



Reinvestment in the Australian Public Service

Party: Australian Labor Party

Summary of proposal:

The proposal would hire additional full-time ongoing Australian Public Services (APS) staff. It includes the following components:

- **Component 1:** Add 100 new staff for Services Australia (50 APS 3 and 50 APS 4). This addition would be phased in over 2 years, with 50 new staff in 2022-23 and 50 new staff in 2023-24.
- **Component 2:** Add 100 new social workers for Services Australia. This addition would be phased in over 2 years, 50 social workers in 2022-23 and 50 social workers in 2023-24. Each yearly addition will consist of 6 APS 5 and 44 APS 6 social workers (totalling 12 APS 5 and 88 APS 6 over 2 years).
- **Component 3:** Add 500 new staff for the Department of Veterans' Affairs (50 APS 4, 400 APS 5 and 50 APS 6). This would be phased in with equal numbers over 2 years, across 2022-23 and 2023-24.
- **Component 4:** Add 380 new staff for the National Disability Insurance Agency (100 APS 3, 180 APS 4 and 100 APS 5). This would be phased in with equal numbers over 2 years, across 2022-23 and 2023-24.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$475 million over the 2022-23 Budget forward estimates period. This is driven by an increase in departmental expenses.

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

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

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-67.2	-135.1	-135.9	-136.6	-474.8
Underlying cash balance	-67.2	-135.1	-135.9	-136.6	-474.8

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

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

Key assumptions

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

- All additional APS staff positions are costed at their specified level over the medium term. Allowances are not made to reflect promotion of staff into positions not specified in the request.
- Salaries are assumed to grow over the medium term in line with Wage Cost Index 3 indexation and the efficiency dividend as provided by the Department of Finance.

Methodology

The financial implications for these components were estimated using a departmental cost calculator provided by the Department of Finance.

This calculator includes the direct costs (such as salaries and superannuation), as well as indirect costs incurred by the department to accommodate additional staff (such as ICT and HR services). It does not include other variable costs such as travel allowances or rural loadings.

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

Data sources

The Department of Finance provided economic parameters as at the *2022-23 Budget*.

Department of Finance departmental cost calculator.

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

Attachment A – Reinvestment in the Australian Public Service – financial implications

Table A1: Reinvestment in the Australian Public Service – Fiscal and underlying cash balances (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
<i>Component 1 - new staff (Services Australia)</i>	-5.7	-11.4	-11.4	-11.5	-11.6	-11.6	-11.7	-11.7	-11.8	-11.9	-11.9	-40.0	-122.2
<i>Component 2 - social workers (Services Australia)</i>	-7.1	-14.3	-14.4	-14.5	-14.5	-14.6	-14.7	-14.8	-14.9	-15.0	-15.0	-50.3	-153.8
<i>Component 3 - new staff (Department of Veterans' Affairs)</i>	-32.0	-64.4	-64.8	-65.1	-65.5	-65.9	-66.2	-66.6	-66.9	-67.3	-67.7	-226.3	-692.4
<i>Component 4 - new staff (National Disability Insurance Agency)</i>	-22.4	-45.0	-45.3	-45.5	-45.8	-46.0	-46.3	-46.5	-46.8	-47.0	-47.3	-158.2	-483.9
Total – expenses	-67.2	-135.1	-135.9	-136.6	-137.4	-138.1	-138.9	-139.6	-140.4	-141.2	-141.9	-474.8	-1,452.3
Total (excluding PDI)	-67.2	-135.1	-135.9	-136.6	-137.4	-138.1	-138.9	-139.6	-140.4	-141.2	-141.9	-474.8	-1,452.3

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

Table A2: Reinvestment in the Australian Public Service – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-0.8	-3.1	-6.2	-9.4	-12.9	-16.8	-21.1	-25.8	-31.1	-36.9	-43.7	-19.5	-207.8
Underlying cash balance	-0.7	-2.8	-5.8	-9.1	-12.5	-16.3	-20.6	-25.3	-30.5	-36.2	-42.9	-18.4	-202.7

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