | 10.333 billion | 11.4 billion | 11.735 billion | 14.676 billion | 14.045 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 14.045 billion | 15.169 billion | 13.347 billion | 13.501 billion | 13.621 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 14.045 billion | 15.197 billion | 13.989 billion | 14.215 billion | 14.393 billion | 14.702 billion |

Figure : Expenses – public sector superannuation – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | 0.029 billion | 0.642 billion | 0.714 billion | 0.771 billion |  |

* Parameter and other variations are expected to increase public sector superannuation expenses by $2.2 billion over the four years to 2017–18, reflecting an increase in estimated expenses relating to accrued benefits.

Expenses – road and rail infrastructure

Figure : Expenses – road and rail infrastructure – change from 2014–15 MYEFO to
2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 1.288 billion | 1.806 billion | 1.803 billion | 1.921 billion | 2.224 billion | 3.039 billion | 5.744 billion | 5.526 billion | 3.519 billion | 7.386 billion | 3.546 billion | 6.953 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 6.953 billion | 5.75 billion | 8.221 billion | 9.558 billion | 6.086 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 6.953 billion | 4.954 billion | 7.014 billion | 9.705 billion | 7.853 billion | 4.91 billion |

Figure : Expenses – road and rail infrastructure – change from 2014–15 MYEFO to
2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0.342 billion | -0.329 billion | -0.57 billion | 0.03 billion | -0.475 billion |
| **Effect of parameter and other variations** | 0 billion | -1.137 billion | -0.878 billion | 0.717 billion | 1.737 billion |  |

* Policy decisions are expected to reduce expenses on road and rail infrastructure by $1.0 billion, relative to the 2014–15 MYEFO, largely reflecting the cancellation of the East West Link project in Victoria, and a $0.5 billion payment to Western Australia in 2014–15.
* Parameter and other variations are expected to reduce road and rail infrastructure expenses by $0.1 billion over the four years to 2017–18, relative to the 2014–15 MYEFO. The variation in expenses, including the change in profile, results from movements in the underlying infrastructure project valuations and adjustments to project timelines.

Expenses – Official Development Assistance

Figure : Expenses – Official Development Assistance – change from 2014–15 MYEFO to 2015–16 Budget estimates

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Historical data from 2002-03 to 2013-14** | 1.816 billion | 2.019 billion | 2.251 billion | 2.641 billion | 2.99 billion | 3.172 billion | 3.79 billion | 3.821 billion | 4.362 billion | 4.864 billion | 5.149 billion | 5.045 billion |  |  |  |  |  |
| **2014-15 MYEFO estimates from 2014-15 to 2017-18** |  |  |  |  |  |  |  |  |  |  |  | 5.045 billion | 5.032 billion | 4.034 billion | 3.81 billion | 3.912 billion |  |
| **2015-16 Budget estimates from 2014-15 to 2018-19** |  |  |  |  |  |  |  |  |  |  |  | 5.045 billion | 5.032 billion | 4.052 billion | 3.814 billion | 3.909 billion | 4.007 billion |

Figure : Expenses – Official Development Assistance – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Changes to estimates in MYEFO over 2014-15 to 2017-18**  |  |  |  |  |  |  |
| **Effect of measures** | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion | 0 billion |
| **Effect of parameter and other variations** | 0 billion | 0 billion | 0.018 billion | 0.004 billion | -0.003 billion |  |

* The lower funding profile for Official Development Assistance in 2014–15 and subsequent years is the result of policy decisions taken in the 2014–15 Budget and the
2014–15 MYEFO.
* Relative to the 2014–15 MYEFO, funding for Official Development Assistance is largely unchanged over the five years to 2018–19.
1. Includes the Commonwealth Grants Scheme, Investment in Higher Education Research, Higher Education Support programs, and the Higher Education Loan Programme (HELP). Data on HELP is not available prior to 2005-06 when the current accounting standard was adopted.   [↑](#footnote-ref-1)