



Safer Drug Use

Party:

Australian Greens

Summary of proposal:

The proposal consists of 7 components and would commence from 1 July 2022.

Component 1 would fund a scoping study to determine the areas of greatest need and types of services, and suitable locations for new medically supervised injecting centres (the centres) in Australian capital cities.

Component 2 would establish one new centre in each capital city. Funding would be ongoing.

- The centres would be closely based on the existing Sydney Medically Supervised Injecting Centre (the existing Sydney centre); including the hours of operation, size, staffing and services offered.
- They would be established in the following financial years:
 - 2022-23: Sydney, Melbourne, Brisbane, Darwin
 - 2023-24: Adelaide, Perth, Canberra, Hobart.

Component 3 would establish a drug testing agency with a number of drug testing sites in capital cities and regional hubs.

- The number of drug testing sites would be as follows:
 - 2022-23: 6 drug testing sites in capital cities
 - 2023-24: 10 drug testing sites in capital cities
 - 2024-25: 12 drug testing sites in capital cities and 2 in regional hubs
 - 2025-26 onwards: 14 drug testing sites in capital cities and 4 in regional hubs.
- Each site would occupy 50m² of commercial space outside of public thoroughfares and would operate 3 nights per week from 4:00pm to 2:00am, with an additional hour per night for opening and closing operations (a total of 11 hours per day).
- Each site would employ 2 alcohol and drug workers (Certificate IV qualified), one administrative officer and one security guard. Office costs would include heating, cooling, lighting, rent, telecommunications, insurance and fit out.
- Each site would have an infrared spectroscope, valued at around \$35,000 USD with a per use cost of approximately \$2.50 AUD in 2020.
- Each pill test consultation would take around 1 hour to complete.

Component 4 would provide free pill testing services at Australian music festivals.

Component 5 would provide an additional \$140,000 per year to the Department of Health to coordinate data collection, analysis and communication of results of the drug tests.

Component 6 would fully fund pharmacotherapy services to assist with opioid addiction treatment.

- The Australian Government would provide dedicated funding to state and territory governments a standardised amount to remunerate dispensing, administration and supervised dosing at approved clinics and pharmacies.

- Currently, the Australian Government funds the pharmaceuticals used for the treatment of opioid dependence – buprenorphine, buprenorphine with naloxone and methadone – through the Pharmaceutical Benefits Scheme (PBS) under alternative arrangements provided under section 100 of the National Health Act 1953. Remuneration for dispensing is not provided under section 100.

Component 7 would legalise the production and sale of recreational cannabis in Australia through a tightly regulated model and by establishing the Australian Cannabis Agency (the agency).

- The agency would:
 - be established to oversee the legalisation and regulation of recreational cannabis
 - act as the sole wholesaler between producers and retail outlets
 - set the wholesale price of cannabis, based initially on the Australian street price of cannabis and which would then fluctuate according to market forces
 - be responsible for issuing production licences to cultivators and sale licences to private retail outlets.
- Application fees for production licences would be set at \$3,500 per application. Annual fees for producers would vary, based on the size of their plant canopies.
 - Tier 1 producers with plant canopies less than 186m² (2,000 square feet) would be charged \$1,750 per year.
 - Tier 2 producers with plant canopies between 186 m² and 929 m² (10,000 square feet) would be charged \$2,000 per year.
 - Tier 3 producers with plant canopies over 929 m² would be charged \$2,300 per year.
- Application fees for retail licences would be set at \$1,500 per application and annual fees for retail outlets would be set at \$1,000 per year.
- Sales of recreational cannabis would:
 - be restricted to individuals (including overseas visitors) over 18 years of age with no restrictions on the amount individuals could purchase
 - attract the Goods and Services Tax (GST) as well as an excise of 25% on GST-inclusive sales.
- Individuals would be permitted to grow up to six plants for personal use. Imports of cannabis into Australia would remain illegal.
- Penalties would apply for the sale of cannabis by retail outlets to individual under 18 years of age at similar rates to the penalties for the sale of alcohol to individuals under 18 years of age.

Costing overview

This proposal would be expected to increase the fiscal balance by about \$6,815 million and the underlying cash balance by about \$6,544 million over the 2022-23 Budget forward estimates period. On a fiscal balance basis, this impact reflects an increase in revenue of around \$10,308 million, which is partially offset by an increase in administered expenses of around \$3,292 million and departmental expenses of around \$201 million. The fiscal and underlying cash balances differ because of the difference in timing between when tax revenue is recognised and when tax receipts are collected.

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

The financial implications are subject to a large number of uncertainties, which are outlined in *Uncertainties*.

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

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-259.6	1,610.5	2,590.7	2,873.5	6,815.1
Underlying cash balance	-259.6	1,395.5	2,561.7	2,846.5	6,544.1

(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.

Uncertainties

Component 1

The financial implications of Component 1 are sensitive to the duration, scope and staffing structure of the scoping study, including the assumption that the scoping study for each state and territory could be run through existing state and territory offices of the Department of Health.

Component 2

The financial implications of Component 2 are sensitive to the establishment and ongoing costs of operating the centres in each capital city. There is particular uncertainty around the demand for the services provided by the centres in each city, as well as the impacts of COVID-19 on rental prices and wages. The costing is also sensitive to the assumption that community consultation in each location is concluded such that each centre can be established as per the timeline specified in this proposal.

Component 3

The financial implications of Component 3 are sensitive to the establishment and ongoing costs of operating the drug testing sites.

Component 4

The financial implications of Component 4 are sensitive to the assumption that the drug testing equipment would be purchased upfront by the Australian Government for use at each music festival. There is further uncertainty about the demand for services provided by the drug testing facilities at each festival, as well as the impacts of COVID-19 on the number of festival attendees.

Component 6

The financial implications of Component 6 are sensitive to the assumed service, dispensing fee and number of patients receiving opioid dependence treatment, including the number of additional patients as a result of the proposal.

Component 7

The financial implications of Component 7 are highly uncertain due to limited information in Australia to estimate cannabis cultivation, recreational cannabis consumption and the market price of cannabis. There is also uncertainty around the behavioural responses to the proposal, such as new user uptake as well as the proportion of existing consumers who would switch to a legal source.

Assumptions are based on recent research in Australia and analysis of countries where legalisation of recreational cannabis has recently occurred. The actual outcomes may differ significantly due to

differences in policy specifications and market characteristics between Australia and overseas. The costing estimates could vary significantly with changes in the assumptions.

Key assumptions

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

Component 1

- The scoping studies would be conducted in 2022-23.
- The scoping work for each capital city would be undertaken by existing staff of Departments of Health in the relevant states and territories. This work would be coordinated by a small team made up of an additional 4.5 full-time-equivalent (FTE) staff based in the Department of Health headquarters in Canberra.

Component 2

- The scoping studies for each centre and all planning and consultation requirements would be completed in time for each centre to start in the year specified.
- The set-up and ongoing costs would be equal to representative commercial property costs for each capital city and would grow in line with the consumer price index.
 - Assumed commercial property costs are based on the *Colliers International's March 2021 Research and Forecast Report* (the Colliers report) which publishes the net rents for central business district offices in capital cities. As there was no data available for Darwin or Hobart, their net rents for central business district offices would be the same as Canberra, the smallest capital city by population for which data was available.
 - Fit out costs would be a one-off expense when establishing the site, while maintenance costs would be ongoing.
- Demand for services in each city, and therefore labour costs for each centre, would be proportional to those in the existing Sydney centre. The proportions would be based on the population size of each city relative to Sydney and the labour costs would be grown in line with the wage price index.
 - There would be enough excess demand for services in the existing Sydney centre for the second centre in Sydney to have the same level of demand and therefore the same staffing structure.
- Ongoing departmental resources would be required to monitor and review the funding provided to the centres.

Component 3

- Labour costs for alcohol and drug workers, administrative officers and security officers at drug testing sites would be based on the prevailing market rates at the time of this costing, be constant across sites and would grow in line with the relevant wage cost index.
- The cost of renting, fitting out and maintaining the sites would be equal to the representative commercial property costs for Australian capital and regional cities.
 - Commercial property rental costs for the capital cities have been based on the Colliers report, which publishes the net rents for central business district offices in each Australian capital city.
 - Commercial property rent costs in regional cities are assumed to be half of capital cities.
- An infrared spectrometer would be purchased when an additional drug testing site is set up. This means that the cost of purchasing infrared spectrometers would be spread across the period from 2022-23 to 2025-26.
 - From 2026-27, only per-use costs would be incurred which would grow in line with the consumer price index.
- All workers would be entitled to an unpaid hour-long break per day.

- Each site would complete 18 consultations per day.
- The drug testing agency would be a new government portfolio agency headquartered in the same office as the Department of Health in Canberra. Ongoing departmental resources would be required to operate the drug testing agency.
 - Departmental expenses would be based on an estimated staffing structure of 10 full-time equivalent staff, similar to the resources required to run a micro-agency. Labour expenses would be indexed by the relevant wage cost index net of the efficiency dividend, consistent with the Department of Finance’s costing practices.
 - The 10 staff would comprise of one Senior Executive Service (SES Band 1) employee, 2 Executive Level 2 employees, 3 Executive Level 1 employees, and 4 APS 5 level staff.

Component 4

- Music festival attendances would recover from COVID-19 impacts by 2022-23 returning to the level observed in 2018-19 and grow at a constant rate of 1.1% beyond that.
- The Australian Government would purchase 10 infrared spectrometers for testing pills at festivals in 2022-23, the first year of the proposal.
- The costs of setting up drug testing sites at festivals would include furniture, staff travel, staff accommodation and drug disposal fees and would grow in line with the consumer price index.
 - These costs would be drawn from the Australian Capital Territory’s pill testing pilot carried out at the 2017 “Groovin’ the Moo” music festival with Harm Reduction Australia¹.
- The rate of drug testing at music festivals is assumed to be consistent with the pill testing pilot.

Component 5

- The \$140,000 per year would be indexed to the relevant wage cost index.
 - No additional departmental resources would be required for the Department of Health to carry out data collection, analysis and communication of results of the drug tests.

Component 6

- In the absence of policy change, the number of patients receiving opioid dependence treatment would increase consistent with the trend observed over the period 2010 to 2020. This represents an annual increase of approximately 1.2%.
- There would be an increase in patients of approximately 26% relative to the baseline over the forward estimates.
 - This behavioural response reflects an increase in the average length of stay in treatment and a decrease in the time for an opioid-dependant person to enter treatment.
- The weekly remuneration per patient in the first year of the proposal would be approximately \$60.
- This is consistent with fully funding the cost of dispensing, supervised dosing and administrative expenses, so that there is no patient contribution required. This amount is based on the remuneration available to pharmacies in the Australian Capital Territory, where fees are partially subsidised by the Australian Capital Territory government.
- The cost per patient of supplying pharmacotherapy medication would not be impacted by this proposal and the average dose of pharmacotherapy medication would remain unchanged.
- Pharmacotherapy patients would, on average, attend 19.7 consultations with their prescriber, consistent with peer-reviewed Australian research.

¹ Harm Reduction Australia, 2018. *Report on the ACT GTM Pill Testing Pilot: a Harm Reduction Service.*

- All pharmacotherapy patients would be bulk-billed by their prescriber. The average number prescriber consultations per patient would not be impacted by this proposal. The rural bulk-billing incentive would apply to approximately 30% of patient consultations.

Component 7

Demand

- Legalising cannabis would result in a 15% increase in demand for cannabis products in the first year of the policy and would then grow in line with adult population growth.
 - Around 12% of the Australian adult population currently consumes recreational cannabis on a regular basis.
- Individual recreational cannabis consumers would purchase approximately 6 grams per week.

Production

- The application for production and retail licences would commence in 2022-23. Retail sales licences would grow over time with increased demand for recreational cannabis. Production licences issued would grow over time as more suppliers enter the market.
 - The weighted average cost of producing cannabis in Australia would be \$0.92 per gram in 2022-23, based on data from Canada and the United States and would grow in line with the consumer price index.
 - The proposal would not be legislated and receive royal assent with sufficient time ahead of the proposed start date to give producers sufficient time to cultivate cannabis plants ahead of the proposed start date.
- Tier 1 producers would adopt indoor production methods, while Tiers 2 and 3 producers would use outdoor production methods.
 - The average harvest per square metre of cannabis plant canopy would be around 1,709 grams for indoor production and 180 grams for outdoor production.
 - The market share of producers would be 12.5% for Tier 1 producers, 37.5% for Tier 2 producers and 50% for Tier 3 producers.
- Australian-grown cannabis sales would commence in 2023-24. The profit margins of retailers of recreational cannabis would be similar to those of retailers in the tobacco industry.

Sales

- Sales of recreational cannabis to overseas visitors would account for around 10% of total sales.
- The pre-tax price of recreational cannabis set by the agency would be \$13 per gram in 2022-23.
- Recreational cannabis prices and the profit margin of producers would decline as supply increases.
- The initial number of cannabis retail stores in Australia would be similar on a per population basis as Canada.
- About half of recreational cannabis users would purchase cannabis from a legal source in the 2023-24 and this would grow to 95% over 5 years.
- Penalties for the sale of cannabis to individuals under 18 years of age would be administered by state and territory governments.
- GST and cannabis excise would be paid on a monthly basis.

Other assumptions

- Legalising cannabis would have no impact on alcohol and tobacco excise revenue.

- The Australian Federal Police would retain the current cannabis-related resources to combat the black market and associated crimes after legalisation, noting that most resources currently directed at cannabis law enforcement lie within state-level jurisdictions.
- The financial implications related to the consumption of cannabis for purposes other than recreational use would not be material.

Methodology

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

Component 1

The departmental expenses are based on the assumed additional staffing requirements for the Department of Health to coordinate all scoping studies in 2022-23.

Component 2

The administered expenses comprise labour and property costs, see *Key Assumptions*.

The departmental expenses for the Department of Health consider the additional staff required to establish, monitor and review the centres. They are indexed by the relevant wage cost index net of the efficiency dividend, consistent with the Department of Finance's costing practices.

Component 3

The cost of staffing, leasing, fitting out and maintaining the drug testing sites has been estimated based on the policy specifications and assumptions outlined above.

Departmental costs associated with the new drug testing agency have been estimated based on similar specific-purpose agency structures and grown in line with the relevant wage cost index.

Component 4

The per-attendee costs of pill testing at festivals was based on data from the Harm Reduction Australia Pill Testing Pilot. Staffing costs were indexed to the relevant wage cost index and other costs were indexed to the consumer price index.

The expected number of festival attendees was based on data from Live Performance Australia.³ The per-attendee cost was then multiplied by the number of attendees.

The per-use cost for the 10 spectroscopes was multiplied by the number of expected festival attendees who would use the pill testing service.

Component 5

Departmental costs associated with collecting, analysing and communicating the results of drug tests from the testing sites have been estimated based on the policy specification and grown in line with the relevant wage cost index.

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

³ Live Performance Australia, 2017. *Ticket Attendance and Revenue Survey Report*.

Component 6

A standardised amount to remunerate dispensing, administration and supervised dosing at approved clinics and pharmacies was estimated by considering the remuneration available under a similar program funded by the Australian Capital Territory government. Payments would be provided to state and territory governments, which are responsible for the regulation of pharmacies.

Increased Medicare Benefits Schedule (MBS) expenses were calculated by multiplying the number of additional patients receiving pharmacotherapy treatment as a result of this proposal by the average number of patient-prescriber consultations.

Increased PBS expenses were calculated by multiplying the number of additional patients receiving pharmacotherapy treatment as a result of this proposal, by the average dose of pharmacotherapy medication, and the cost of medication described in the PBS section 100 item list: Opiate Dependence Treatment Program.

Departmental expenses for Services Australia were calculated by multiplying the number of additional patients receiving pharmacotherapy treatment as a result of this proposal, by Services Australia unit costs of administering MBS and PBS claims.

Component 7

GST

The GST impact was estimated by applying the GST rate of 10% to the pre-tax annual sales of recreational cannabis through legal sources.

The pre-tax annual sales of recreational cannabis through legal sources in 2023-24 was estimated by multiplying the initial average pre-tax price set by the Agency by total weights of recreational cannabis sold through legal sources in 2023-24, which was assumed to be 52% of total initial demand.

The initial pre-tax annual sales of recreational cannabis through legal sources was projected to 2032-33 based on demand and sales assumptions above.

Total initial demand was calculated by multiplying the expected number of cannabis users in 2023-24 by the estimated average amount consumed by each user in 2023-24, adjusted for behavioural responses identified above.

Cannabis excise

The financial impact of the proposed cannabis excise was estimated by applying the excise rate of 25% to total GST-inclusive sales of recreational cannabis.

Total GST-inclusive sales of recreational cannabis was derived by grossing up the pre-tax annual sales of recreational cannabis through legal sources by the GST rate of 10%.

Company tax

The company tax impact was calculated by applying the relevant company tax rate to the estimated total net profits of producers and retailers.

Production and retailer licence fees

For each tier, the total number of cannabis producers in 2022-23 was based on the assumed proportion of total demand and yield of cannabis plantations for the tier. This total was then grown over time in line with increased demand for recreational cannabis.

The total number of cannabis retailers in 2023-24 was based on Canada's retail stores and applied to Australia's projected population. These retailers were then grown in line with projected demand.

Application fees include production and retail licences fee applications, which were calculated by multiplying the number of new producers or retailers by their respective specified application fees.

Annual fees were calculated by multiplying the number of cannabis producers in different tiers or the number of retail outlets by their respective specified annual fees.

Departmental expenses

The departmental expenses for the agency include funds to establish the agency and to regulate the recreational cannabis market. These are based on the staff profile published in the *2020-21 Annual Report* of the Australian Pesticides and Veterinary Medicines Authority and were adjusted to reflect the fewer regulatory functions of this new agency.

The departmental expenses for the Australian Taxation Office were based on a similar measure. These consider the upfront cost of updating systems and procedures, as well as ongoing administrative costs associated with cannabis excise and other relevant taxes.

Data sources

The Department of Finance provided indexation parameters as at *the Pre-Election Economic and Fiscal Outlook 2022-23*.

The Treasury provided economic forecasts as at the *Pre-Election Economic and Fiscal Outlook 2022-23*.

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Attachment A - Safer Drug Use – financial implications

Table A1: Safer Drug Use – Fiscal balance (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Component 7 - Cannabis excise</i>	-	1,860.0	2,120.0	2,330.0	2,520.0	2,660.0	2,520.0	2,370.0	2,200.0	2,080.0	1,960.0	6,310.0	22,620.0
<i>Component 7 - GST</i>	-	662.0	771.0	853.0	915.0	957.0	930.0	845.0	811.0	774.0	735.0	2,286.0	8,253.0
<i>Component 7 - Company tax</i>	-	-	780.0	880.0	960.0	1,020.0	1,070.0	990.0	920.0	850.0	780.0	1,660.0	8,250.0
<i>Component 7 - Cannabis licence fees</i>	17.2	10.1	11.3	13.4	15.7	16.5	17.0	17.5	17.9	18.5	19.0	52.0	174.1
Total – revenue	17.2	2,532.1	3,682.3	4,076.4	4,410.7	4,653.5	4,537.0	4,222.5	3,948.9	3,722.5	3,494.0	10,308.0	39,297.1
Expenses													
Administered													
<i>Component 2</i>	-10.3	-13.9	-13.5	-13.9	-14.4	-14.9	-15.4	-16.0	-16.5	-17.1	-17.7	-51.6	-163.6
<i>Component 3</i>	-2.2	-3.4	-4.8	-6.2	-6.1	-6.2	-6.3	-6.4	-6.5	-6.6	-6.8	-16.6	-61.5
<i>Component 4</i>	-1.8	-1.3	-1.3	-1.4	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.8	-5.8	-16.7
<i>Component 6 - Payments to states and territories</i>	-195.0	-219.0	-237.0	-255.0	-263.0	-272.0	-281.0	-290.0	-300.0	-311.0	-321.0	-906.0	-2,944.0
<i>Component 6 - Pharmaceutical Benefits Scheme</i>	-6.1	-13.2	-17.2	-21.6	-22.1	-22.6	-23.2	-23.8	-24.4	-25.0	-25.6	-58.1	-224.8
<i>Component 6 - Medicare Benefits Schedule</i>	-4.2	-8.9	-11.5	-14.3	-14.6	-14.8	-15.1	-15.3	-15.6	-15.8	-16.1	-38.9	-146.2
<i>Component 7</i>	-	-607.0	-762.0	-846.0	-910.0	-954.0	-932.0	-852.0	-814.0	-777.0	-738.0	-2,215.0	-8,192.0
Total – administered	-219.6	-866.7	-1,047.3	-1,158.4	-1,231.6	-1,286.0	-1,274.5	-1,205.0	-1,178.6	-1,154.1	-1,127.0	-3,292.0	-11,748.8

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
<i>Component 1</i>	-1.6	-	-	-	-	-	-	-	-	-	-	-1.6	-1.6
<i>Component 2</i>	-0.4	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.2	-2.6
<i>Component 3</i>	-1.8	-1.8	-1.8	-1.8	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-7.2	-20.4
<i>Component 5</i>	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4	-1.8
<i>Component 6</i>	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.8	-2.9
<i>Component 7 - Australian Cannabis Agency</i>	-19.5	-14.6	-14.7	-14.8	-14.9	-14.9	-15.0	-15.1	-15.2	-15.3	-15.4	-63.6	-169.4
<i>Component 7 - Australian Taxation Office</i>	-33.7	-37.8	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-126.1	-317.2
Total – departmental	-57.2	-54.9	-44.3	-44.5	-44.7	-44.8	-44.9	-45.0	-45.1	-45.2	-45.3	-200.9	-515.9
Total – expenses	-276.8	-921.6	-1,091.6	-1,202.9	-1,276.3	-1,330.8	-1,319.4	-1,250.0	-1,223.7	-1,199.3	-1,172.3	-3,492.9	-12,264.7
Total (excluding PDI)	-259.6	1,610.5	2,590.7	2,873.5	3,134.4	3,322.7	3,217.6	2,972.5	2,725.2	2,523.2	2,321.7	6,815.1	27,032.4

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

- Indicates nil.

Table A2: Safer Drug Use – Underlying cash balance (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Receipts													
<i>Component 7 - Cannabis excise</i>	-	1,700.0	2,100.0	2,310.0	2,500.0	2,650.0	2,530.0	2,380.0	2,220.0	2,090.0	1,970.0	6,110.0	22,450.0
<i>Component 7 - GST</i>	-	607.0	762.0	846.0	910.0	954.0	932.0	852.0	814.0	777.0	738.0	2,215.0	8,192.0
<i>Component 7 - Company tax</i>	-	-	780.0	880.0	960.0	1,020.0	1,070.0	990.0	920.0	850.0	780.0	1,660.0	8,250.0
<i>Component 7 - Cannabis licence fees</i>	17.2	10.1	11.3	13.4	15.7	16.5	17.0	17.5	17.9	18.5	19.0	52.0	174.1
Total – receipts	17.2	2,317.1	3,653.3	4,049.4	4,385.7	4,640.5	4,549.0	4,239.5	3,971.9	3,735.5	3,507.0	10,037.0	39,066.1
Payments													
Administered													
<i>Component 2</i>	-10.3	-13.9	-13.5	-13.9	-14.4	-14.9	-15.4	-16.0	-16.5	-17.1	-17.7	-51.6	-163.6
<i>Component 3</i>	-2.2	-3.4	-4.8	-6.2	-6.1	-6.2	-6.3	-6.4	-6.5	-6.6	-6.8	-16.6	-61.5
<i>Component 4</i>	-1.8	-1.3	-1.3	-1.4	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.8	-5.8	-16.7
<i>Component 6 - Payments to states and territories</i>	-195.0	-219.0	-237.0	-255.0	-263.0	-272.0	-281.0	-290.0	-300.0	-311.0	-321.0	-906.0	-2,944.0
<i>Component 6 - Pharmaceutical Benefits Scheme</i>	-6.1	-13.2	-17.2	-21.6	-22.1	-22.6	-23.2	-23.8	-24.4	-25.0	-25.6	-58.1	-224.8
<i>Component 6 - Medicare Benefits Schedule</i>	-4.2	-8.9	-11.5	-14.3	-14.6	-14.8	-15.1	-15.3	-15.6	-15.8	-16.1	-38.9	-146.2
<i>Component 7</i>	-	-607.0	-762.0	-846.0	-910.0	-954.0	-932.0	-852.0	-814.0	-777.0	-738.0	-2,215.0	-8,192.0
Total – administered	-219.6	-866.7	-1,047.3	-1,158.4	-1,231.6	-1,286.0	-1,274.5	-1,205.0	-1,178.6	-1,154.1	-1,127.0	-3,292.0	-11,748.8

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
<i>Component 1</i>	-1.6	-	-	-	-	-	-	-	-	-	-	-1.6	-1.6
<i>Component 2</i>	-0.4	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.2	-2.6
<i>Component 3</i>	-1.8	-1.8	-1.8	-1.8	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-7.2	-20.4
<i>Component 5</i>	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4	-1.8
<i>Component 6</i>	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.8	-2.9
<i>Component 7 - Australian Cannabis Agency</i>	-19.5	-14.6	-14.7	-14.8	-14.9	-14.9	-15.0	-15.1	-15.2	-15.3	-15.4	-63.6	-169.4
<i>Component 7 - Australian Taxation Office</i>	-33.7	-37.8	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-27.3	-126.1	-317.2
Total – departmental	-57.2	-54.9	-44.3	-44.5	-44.7	-44.8	-44.9	-45.0	-45.1	-45.2	-45.3	-200.9	-515.9
Total – payments	-276.8	-921.6	-1,091.6	-1,202.9	-1,276.3	-1,330.8	-1,319.4	-1,250.0	-1,223.7	-1,199.3	-1,172.3	-3,492.9	-12,264.7
Total (excluding PDI)	-259.6	1,395.5	2,561.7	2,846.5	3,109.4	3,309.7	3,229.6	2,989.5	2,748.2	2,536.2	2,334.7	6,544.1	26,801.4

(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: Safer Drug Use – 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>	-3.0	10.0	55.0	118.0	191.0	278.0	377.0	480.0	586.0	694.0	804.0	180.0	3,590.0
<i>Underlying cash balance</i>	-3.0	8.0	50.0	110.0	182.0	268.0	365.0	467.0	573.0	681.0	790.0	165.0	3,491.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary⁴.
- (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.

⁴ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)