

# **APPENDIX 3**

## **Modelling effect of incentives**

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Source: Mr Ian McAuley, Submission No.10, pp.8-9.

## Modelling of effects of incentives

Single Income	Current subsidies				New subsidies				Increased incentive	
	Rebate	MLS Net payment for \$1000 policy	Net payment for \$2000 policy	Rebate	MLS Net payment for \$1000 policy	Net payment for \$2000 policy	\$1000 policy	\$2000 policy		
75 000	30%	1.00%	-50	20%	1.00%	50	850	-100	-200	
80 000	30%	1.00%	-100	20%	1.00%	0	800	-100	-200	
85 000	30%	1.00%	-150	20%	1.00%	-50	750	-100	-200	
90 000	30%	1.00%	-200	10%	1.25%	-225	675	25	-175	
95 000	30%	1.00%	-250	10%	1.25%	-288	613	38	-163	
100 000	30%	1.00%	-300	10%	1.25%	-350	550	50	-150	
105 000	30%	1.00%	-350	10%	1.25%	-413	488	63	-138	
110 000	30%	1.00%	-400	10%	1.25%	-475	425	75	-125	
115 000	30%	1.00%	-450	10%	1.25%	-538	363	88	-113	
120 000	30%	1.00%	-500	0%	1.50%	-800	200	300	0	
125 000	30%	1.00%	-550	0%	1.50%	-875	125	325	25	
130 000	30%	1.00%	-600	0%	1.50%	-950	50	350	50	
135 000	30%	1.00%	-650	0%	1.50%	-1 025	-25	375	75	
140 000	30%	1.00%	-700	0%	1.50%	-1 100	-100	400	100	
145 000	30%	1.00%	-750	0%	1.50%	-1 175	-175	425	125	
150 000	30%	1.00%	-800	0%	1.50%	-1 250	-250	450	150	

Couples Income	Current subsidies				New subsidies				Increased incentive	
	Rebate	MLS Net payment for \$2000 policy	Net payment for \$4000 policy	Rebate	MLS Net payment for \$2000 policy	Net payment for \$4000 policy	Net payment for \$2000 policy	Net payment for \$4000 policy		
150 000	30%	1.00%	-100	20%	1.00%	100	-200	-400		
160 000	30%	1.00%	-200	20%	1.00%	0	-200	-400		
170 000	30%	1.00%	-300	20%	1.00%	-100	-200	-400		
180 000	30%	1.00%	-400	10%	1.25%	-450	50	-350		
190 000	30%	1.00%	-500	10%	1.25%	-575	75	-325		
200 000	30%	1.00%	-600	10%	1.25%	-700	100	-300		
210 000	30%	1.00%	-700	10%	1.25%	-825	125	-275		
220 000	30%	1.00%	-800	10%	1.25%	-950	150	-250		
230 000	30%	1.00%	-900	10%	1.25%	-1 075	175	-225		
240 000	30%	1.00%	-1 000	0%	1.50%	-1 600	600	0		
250 000	30%	1.00%	-1 100	0%	1.50%	-1 750	650	50		
260 000	30%	1.00%	-1 200	0%	1.50%	-1 900	700	100		
270 000	30%	1.00%	-1 300	0%	1.50%	-2 050	750	150		
280 000	30%	1.00%	-1 400	0%	1.50%	-2 200	800	200		
290 000	30%	1.00%	-1 500	0%	1.50%	-2 350	850	250		
300 000	30%	1.00%	-1 600	0%	1.50%	-2 500	900	300		

