



**Parliament of Australia**  
**Parliamentary Budget Office**

# 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

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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.

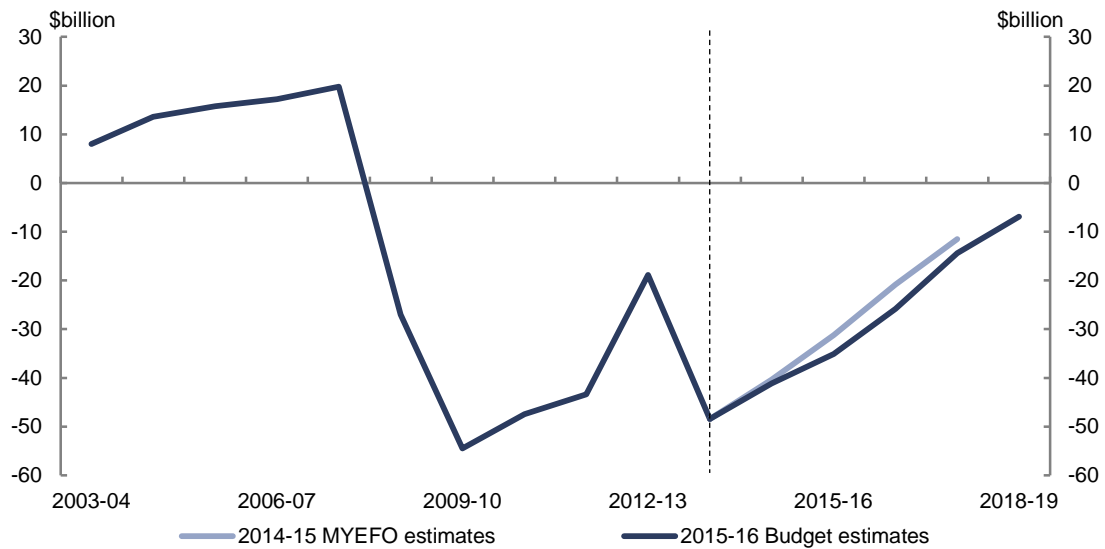
The charts prepared at the aggregate level for the *underlying cash balance*, *total receipts*, and *total payments* have all been prepared on a cash basis. Charts on revenue heads and selected programs are prepared on an accruals basis, consistent with the presentation of decisions in the Budget papers.

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.

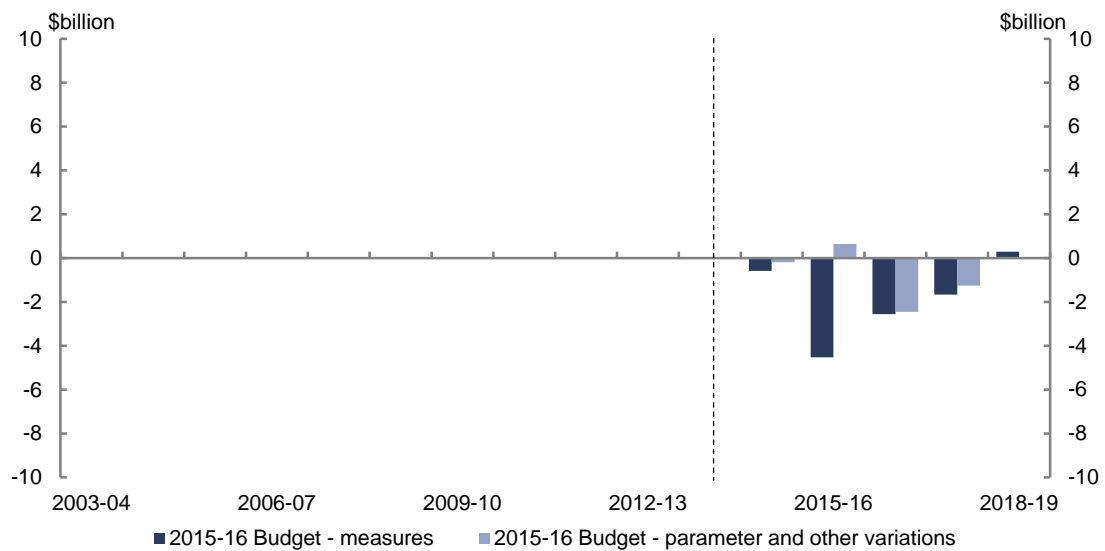
The PBO does not have access to the details of provisions for individual items in the Contingency Reserve. Accordingly, the charts in this report are subject to the qualification that they are prepared in the absence of information on the possible impact of any provisions in the Contingency Reserve.

# Underlying cash balance

**Figure 1: Underlying cash balance – change from 2014–15 MYEFO to 2015–16 Budget estimates**



**Figure 2: Underlying cash balance – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



- Policy decisions are expected to decrease the underlying cash balance by \$9.0 billion over 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 3: Total receipts – change from 2014–15 MYEFO to 2015–16 Budget estimates

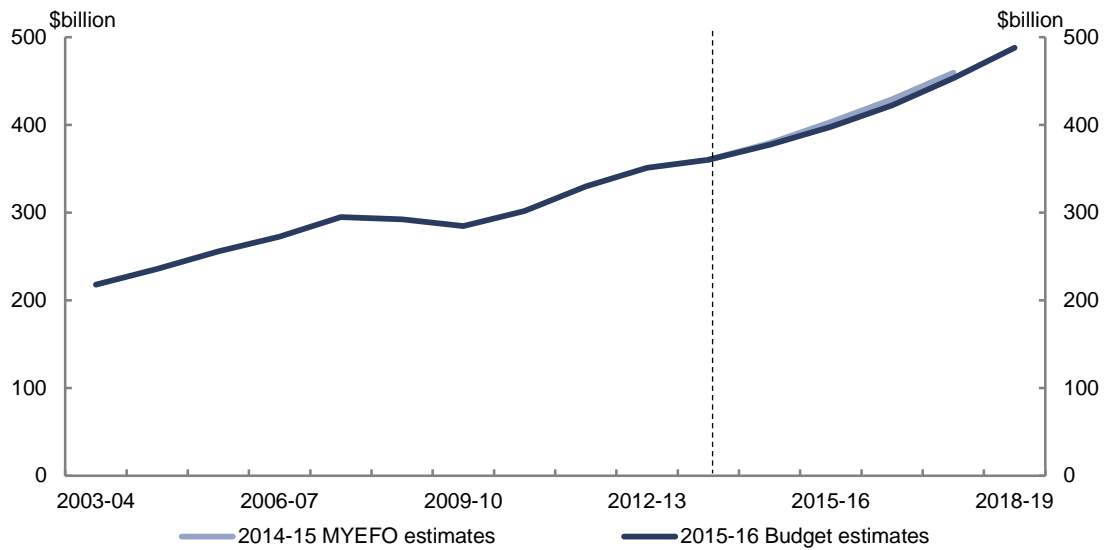
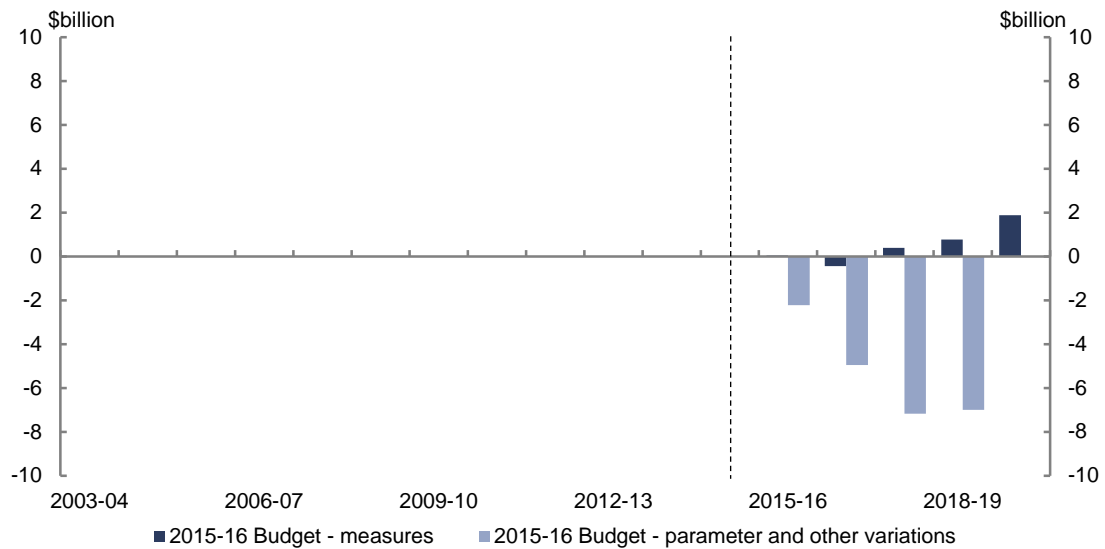


Figure 4: Total receipts – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations



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

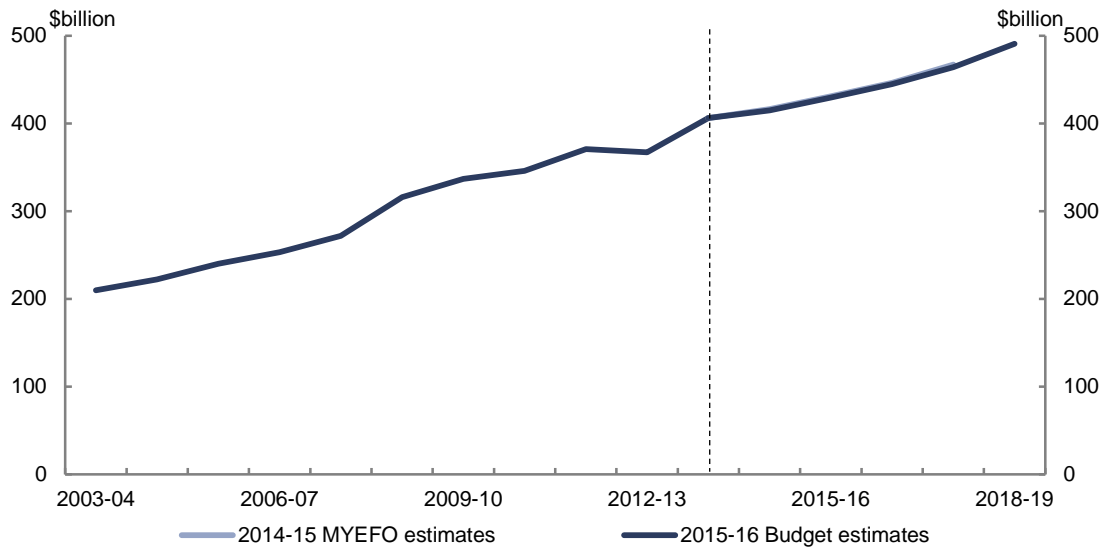
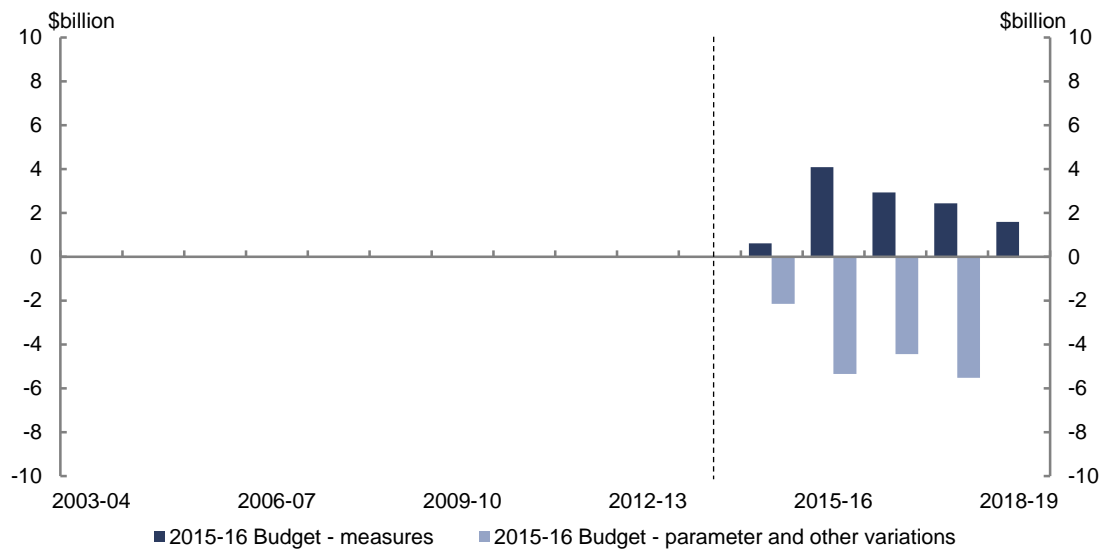


Figure 6: Total payments – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations

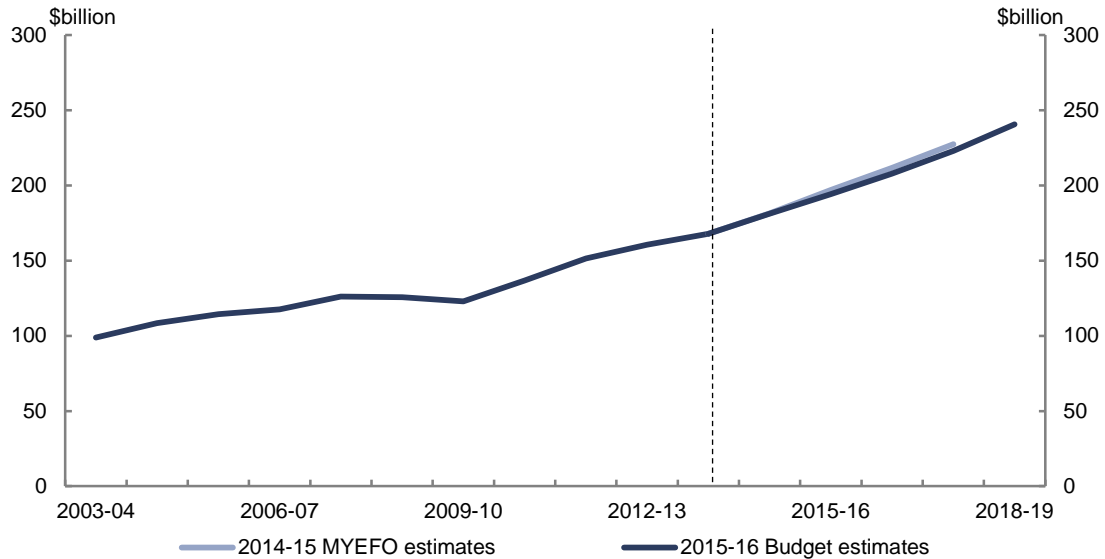


- Relative to the 2014–15 MYEFO, policy decisions are expected to increase total payments by \$11.7 billion over the five years to 2018–19. Over the five years, the largest contributors are funding to support access to child care services (\$2.6 billion), amendments to Medicare policy (\$3.0 billion) 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.

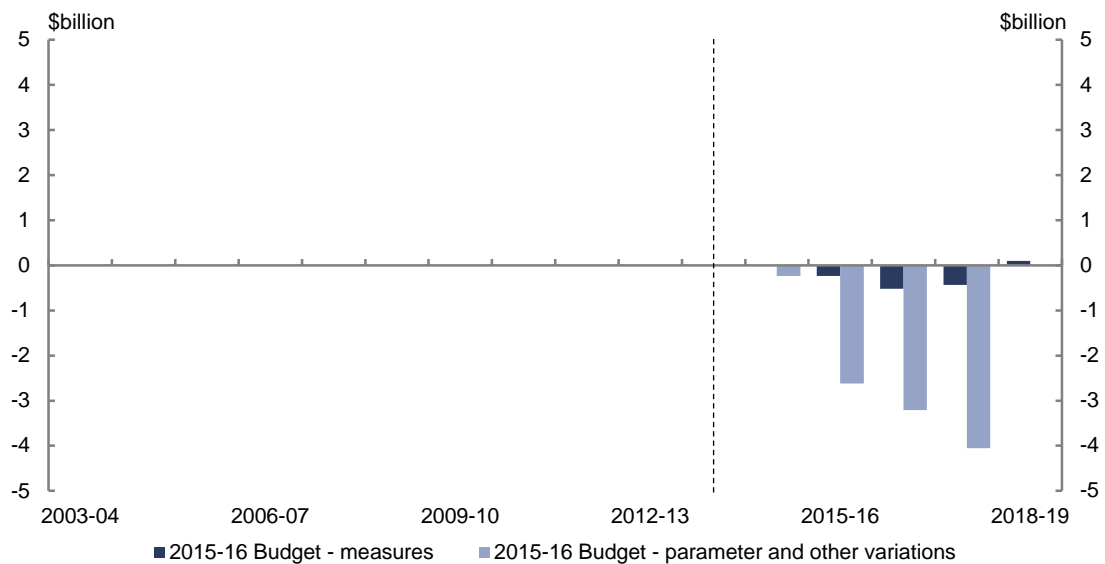


# Revenue – individuals and other withholding taxes

**Figure 7: Revenue – individuals and other withholding taxes – change from 2014–15 MYEFO to 2015–16 Budget estimates**



**Figure 8: Revenue – individuals and other withholding taxes – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



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

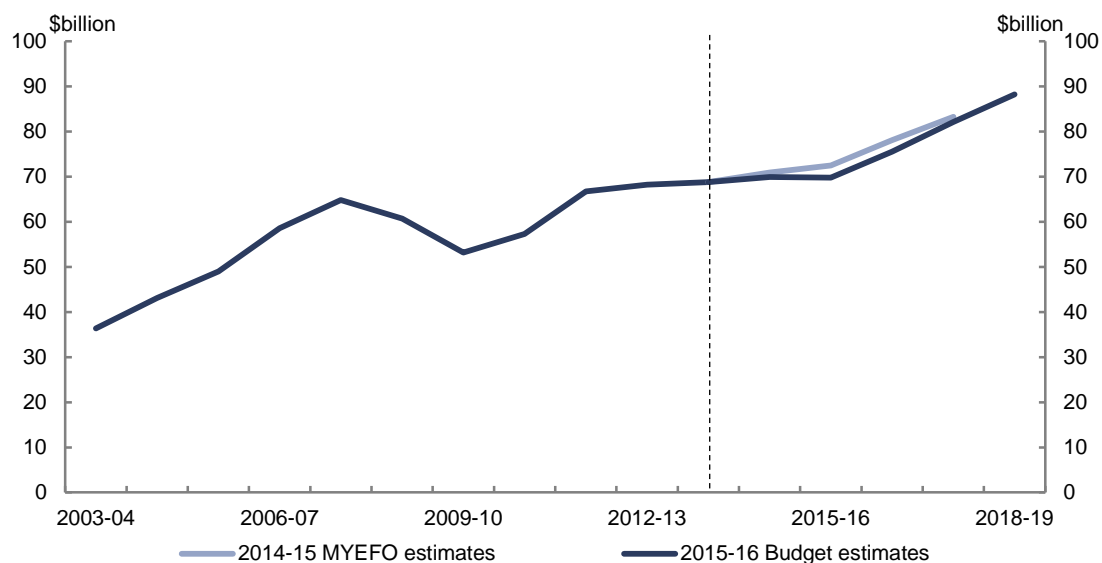
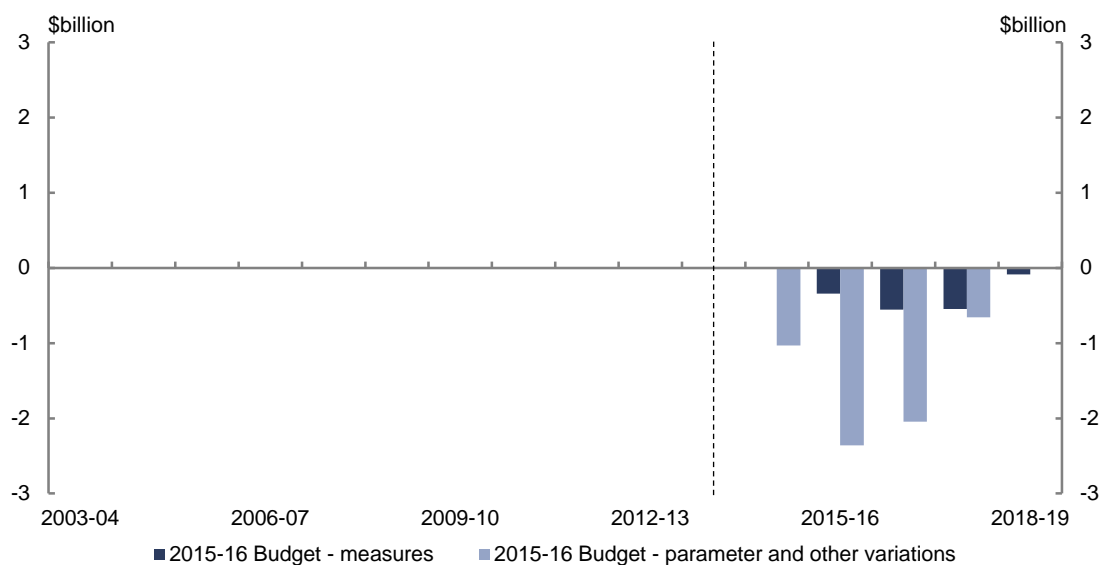


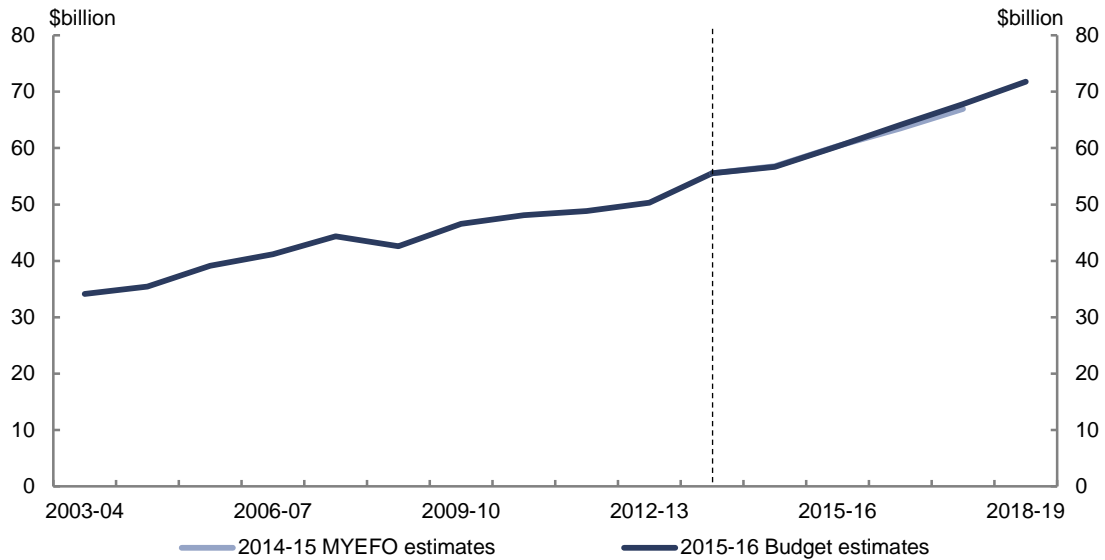
Figure 10: Revenue – company tax – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations



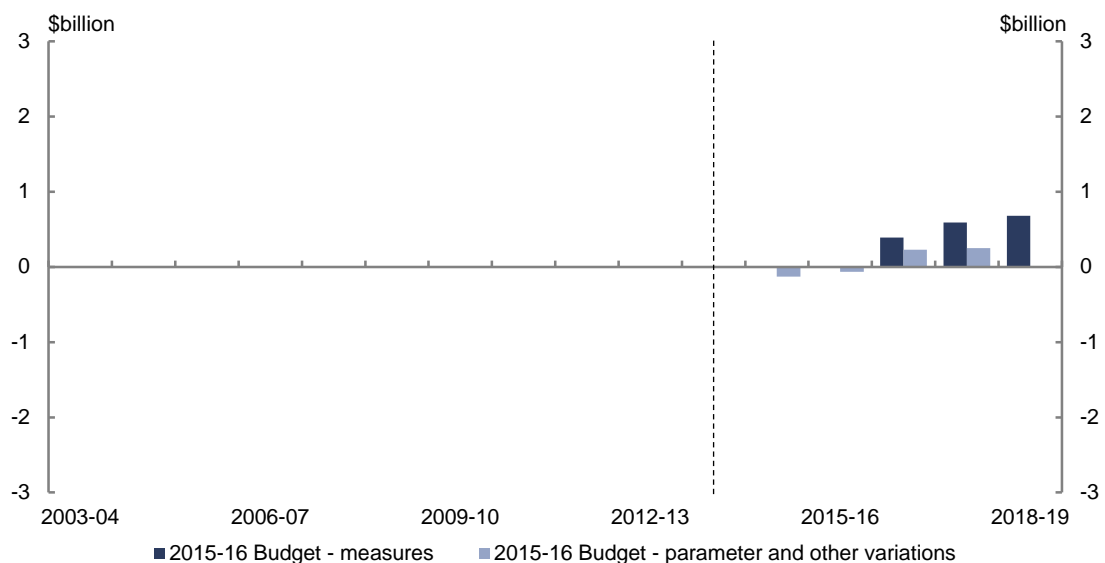
- Relative to the 2014–15 MYEFO, policy decisions are expected to decrease company tax revenue by \$1.5 billion over the five years to 2018–19, which includes the policy decisions to provide a tax cut for small business companies and expanded accelerated depreciation for these companies
- Parameter and 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 11: Revenue – goods and services tax – change from 2014–15 MYEFO to 2015–16 Budget estimates**



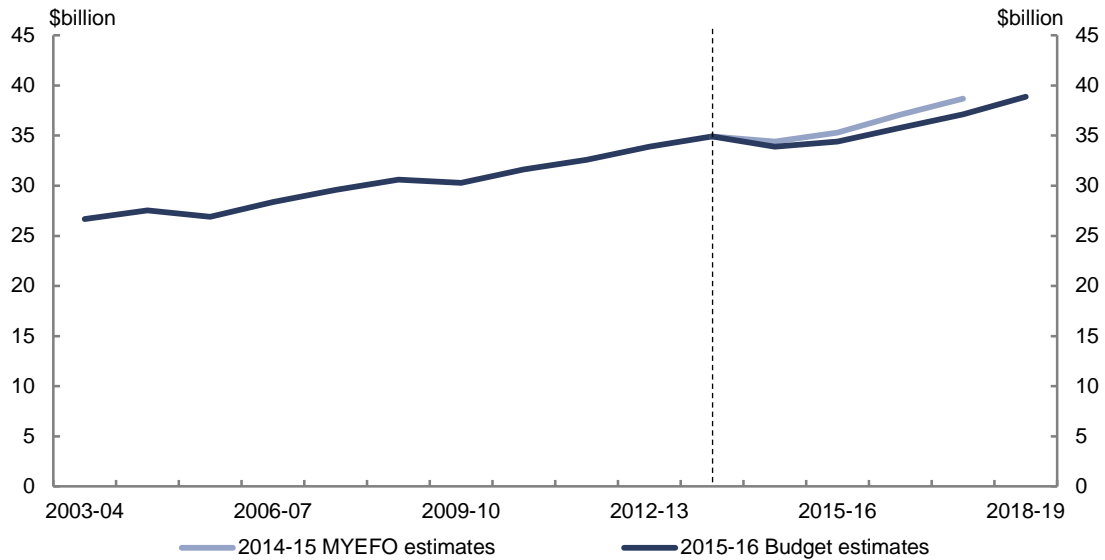
**Figure 12: Revenue – goods and services tax – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



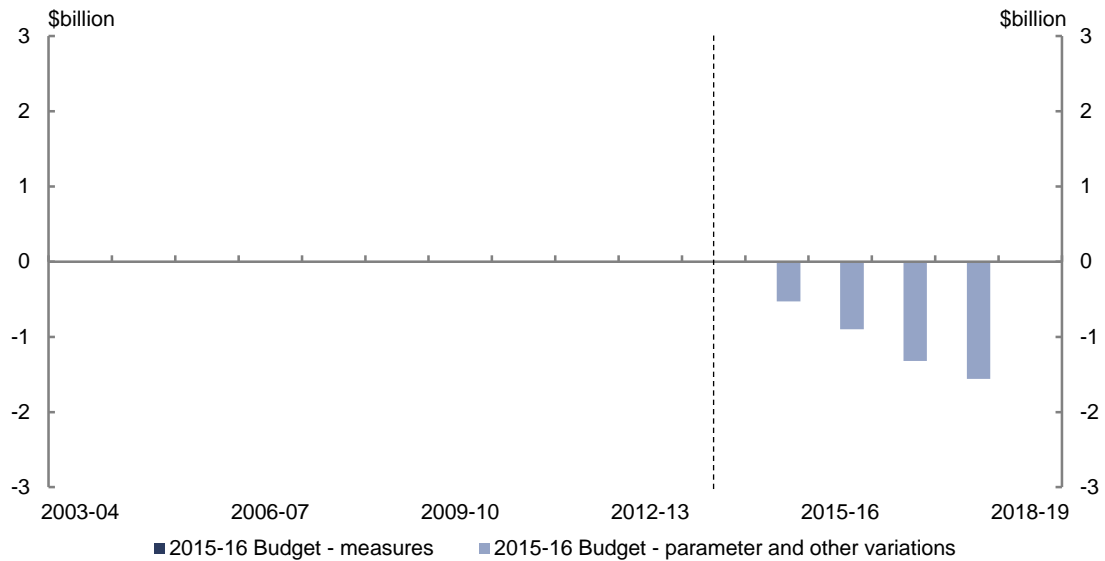
- Relative to the 2014–15 MYEFO, policy decisions are expected to increase goods and services tax (GST) revenue by \$1.7 billion over the four years to 2018–19, including the decisions to continue the GST compliance program, and to apply GST to imported digital products and services.
- Parameter and 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 13: Revenue – excise and customs duties – change from 2014–15 MYEFO to 2015–16 Budget estimates**



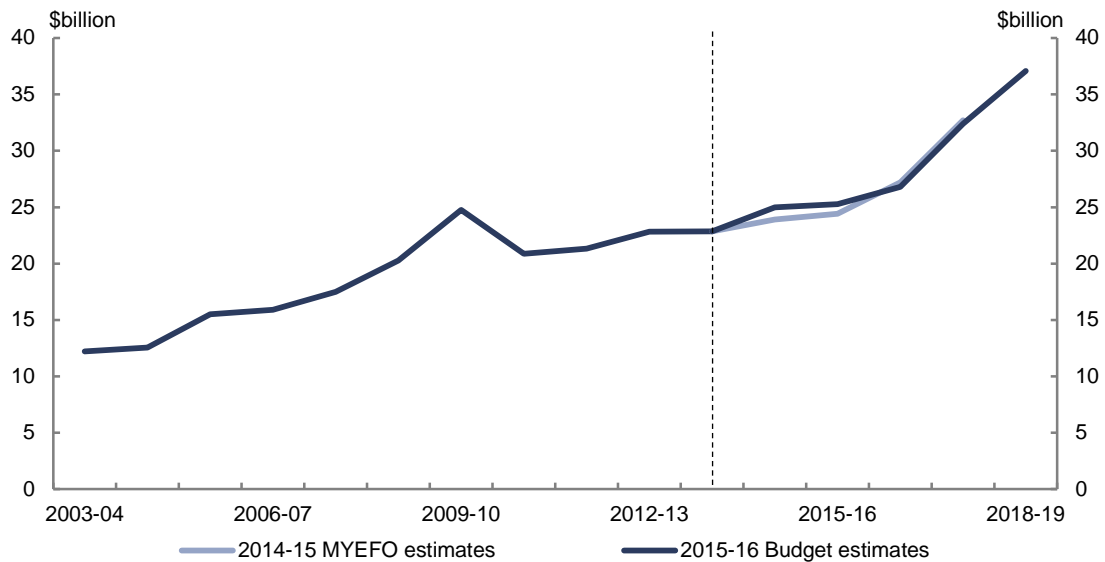
**Figure 14: Revenue – excise and customs duties – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



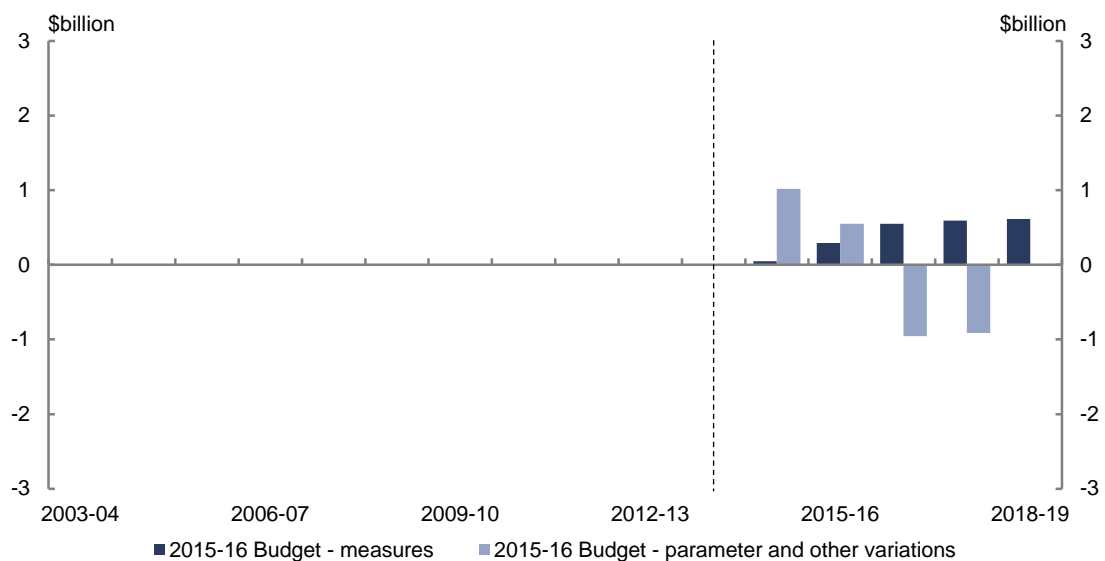
- Parameter and other variations are expected to decrease excise and excise equivalent customs duty revenue by \$4.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, reflecting lower consumption of fuel products (excluding crude oil) consistent with weaker economic activity, lower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

# Revenue – non-tax revenue

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



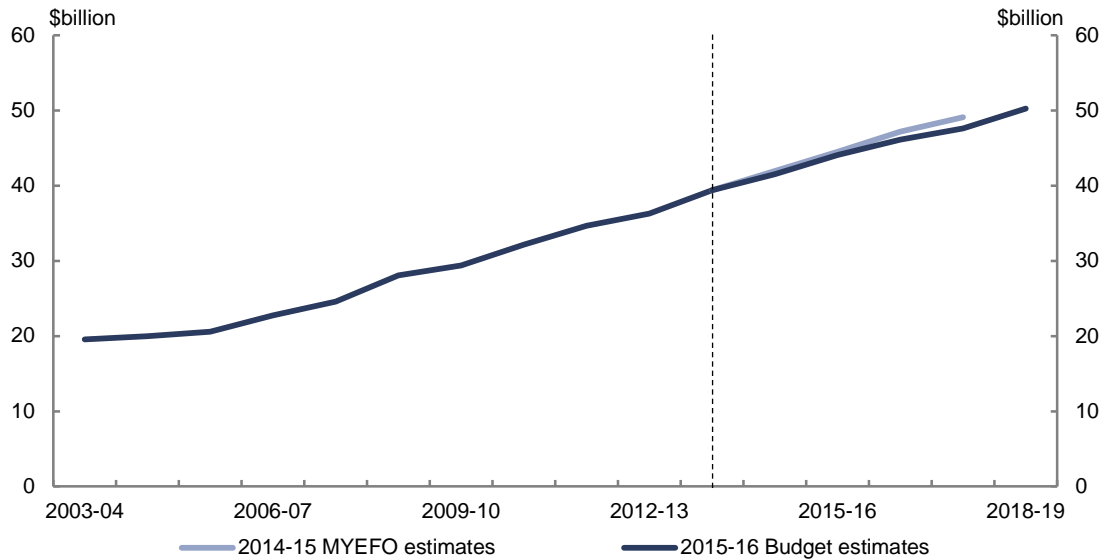
**Figure 16: Revenue – non-tax revenue – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



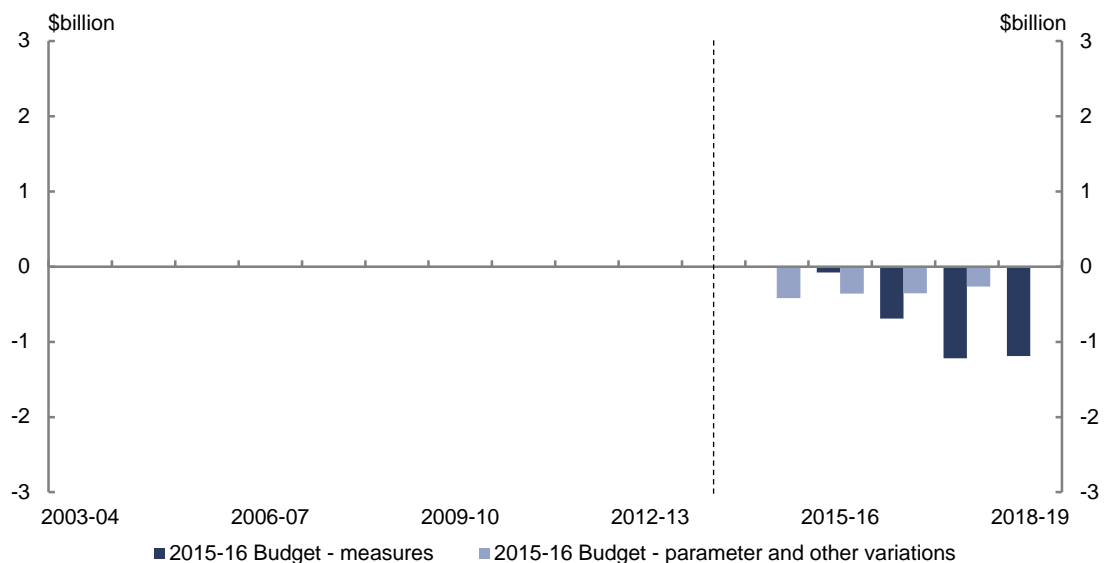
- Relative to the 2014–15 MYEFO, policy decisions are expected to increase non-tax revenue by \$2.1 billion over the five years to 2018–19, including interest revenue from providing concessional loans through the Northern Australia Infrastructure Facility (\$0.4 billion), moving to full cost recovery 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 17: Expenses – Age Pension – change from 2014–15 MYEFO to 2015–16 Budget estimates**



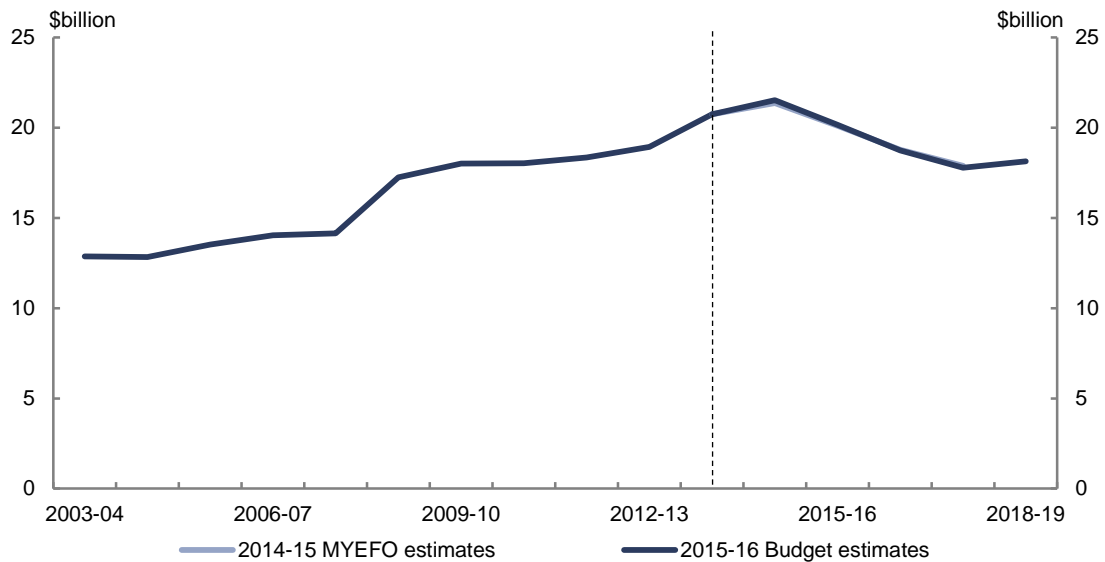
**Figure 18: Expenses – Age Pension – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



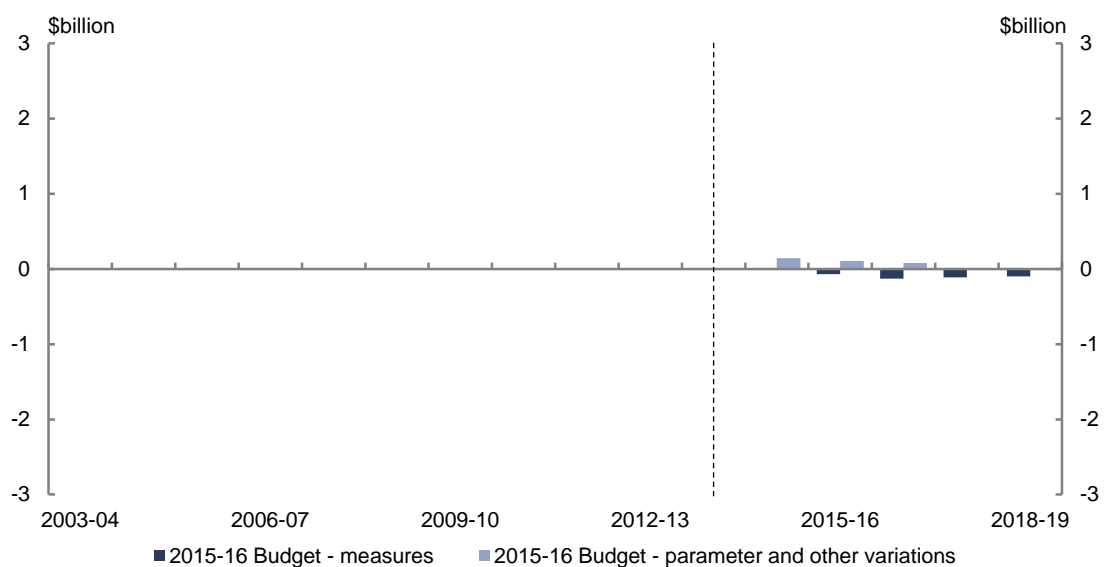
- Relative to the 2014–15 MYEFO, policy decisions are expected to reduce expenses on the Age Pension by \$3.2 billion over the four years to 2018–19, largely due to increasing the assets test thresholds and the withdrawal rate at which pensions are reduced once the threshold is reached.
- Parameter and 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 19: Expenses – Family Tax Benefit – change from 2014–15 MYEFO to 2015–16 Budget estimates**



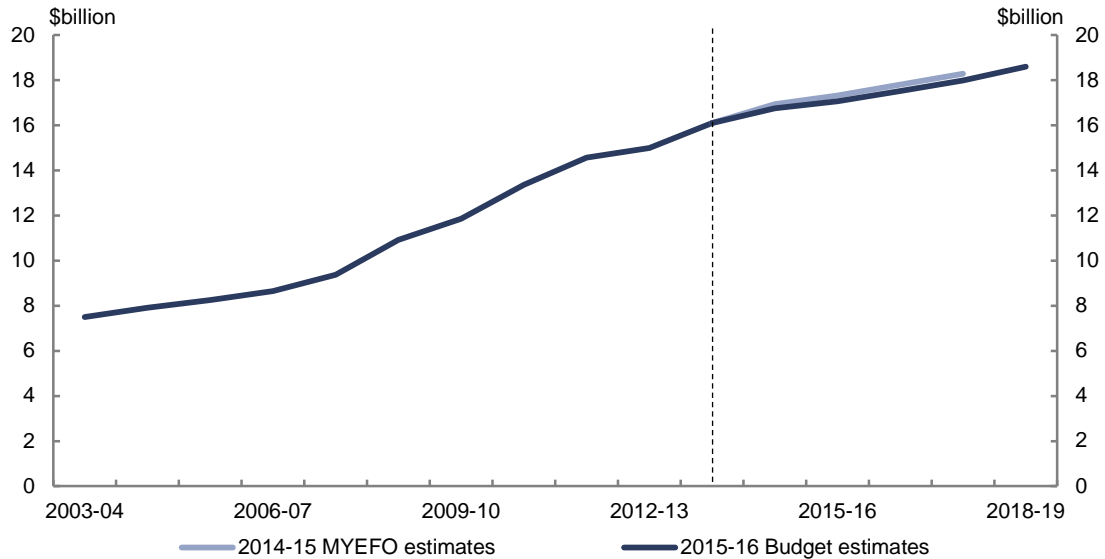
**Figure 20: Expenses – Family Tax Benefit – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



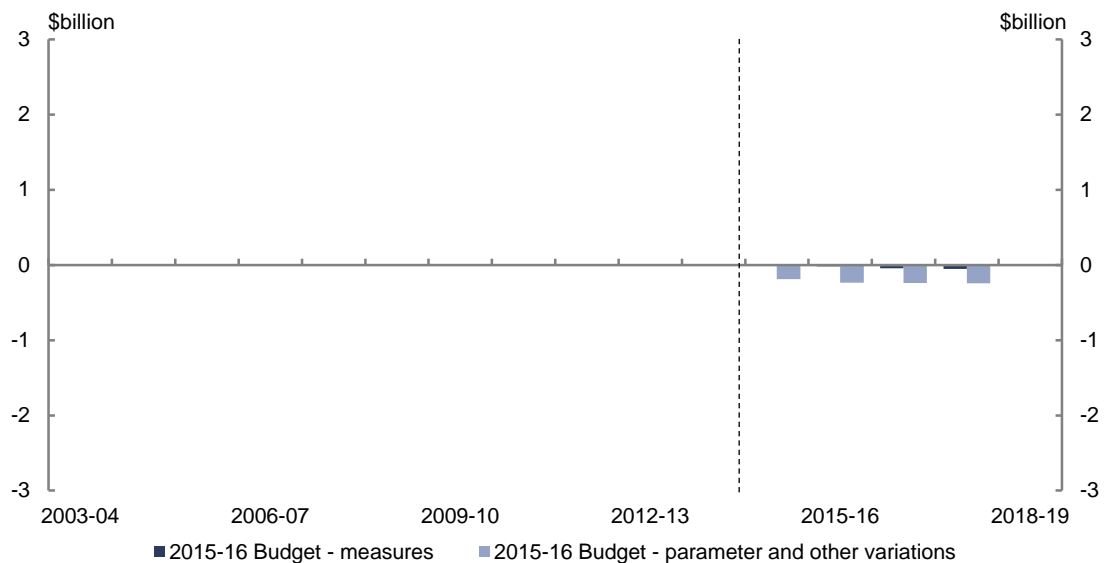
- Relative to the 2014–15 MYEFO, policy decisions are expected to decrease expenses on Family Tax Benefit by \$0.4 billion over the four years to 2018–19, largely as a result of the decision to restrict access to certain Government payments if children do not meet immunisation requirements.
- Parameter 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 21: Expenses – Disability Support Pension – change from 2014–15 MYEFO to 2015–16 Budget estimates**



**Figure 22: Expenses – Disability Support Pension – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



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

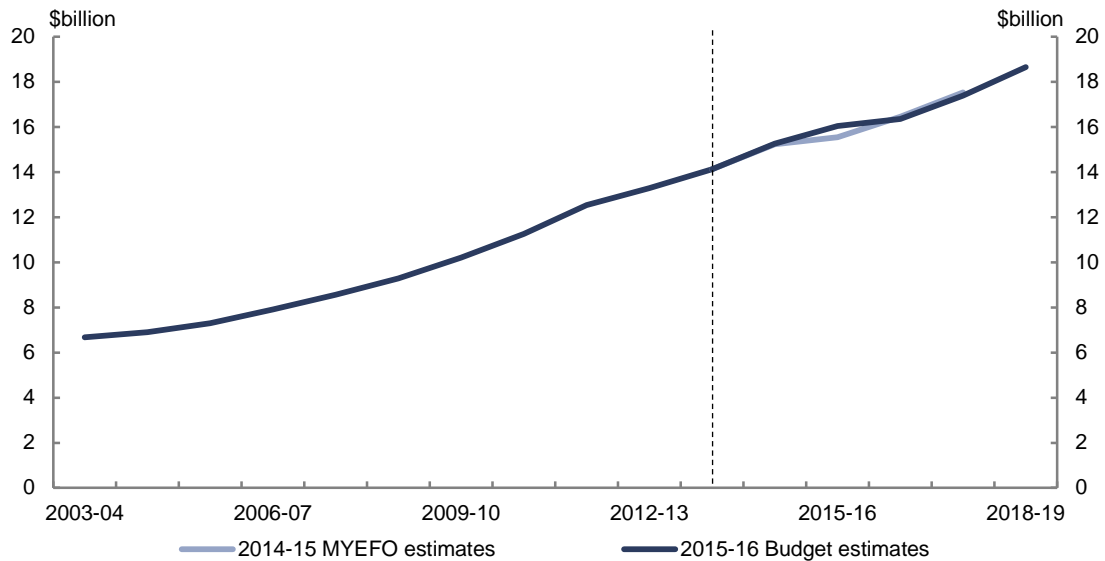
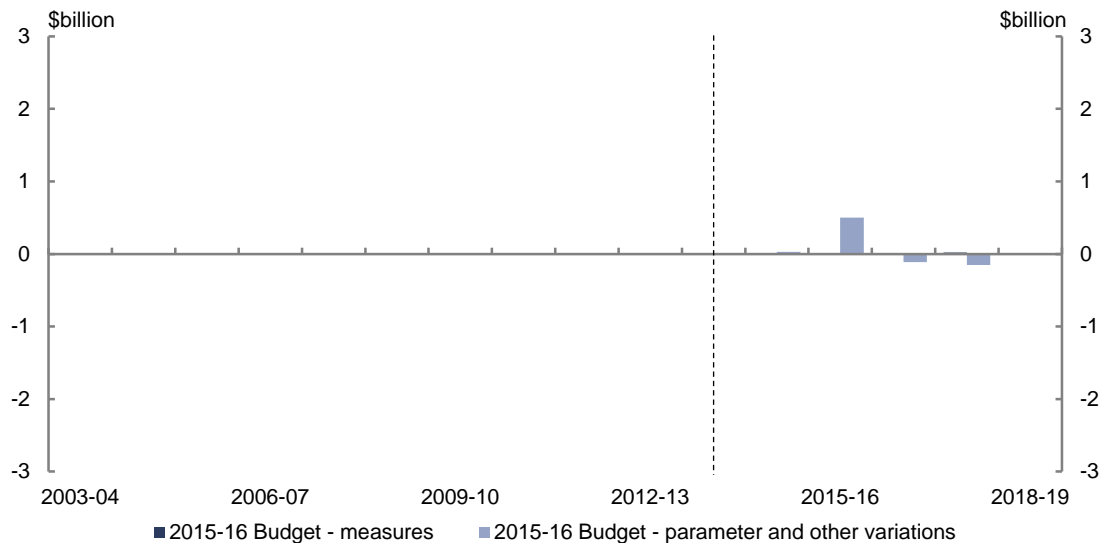


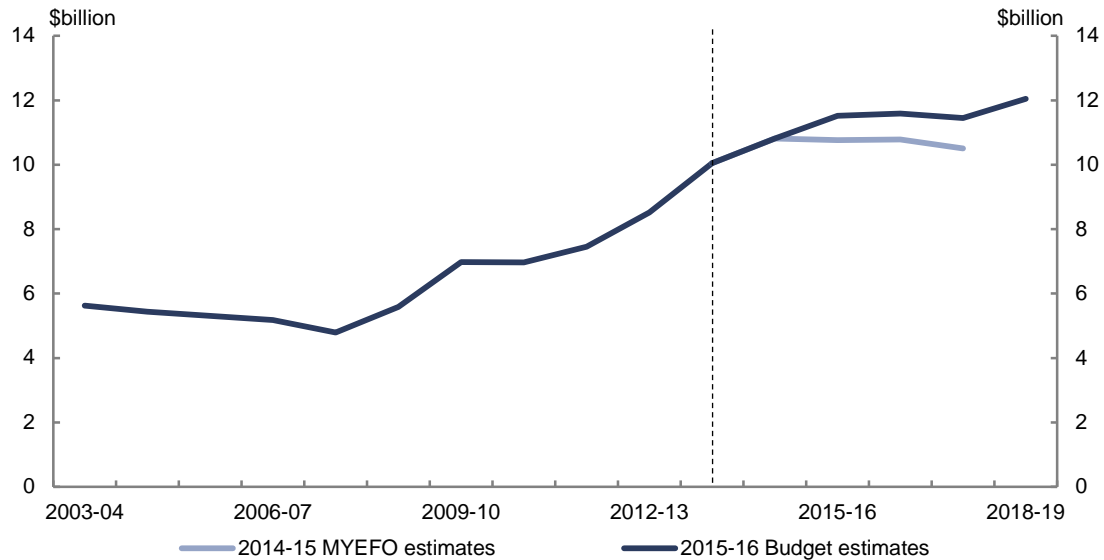
Figure 24: Expenses – aged care – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations



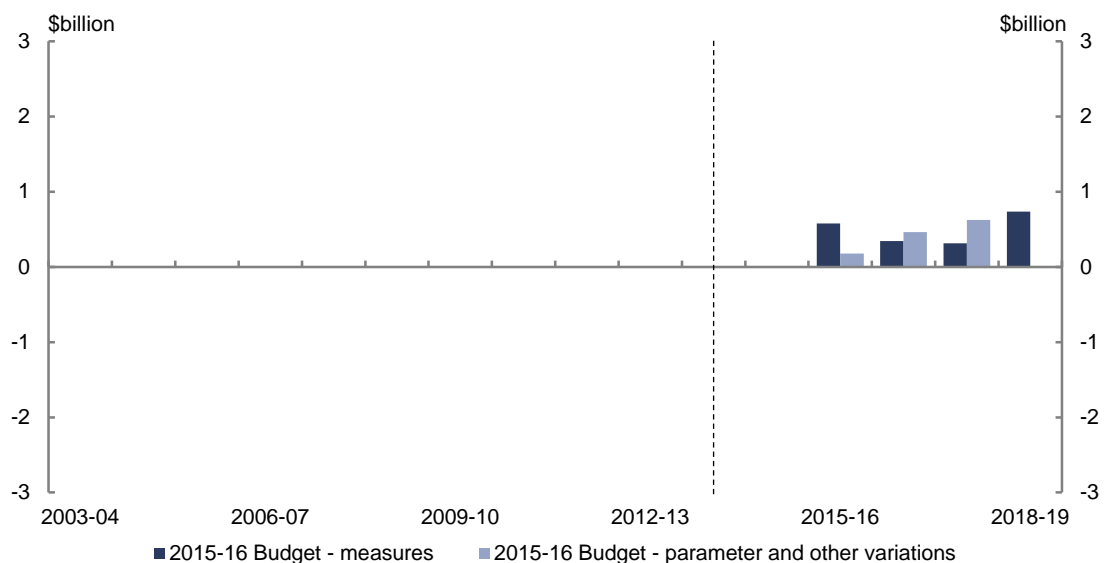
- Relative to the 2014–15 MYEFO, policy decisions are expected to decrease expenses on aged care by \$0.3 billion over the four years to 2018–19, including an increase in the number of short term restorative places, which is expected to reduce the number of premature admissions into residential care, 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 25: Expenses – job seeker income support – change from 2014–15 MYEFO to 2015–16 Budget estimates**



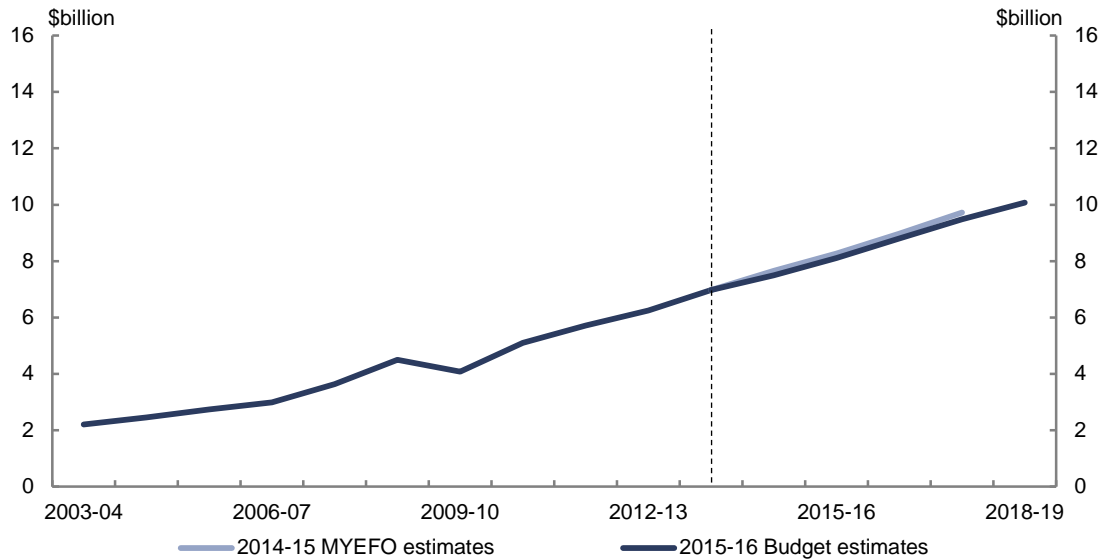
**Figure 26: Expenses – job seeker income support – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



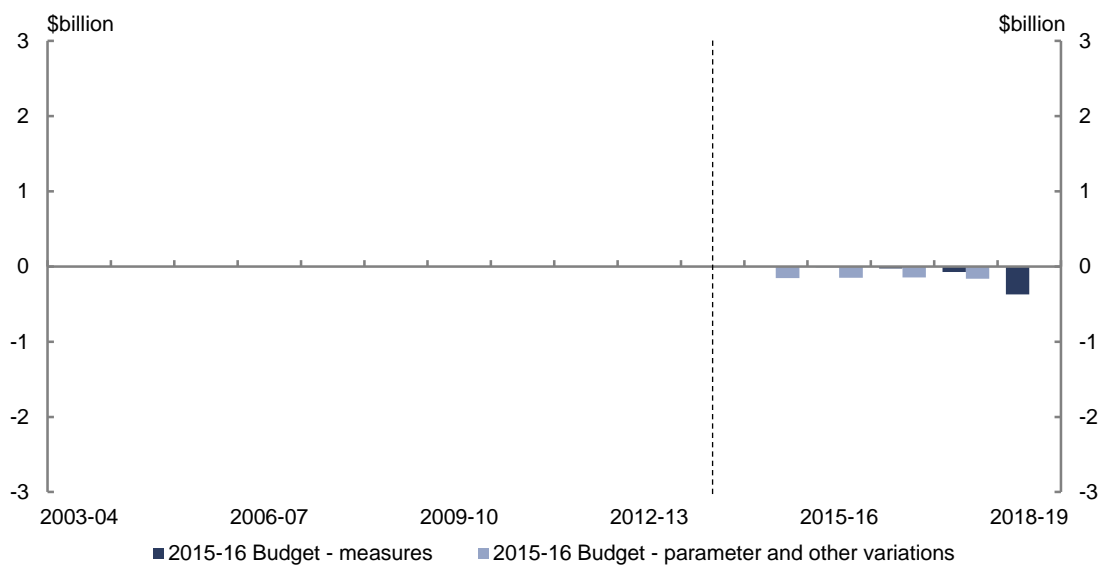
- Relative to the 2014–15 MYEFO, policy decisions are expected to increase expenses on job seeker income support by \$2.0 billion over the four years to 2018–19, largely reflecting the replacement of the previously proposed policy for people under 25 years to actively seek work for six months before 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 27: Expenses – income support for carers – change from 2014–15 MYEFO to 2015–16 Budget estimates**



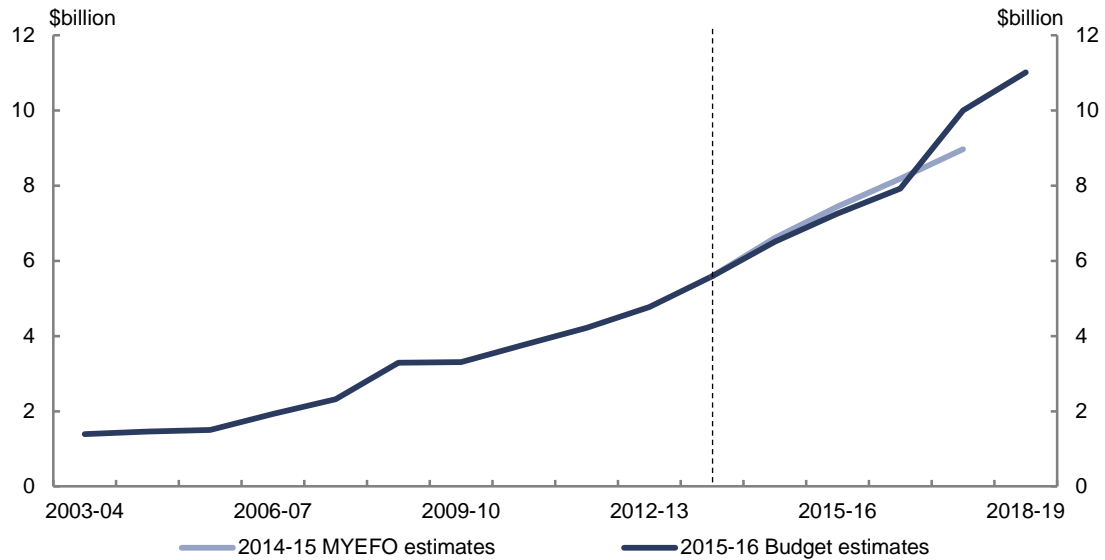
**Figure 28: Expenses – income support for carers – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



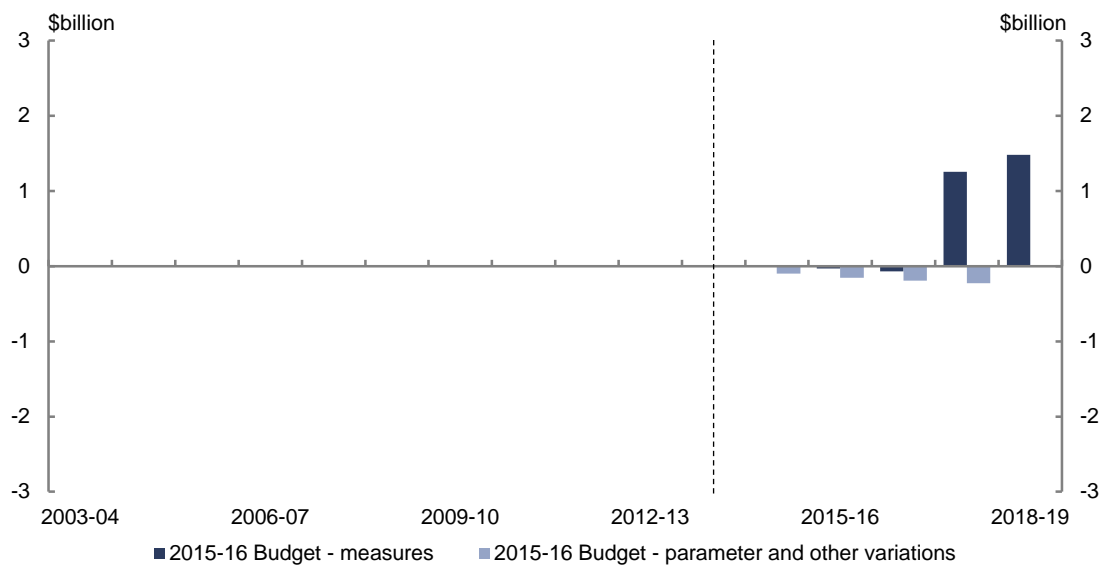
- Relative to the 2014–15 MYEFO, policy decisions are expected to decrease expenses on income support to carers by \$0.5 billion over the five years to 2018–19, largely reflecting the decision to enhance fraud prevention and debt recovery associated with welfare payments.
- Parameter and other variations 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 29: Expenses – child care fee assistance – change from 2014–15 MYEFO to 2015–16 Budget estimates**



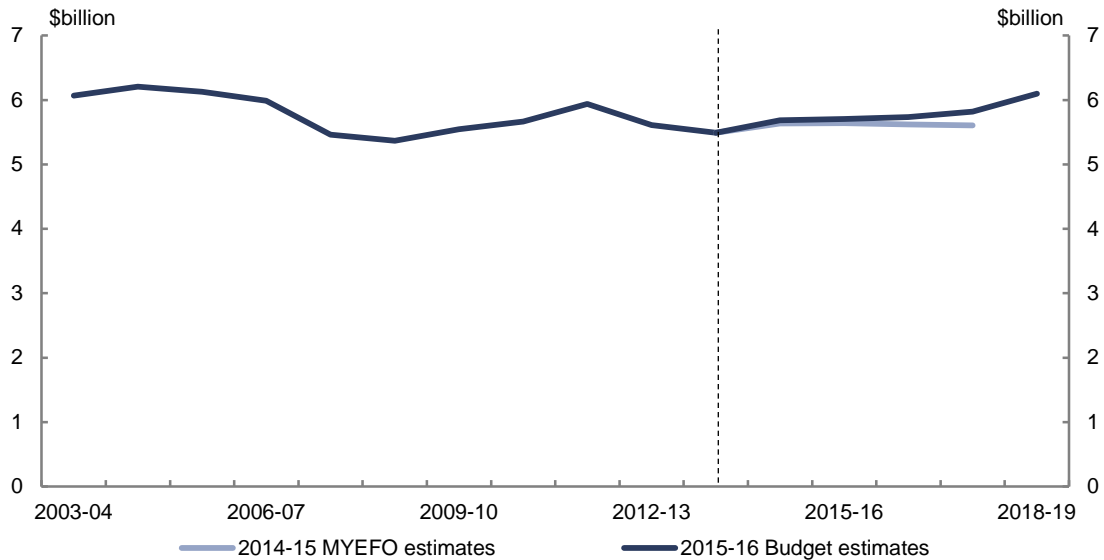
**Figure 30: Expenses – child care fee assistance – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



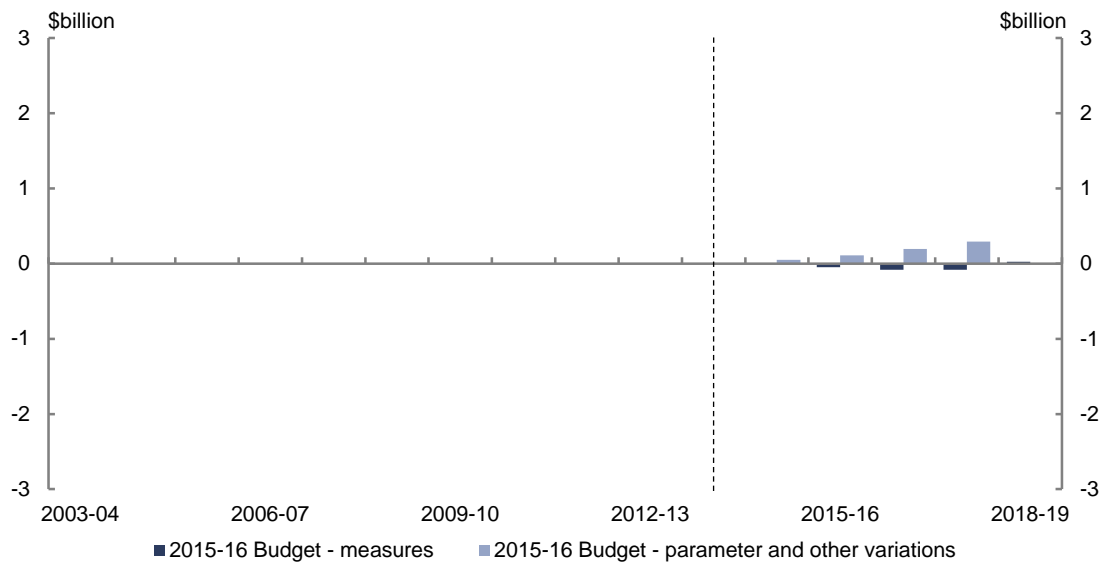
- Relative to the 2014–15 MYEFO, policy decisions are expected to increase expenses on child care fee assistance by \$2.6 billion over the five years to 2018–19, largely reflecting the introduction of a new Child Care Subsidy from 1 July 2017.
- Parameter and other variations are expected to decrease 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 31: Expenses – parents’ income support – change from 2014–15 MYEFO to 2015–16 Budget estimates**



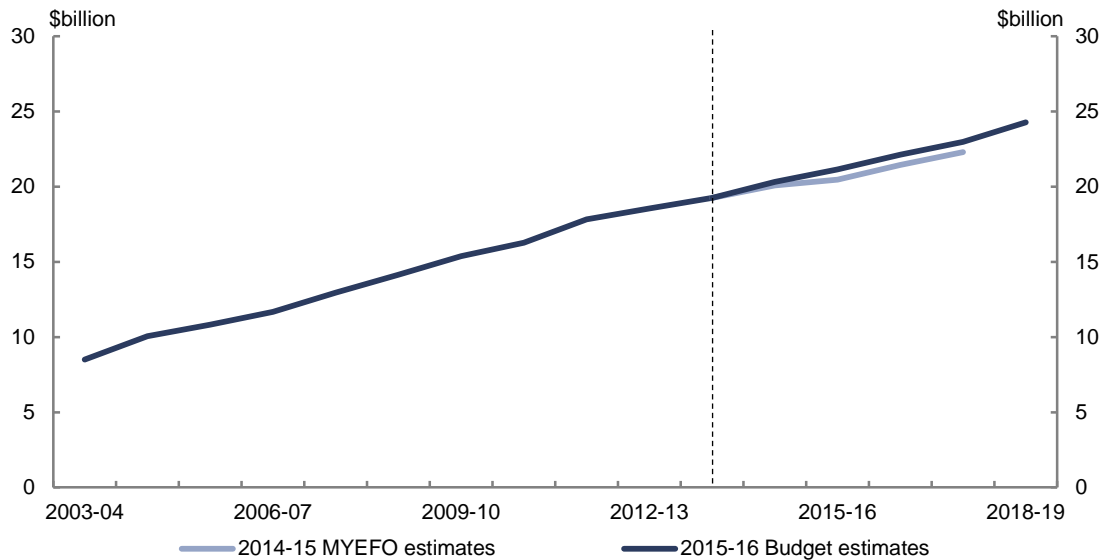
**Figure 32: Expenses – parents’ income support – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



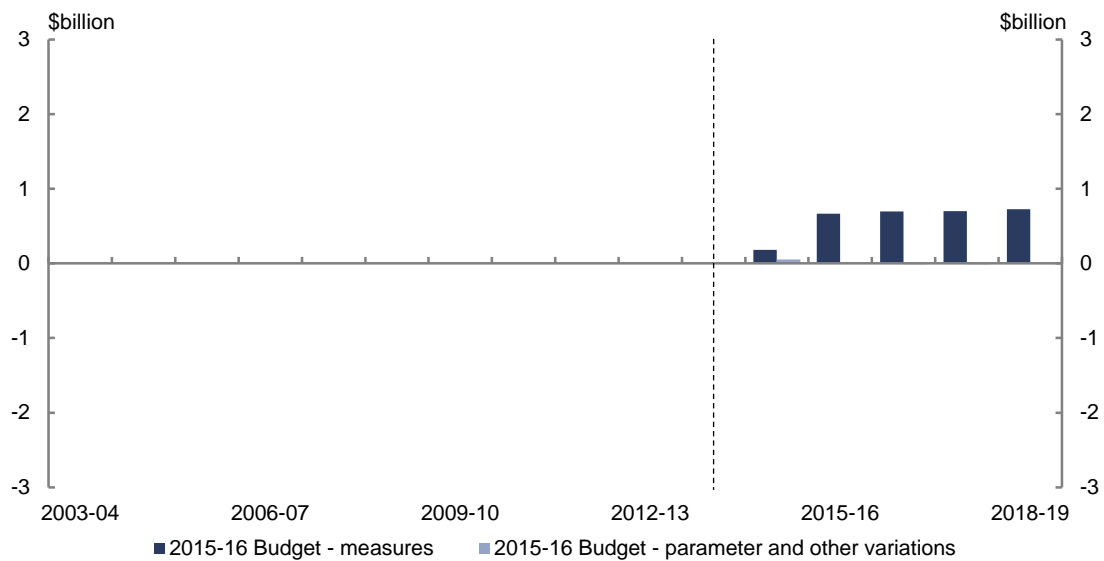
- Relative to the 2014–15 MYEFO, policy decisions are expected to reduce expenses on parents’ income support by \$0.2 billion over the four years to 2018–19, reflecting the decision to enhance fraud prevention and debt recovery associated with welfare payments.
- Parameter and other variations are expected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

# Expenses – Medicare Benefits Schedule

**Figure 33: Expenses – Medicare Benefit Schedule – change from 2014–15 MYEFO to 2015–16 Budget estimates**



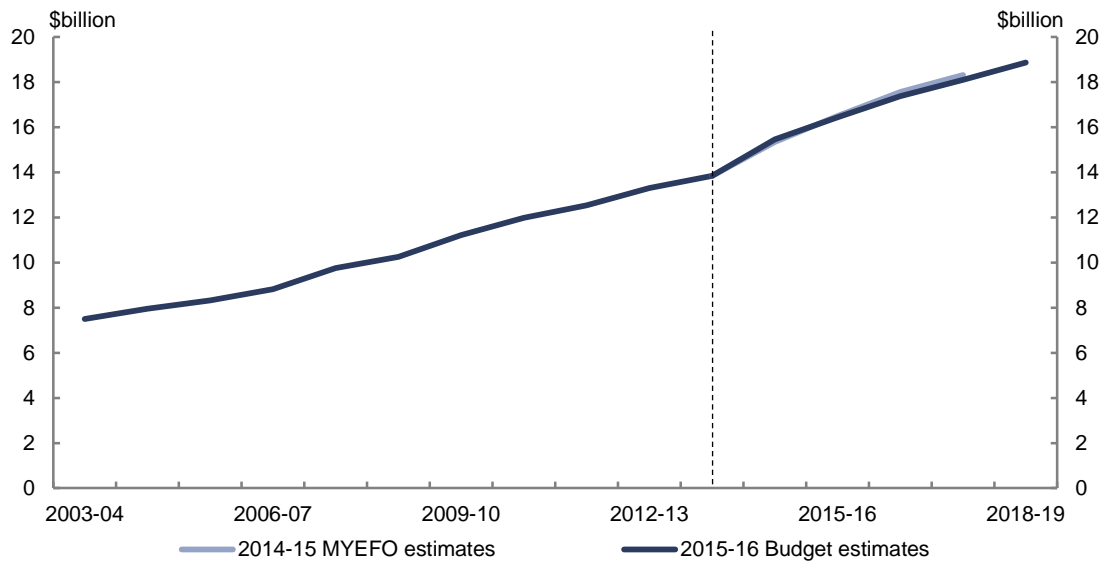
**Figure 34: Expenses – Medicare Benefit Schedule – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



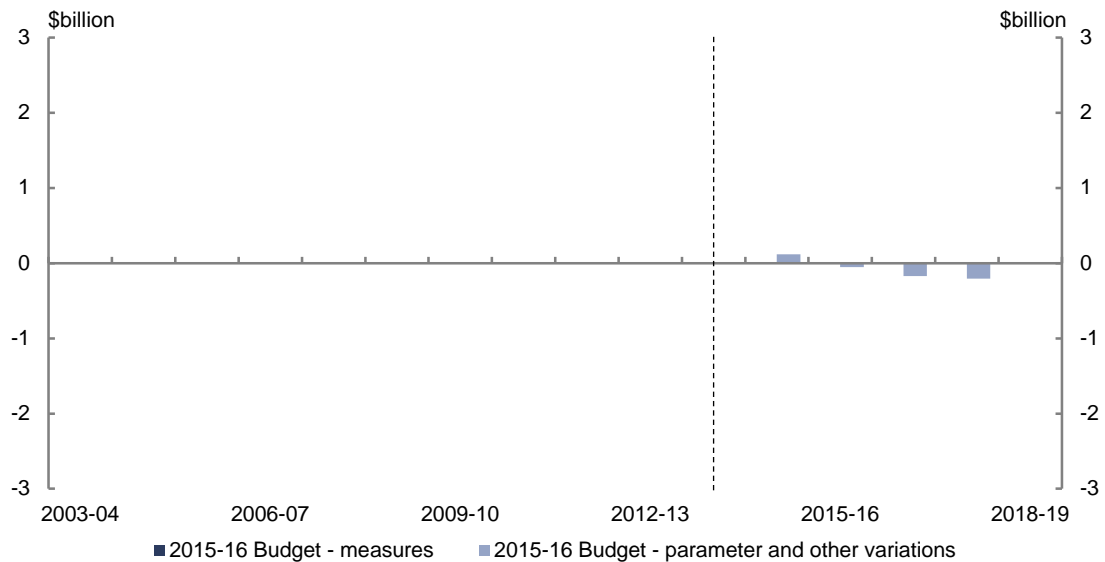
- Relative to the 2014–15 MYEFO, policy decisions are expected to increase expenses on Medicare spending by \$3.0 billion over the five years to 2018–19. This largely reflects the decision to not proceed with both the \$5 reduction in rebates for GP consultations and the redefinition of GP consultation 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 35: Expenses – assistance to the states and territories for public hospitals – change from 2014–15 MYEFO to 2015–16 Budget estimates**



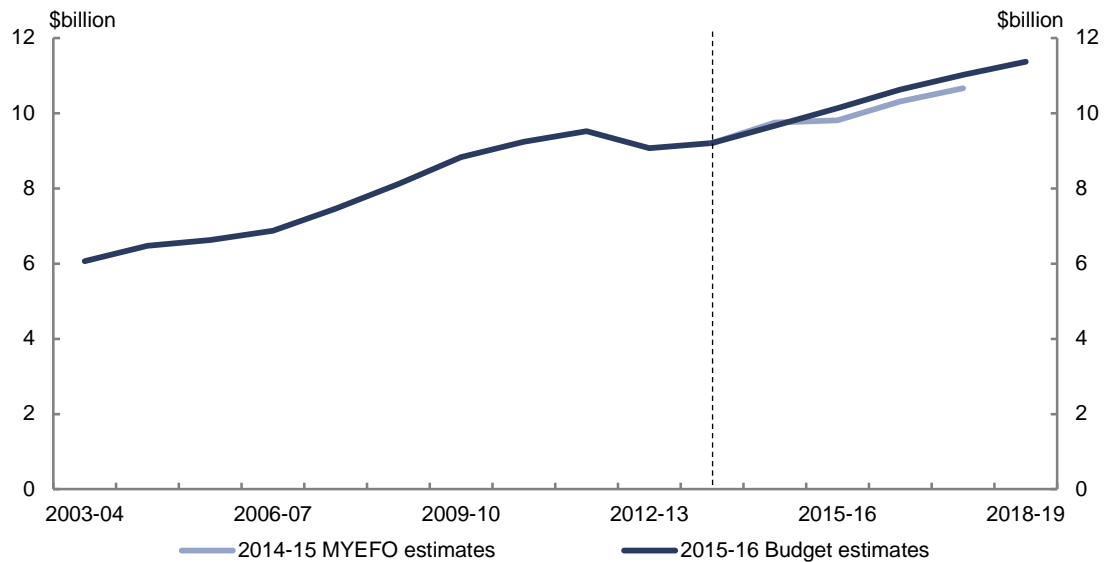
**Figure 36: Expenses – assistance to the states and territories for public hospitals – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



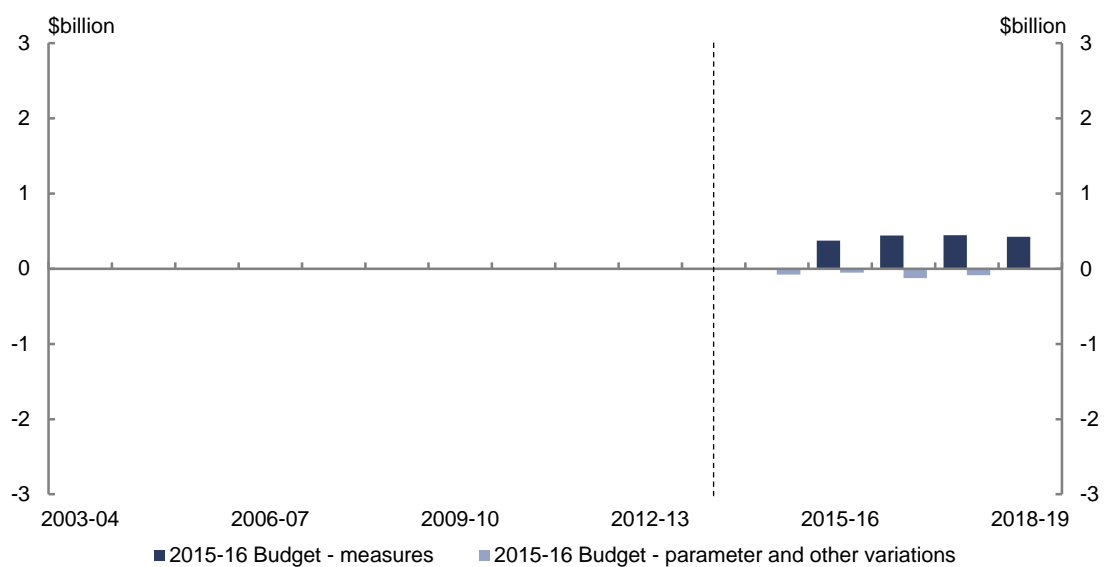
- Parameter and other variations are expected to decrease expenses on assistance to the states and territories for public hospitals by \$0.3 billion over the four years to 2017–18, relative to the 2014–15 MYEFO.

# Expenses – pharmaceutical benefits

**Figure 37: Expenses – pharmaceutical benefits – change from 2014–15 MYEFO to 2015–16 Budget estimates**  
Budget estimates



**Figure 38: Expenses – pharmaceutical benefits – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**

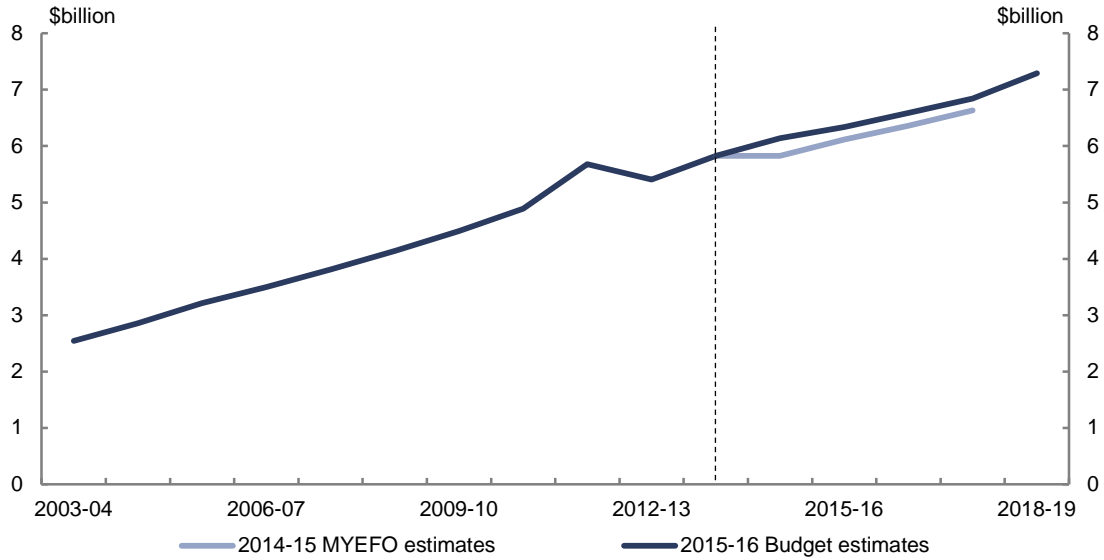


- Relative to the 2014–15 MYEFO, policy decisions are expected to increase spending on the pharmaceutical benefits scheme by \$1.7 billion over the four years to 2018–19, reflecting new and amended listings on the pharmaceutical benefits.
- Parameter and other variations are expected to reduce pharmaceutical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

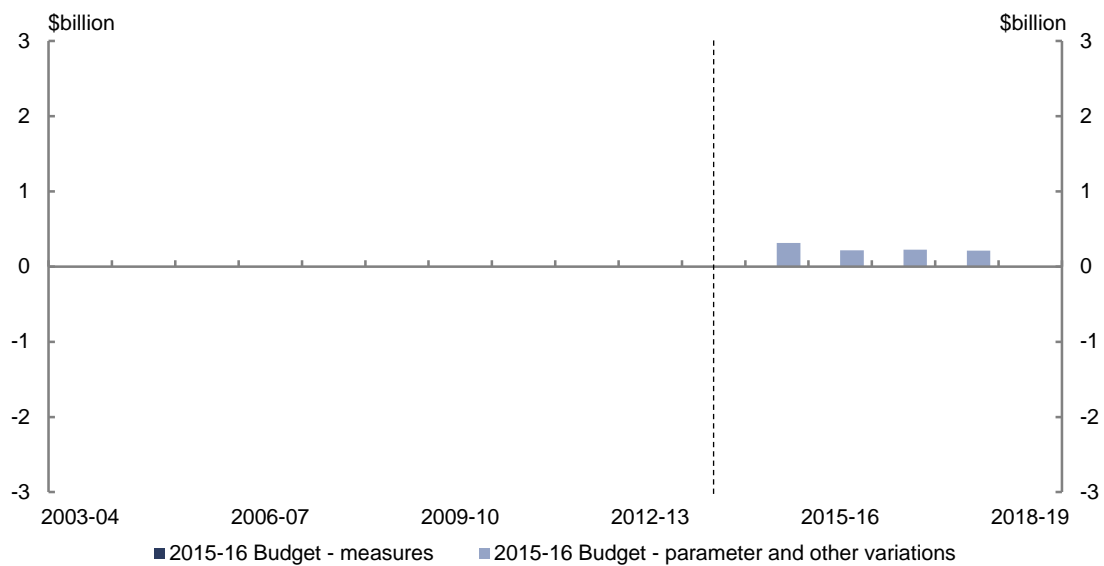


# Expenses – private health insurance rebate

**Figure 39: Expenses – private health insurance rebate – change from 2014–15 MYEFO to 2015–16 Budget estimates**



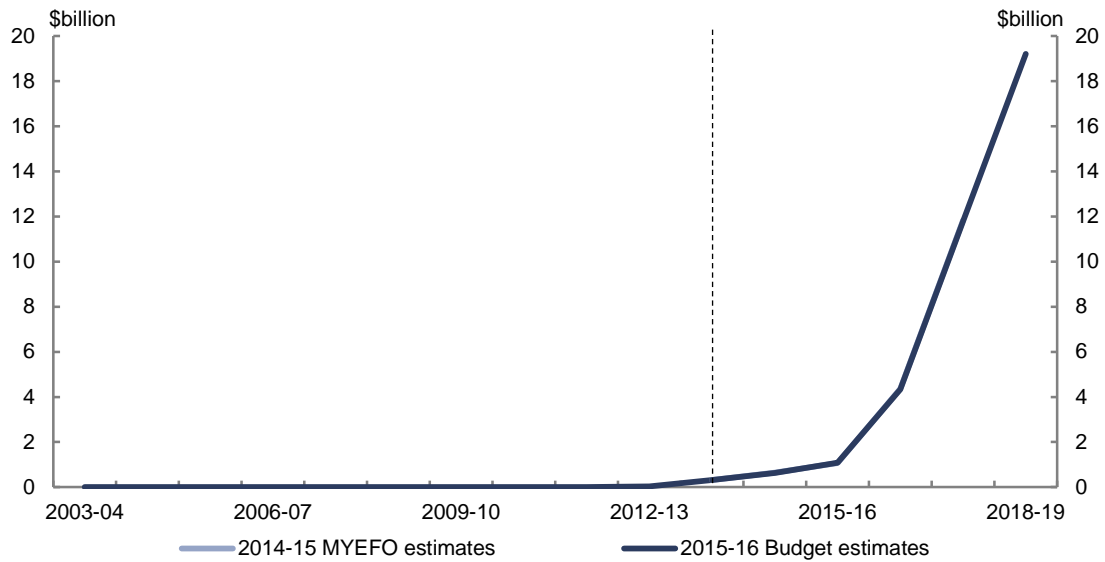
**Figure 40: Expenses – private health insurance rebate – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



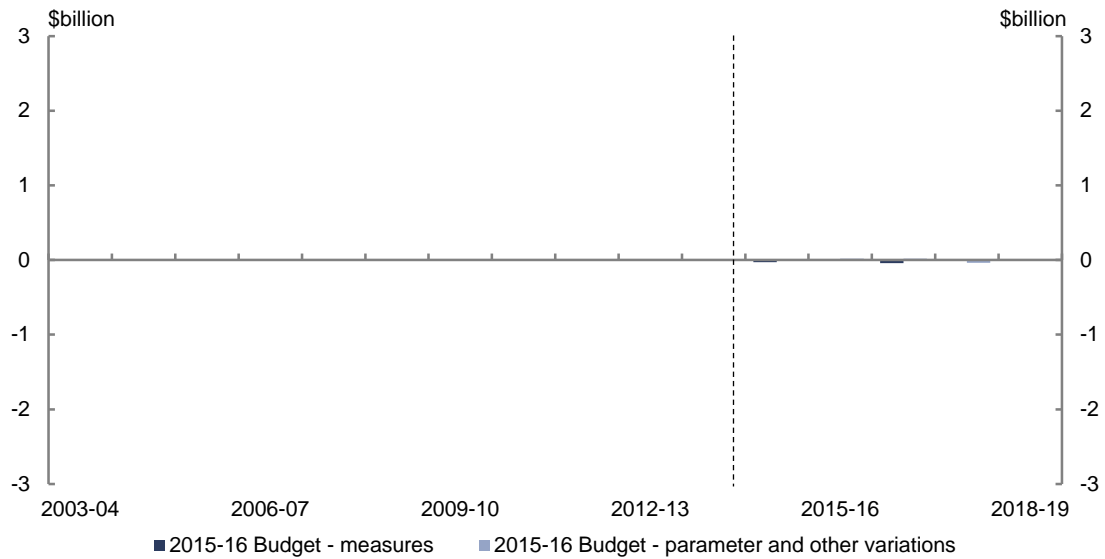
- Relative to the 2014–15 MYEFO, parameter and other variations are expected to increase spending on the private health insurance rebate by \$1.0 billion over the four years to 2017–18. This increase is largely the result of a higher expected number of people covered by private health insurance hospital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

# Expenses – National Disability Insurance Scheme

**Figure 41: Expenses – National Disability Insurance Scheme – change from 2014–15 MYEFO to 2015–16 Budget estimates**



**Figure 42: Expenses – National Disability Insurance Scheme – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



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

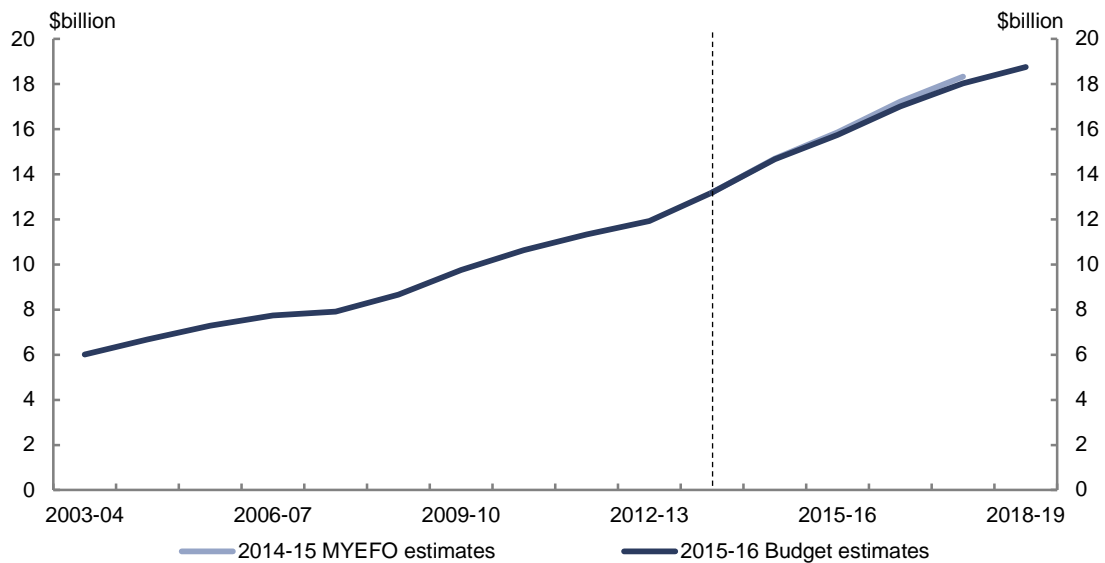
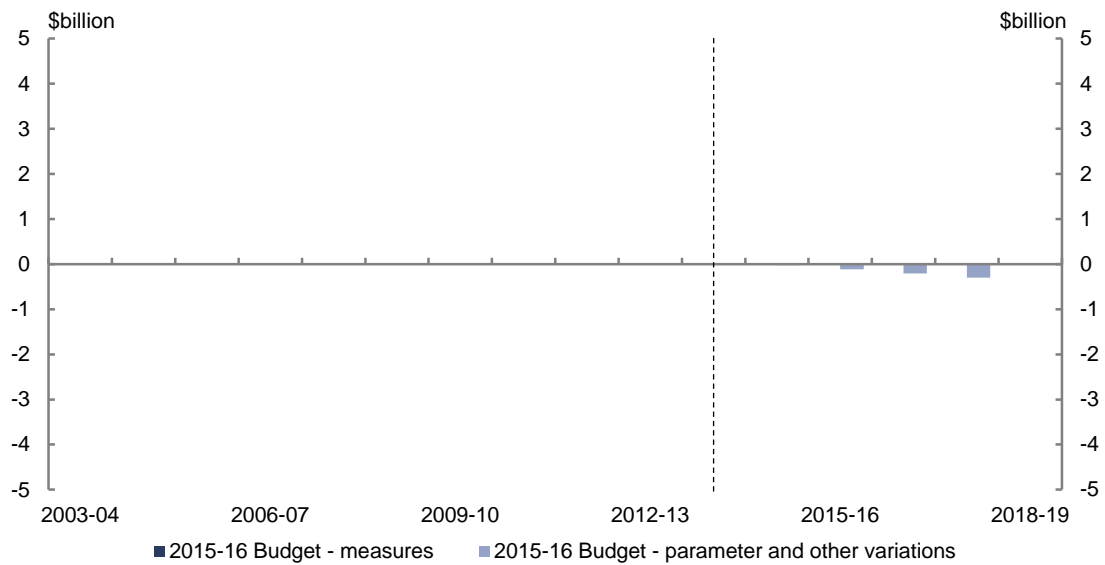


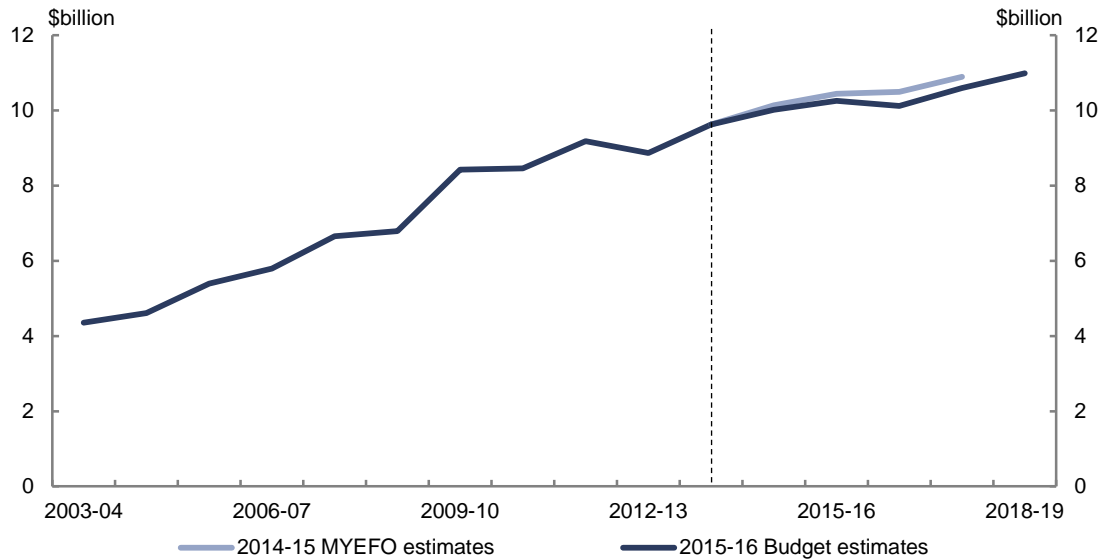
Figure 44: Expenses - schools – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations



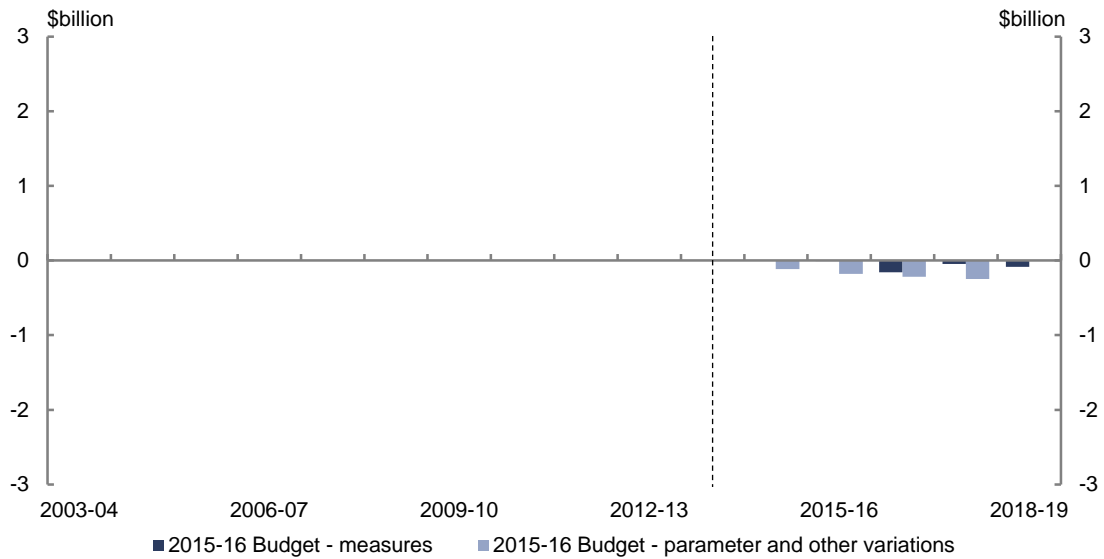
- Parameter and other variations are expected to decrease spending on schools by \$0.6 billion over the four years to 2017–18, relative to the 2014–15 MYEFO, largely reflecting lower projected enrollments for non-government schools.

# Expenses – higher education

**Figure 45: Expenses – higher education – change from 2014–15 MYEFO to 2015–16 Budget estimates**



**Figure 46: Expenses – higher education – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**

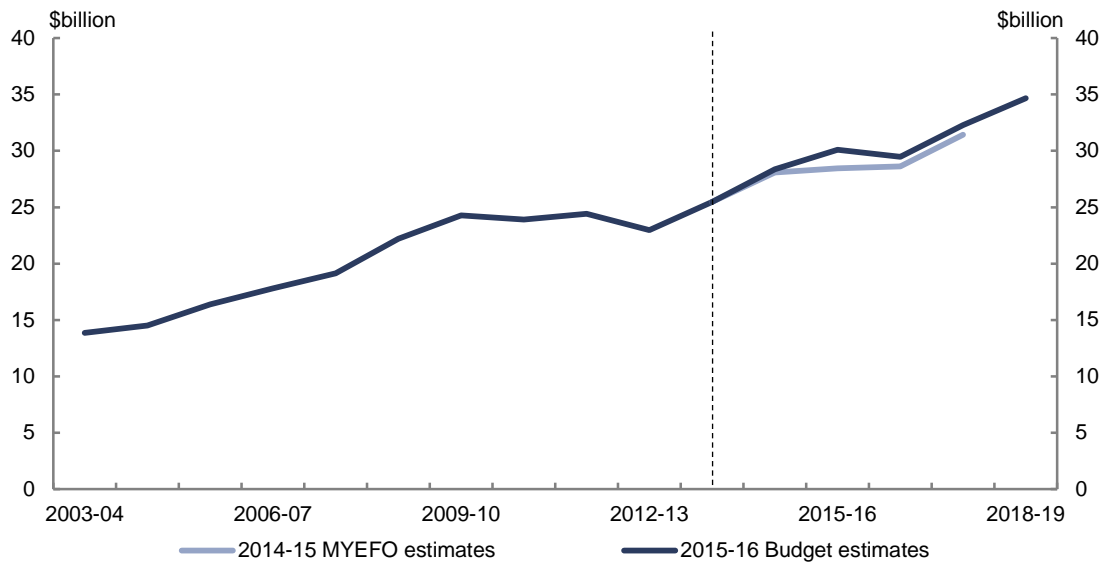


- Policy decisions are expected to decrease expenses on higher education<sup>1</sup> by \$0.3 billion over the four years to 2018–19, relative to the 2014–15 MYEFO, reflecting the redirection of some research spending to the National Collaborative Research Infrastructure Strategy.
- Parameter and other 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.

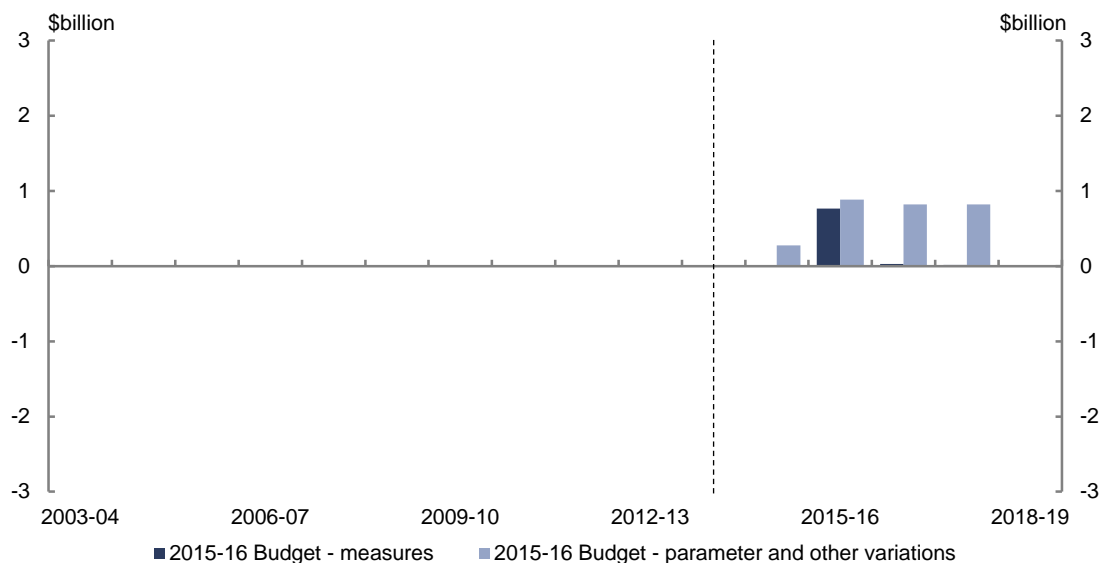
<sup>1</sup> Includes the Commonwealth Grants Scheme, Investment in Higher Education Research, Higher Education Support programs, and the Higher Education Loan Programme (HELP). Data on HELP is not available prior to 2005-06 when the current accounting standard was adopted.

# Defence (expenses and net capital investment)

**Figure 47: Defence (expenses and net capital investment) – change from 2014–15 MYEFO to 2015–16 Budget estimates**



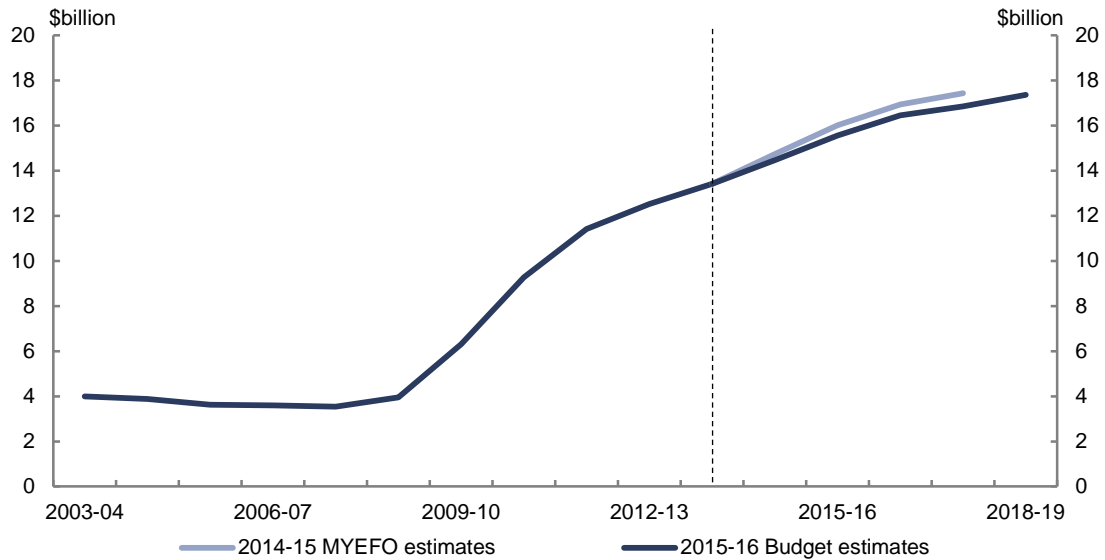
**Figure 48: Defence (expenses and net capital investment) – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



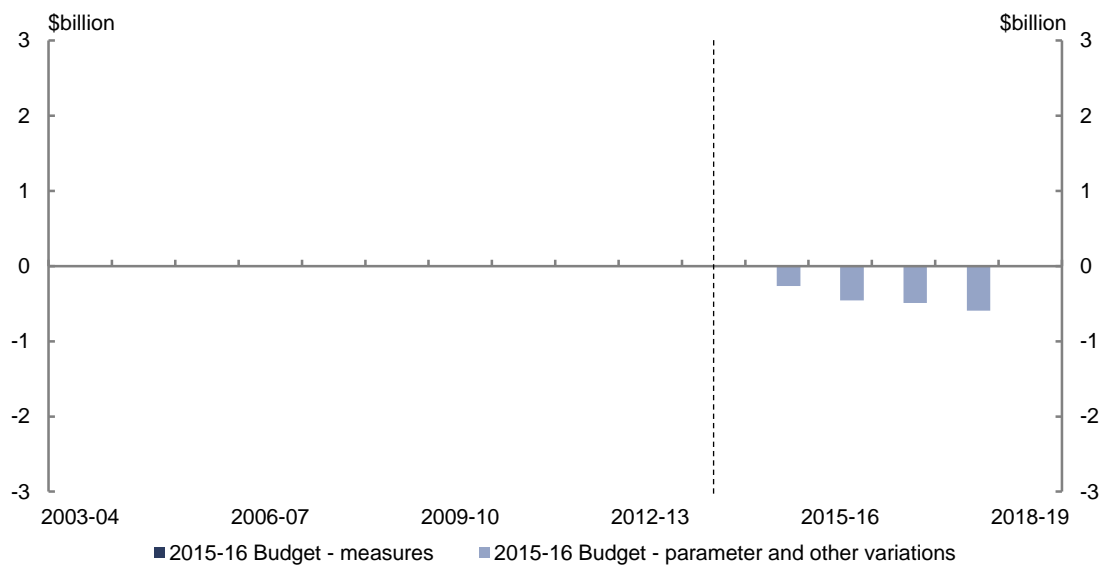
- Relative to the 2014–15 MYEFO, policy decisions are expected to increase spending on defence by \$0.8 billion over the five years to 2018–19, including the decision to commence Operations Highroad and Manitou, continued support for Operation Okra, and the extension of Operations Accordion and Resolute.
- 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 49: Expenses – public debt interest – change from 2014–15 MYEFO to 2015–16 Budget estimates**



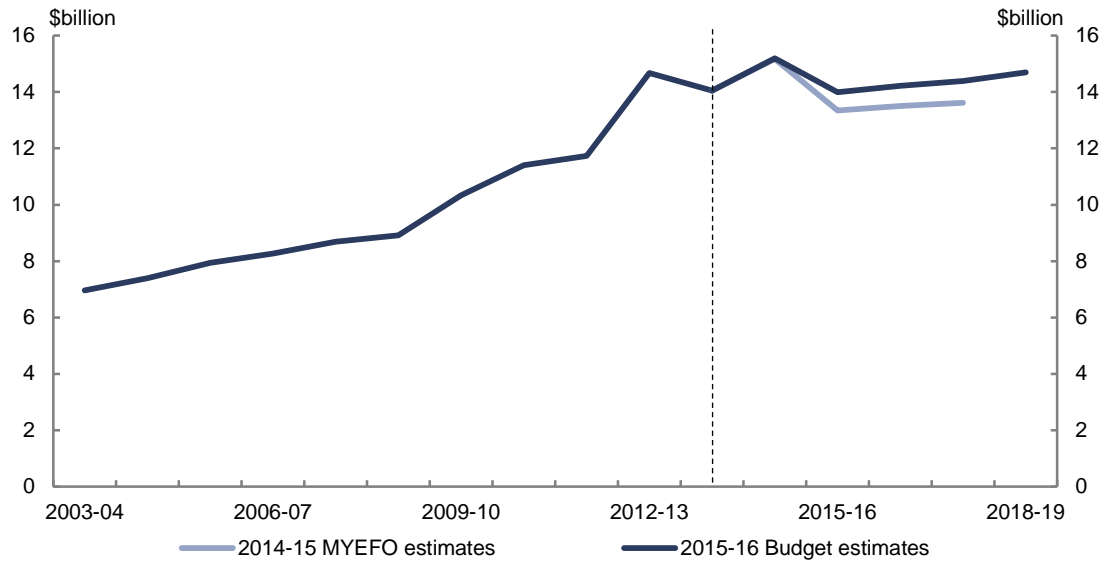
**Figure 50: Expenses – public debt interest – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



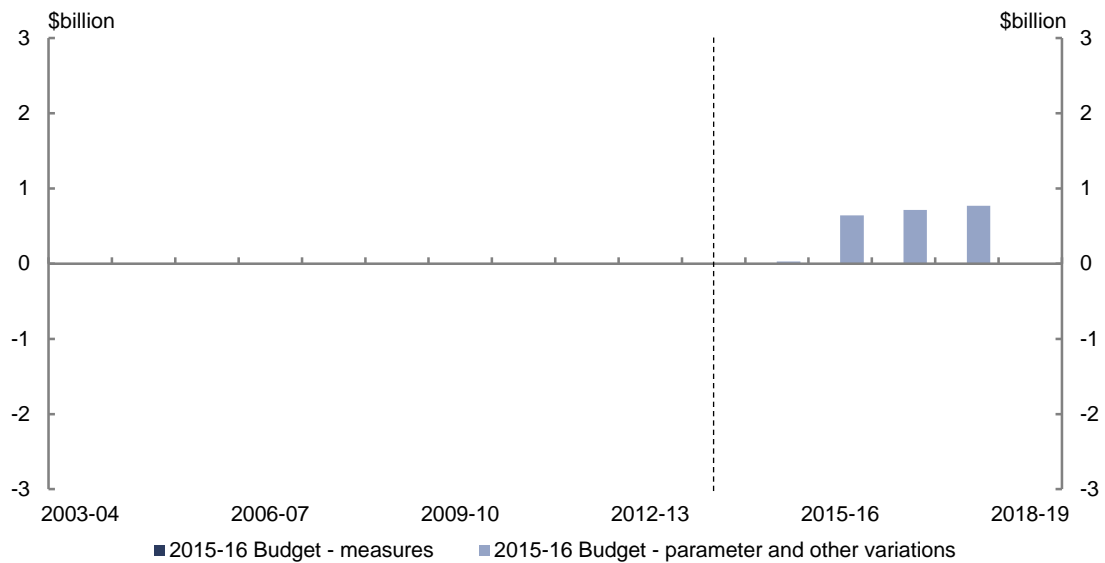
- Relative to the 2014–15 MYEFO, parameter and other variations are expected to decrease expenses on public debt interest by \$1.8 billion over the four years to 2017–18 as a result of a reduction in the weighted average cost of borrowing, partially offset by the deterioration in the headline cash balance.

# Expenses – public sector superannuation

**Figure 51: Expenses – public sector superannuation – change from 2014–15 MYEFO to 2015–16 Budget estimates**



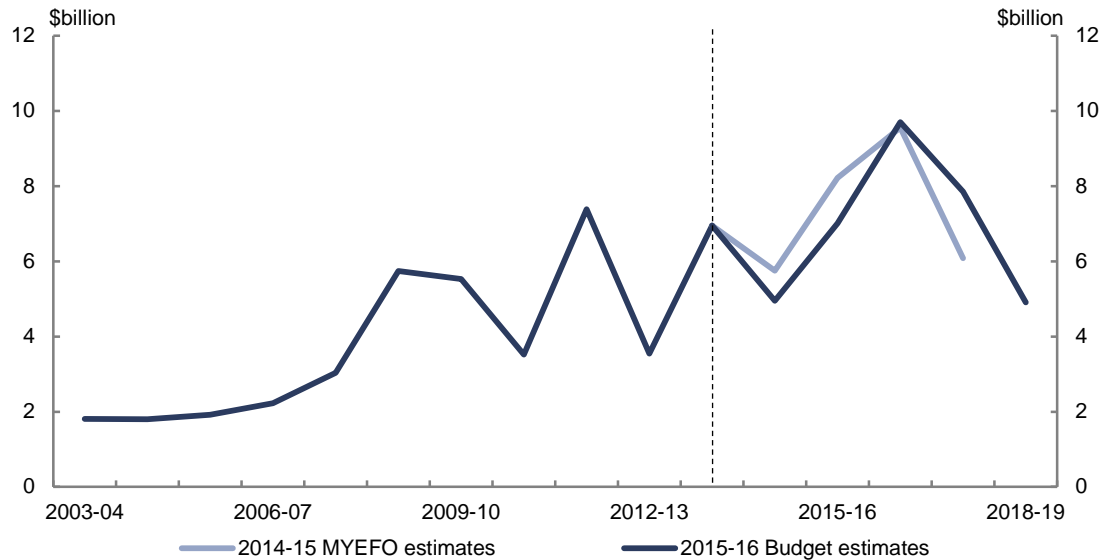
**Figure 52: Expenses – public sector superannuation – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



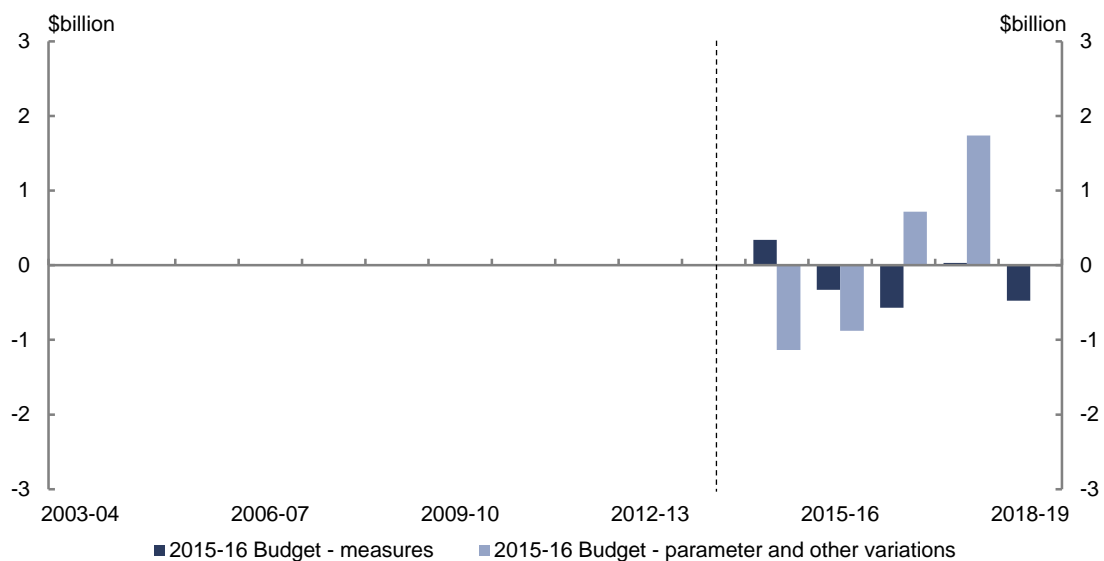
- Parameter and other variations are expected to increase public sector superannuation expenses by \$2.2 billion over the four years to 2017–18, reflecting an increase in estimated expenses relating to accrued benefits.

# Expenses – road and rail infrastructure

**Figure 53: Expenses – road and rail infrastructure – change from 2014–15 MYEFO to 2015–16 Budget estimates**



**Figure 54: Expenses – road and rail infrastructure – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**

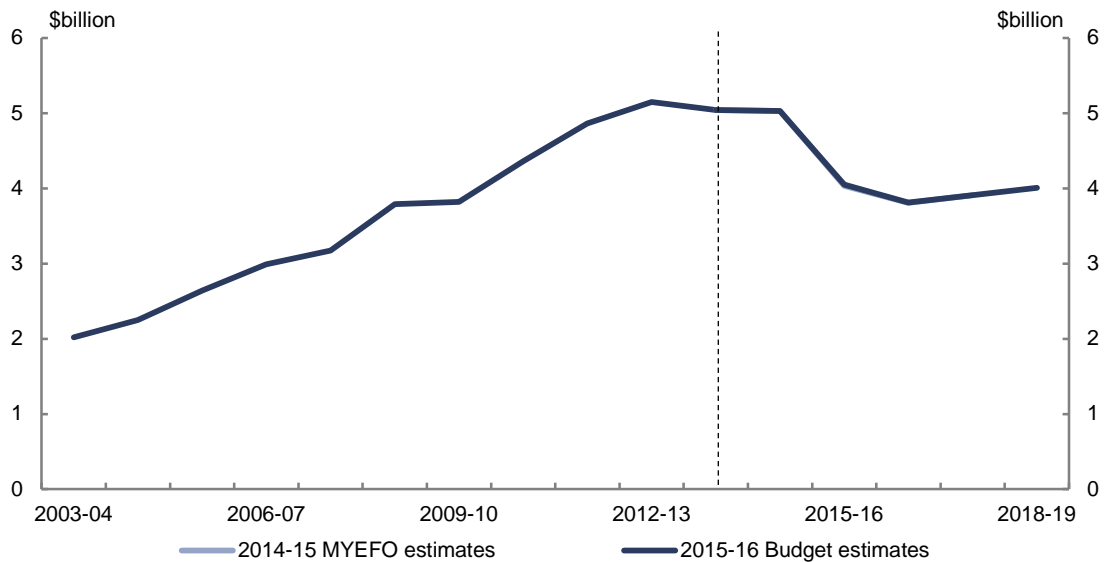


- Policy decisions are expected to reduce expenses on road and rail infrastructure by \$1.0 billion, relative to the 2014–15 MYEFO, largely reflecting the cancellation of the East West Link project in Victoria, and a \$0.5 billion payment to Western Australia in 2014–15.
- Parameter and other variations 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.

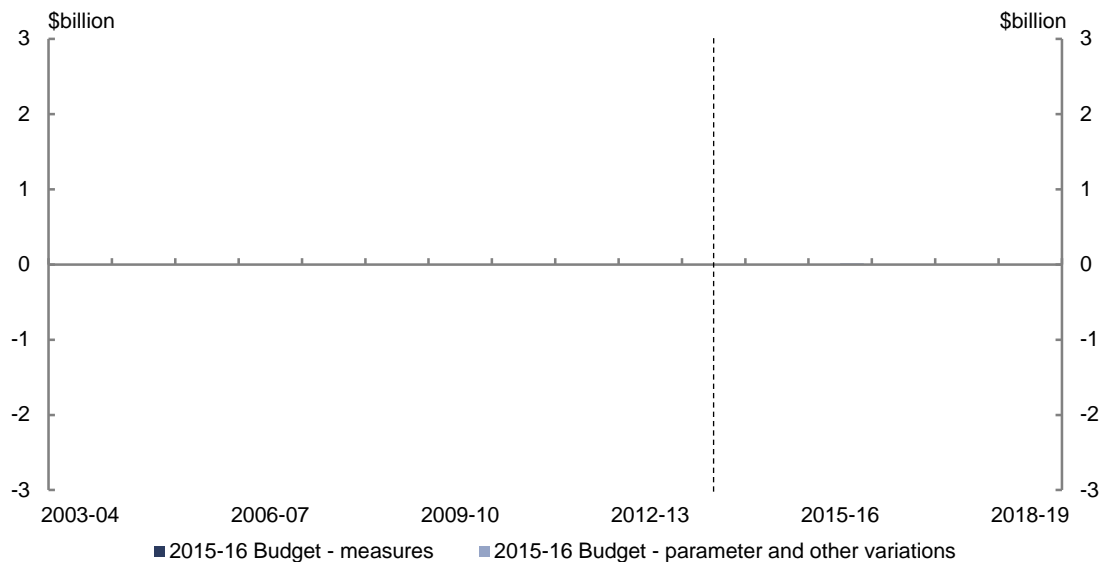


# Expenses – Official Development Assistance

**Figure 55: Expenses – Official Development Assistance – change from 2014–15 MYEFO to 2015–16 Budget estimates**



**Figure 56: Expenses – Official Development Assistance – change from 2014–15 MYEFO to 2015–16 Budget estimates by measures and other variations**



- 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.

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