



Lifting the income threshold for the Commonwealth Seniors Health Card

Party: Australian Labor Party

Summary of proposal:

The proposal would increase the income threshold for the Commonwealth Seniors Health Card (CSHC) from \$57,761 for singles, \$92,416 for couples, and \$115,522 for separated couples (separated by illness), to \$90,000 for singles, \$144,000 for couples, and \$180,000 for couples separated by illness.

This proposal would only consider the financial impact of changing the CSHC income test threshold, with all other policy settings remaining unchanged.

This proposal would be ongoing and have effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal balance by around \$70.9 million and the underlying cash balance by around \$70.3 million over the 2022-23 Budget forward estimates period. The impact reflects increases in administered expenses, partially offset by increased revenue.

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

The estimates in this costing only consider the financial impact of changing the CSHC income test threshold, with all policy settings remaining unchanged. All administered costs under this proposal reflect increased expenses for the Department of Health under the Medicare Benefits Schedule (MBS) and the Pharmaceutical Benefits Scheme (PBS) resulting from a larger cohort accessing these programs.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-16.8	-16.7	-18.1	-19.2	-70.9
Underlying cash balance	-16.4	-16.7	-18.1	-19.1	-70.3

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

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

Methodology

The financial implication of this proposal was based on costing models provided by the Department of Finance and Treasury for Coalition's commitment – *Lifting the income threshold for the Commonwealth Seniors Health Card* (ECR008).

Financial implications were rounded consistent with the Parliamentary Budget Office (PBO) rounding rules as outlined on the PBO Costings and budget information webpage.¹

Data sources

Department of Finance provided costing models for the Coalition's commitment – *Lifting the income threshold for the Commonwealth Seniors Health Card*.

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

Attachment A – Lifting the income threshold for the Commonwealth Seniors Health Card – financial implications

Table A1: Lifting the income threshold for the Commonwealth Seniors Health Card – Fiscal balance (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Administered													
<i>Department of Health</i>	-14.0	-15.0	-16.3	-17.3	-18.4	-19.4	-20.1	-20.8	-21.4	-22.1	-22.7	-62.7	-207.5
Total – administered	-14.0	-15.0	-16.3	-17.3	-18.4	-19.4	-20.1	-20.8	-21.4	-22.1	-22.7	-62.7	-207.5
Departmental													
<i>Department of Social Services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Service Australia</i>	-2.8	-1.7	-1.8	-1.9	-1.9	-2.0	-2.0	-2.1	-2.1	-2.1	-2.1	-8.2	-22.4
Total – expenses	-16.8	-16.7	-18.1	-19.2	-20.3	-21.3	-22.2	-22.8	-23.5	-24.2	-24.8	-70.9	-229.9
Total (excluding PDI)	-16.8	-16.7	-18.1	-19.2	-20.3	-21.3	-22.2	-22.8	-23.5	-24.2	-24.8	-70.9	-229.9

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

- Indicates nil.

Table A2: Lifting the income threshold for the Commonwealth Seniors Health Card – Underlying cash balance (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Payments													
Administered													
<i>Department of Health</i>	-13.5	-15.0	-16.3	-17.3	-18.3	-19.3	-20.1	-20.7	-21.4	-22.0	-22.7	-62.1	-206.7
Total – administered	-13.5	-15.0	-16.3	-17.3	-18.3	-19.3	-20.1	-20.7	-21.4	-22.0	-22.7	-62.1	-206.7
Departmental													
<i>Department of Social Services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Service Australia</i>	-2.8	-1.7	-1.8	-1.9	-1.9	-2.0	-2.0	-2.1	-2.1	-2.1	-2.1	-8.2	-22.4
Total – payments	-16.4	-16.7	-18.1	-19.1	-20.3	-21.3	-22.1	-22.8	-23.5	-24.1	-24.8	-70.3	-229.2
Total (excluding PDI)	-16.4	-16.7	-18.1	-19.1	-20.3	-21.3	-22.1	-22.8	-23.5	-24.1	-24.8	-70.3	-229.2

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

- Indicates nil.

Table A3: Lifting the income threshold for the Commonwealth Seniors Health Card – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	-0.2	-0.6	-1.0	-1.4	-1.9	-2.5	-3.2	-3.9	-4.8	-5.7	-6.9	-3.2	-32.1
<i>Underlying cash balance</i>	-0.2	-0.5	-0.9	-1.4	-1.9	-2.4	-3.1	-3.8	-4.7	-5.6	-6.8	-3.0	-31.3

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (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 \(aph.gov.au\)](https://aph.gov.au)