



Parliamentary
Budget Office

APPENDIX E – COSTING DOCUMENTATION FOR THE COALITION’S ELECTION COMMITMENTS

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There may be gaps in the costing minute numbering sequence. This reflects adjustments during the Election commitments report compilation process and does not indicate missing documentation.



Future Farmer Guarantee Scheme	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal is to establish a Future Farmer Guarantee Scheme (FFGS) that would guarantee 40% of an eligible farmer's new commercial loan up to a maximum value of \$1.0 million.</p> <p>Applications for the Guarantee would open for an 18 month pilot from 1 January 2023. Eligible loans would be guaranteed for a maximum of 10 years, with an option to extend the loan term by 2 years for applicants who are experiencing significant financial hardship. A further allowance is provided to account for mediation or recovery action.</p> <p>The guarantee would be funded by reallocating \$75.0 million of loan funding from Regional Investment Corporation (RIC) loans.</p> <p>The intent of this proposal aligns with the charter costing <i>COA 007 – Future Farmer Guarantee Scheme</i> prepared by the Department of Finance during the caretaker period. The Parliamentary Budget Office (PBO) has calculated the public debt interest (PDI) based on the implications of the entire proposal on the headline cash balance, rather than the loan component only as per the charter costing.</p>	

Costing overview

The proposal would be expected to increase the fiscal balance by \$1 million, decrease the underlying cash balance by \$3.2 million and increase the headline cash balance by \$71.8 million over the 2022-23 Budget forward estimates period.

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

The financial implications are sensitive to assumptions on interest rates and default rates.

Consistent with the *PBO Guidance 02/2015*, PDI expense impacts have been included in this costing because the concessional loans affected by this proposal involve financial asset transactions.

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

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	1.3	2.6	-1.4	-1.5	1.0
Underlying cash balance	-0.9	-1.1	-0.6	-0.6	-3.2
Headline cash balance	24.1	48.9	-0.6	-0.6	71.8

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

- Indicates nil.

Key assumptions

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

Guarantees

- The total value guaranteed by the FFGS would be \$75 million.
- The uptake of the FFGS would be evenly spread over 18 months and any claims paid will be evenly distributed over the guarantee period.
- Approximately 100 loans would be guaranteed.

RIC loan reallocation

- Of the RIC loan funding reallocated to the scheme, \$25.0 million of loans would not be made in 2022-23 and \$50.0 million of loans would not be made in 2023-24.
 - The loans no longer made were costed using the same assumptions for concessional loans through the RIC as currently applied in the PEFO 2022 estimates. This includes that the loans would have paid interest only for years 1 to 5, and interest and principal for years 6 to 10.
- The interest rate would be the 2.31%.
- The expected default rate would be 8% of the total loan amount guaranteed.

Methodology

Financial implications were derived by calculating the impact of not providing the loans through the RIC and calculating the cost of providing the guarantee. The cost of the guarantee is based on the expected default rate multiplied by the total amount of loans guaranteed.

The departmental costs were calculated by estimating the likely effort required, including project management costs, legal advice, creation of policies, procedures and loan documentation, system licencing costs and communication material.

PDI was calculated based on the total financial implications of the proposal including the FFGS and departmental costs.

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

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

Data sources

All costing information provided by the Department of Finance.

Attachment A – Future Farmer Guarantee Scheme – financial implications

Table A1: Future Farmer Guarantee Scheme – 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													
Administered non-tax													
<i>Interest revenue</i>	-0.2	-1.3	-1.7	-1.7	-1.7	-1.7	-1.7	-1.5	-1.3	-1.2	-1.0	-4.9	-15.0
<i>Income from unwinding concessional loan discount</i>	-0.1	-0.9	-1.2	-1.2	-1.3	-1.4	-1.4	-1.3	-1.2	-1.0	-0.9	-3.4	-11.9
Total – revenue	-0.4	-2.2	-2.9	-3.0	-3.0	-3.1	-3.1	-2.8	-2.5	-2.2	-1.9	-8.4	-27.0
Expenses													
Administered													
<i>Concessional loan discount</i>	4.1	8.1	-	-	-	-	-	-	-	-	-	12.2	12.2
<i>Guarantee - default</i>	-2.0	-4.0	-	-	-	-	-	-	-	-	-	-6.0	-6.0
Total – administered	2.0	4.1	-	-	-	-	-	-	-	-	-	6.1	6.1
Departmental													
<i>Departmental expenses - Regional Investment Corporation</i>	-0.7	-0.4	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.3	-2.7
Total – departmental	-0.7	-0.4	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.3	-2.7
Total – expenses	1.3	3.7	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	4.8	3.4
Total (excluding PDI)	1.0	1.5	-3.0	-3.1	-3.2	-3.3	-3.3	-3.0	-2.7	-2.4	-2.1	-3.6	-23.6
PDI impacts	0.3	1.1	1.6	1.6	1.6	1.5	1.4	1.1	0.9	0.6	-0.2	4.6	11.5
Total (including PDI)	1.3	2.6	-1.4	-1.5	-1.6	-1.8	-1.9	-1.9	-1.8	-1.8	-2.3	1.0	-12.1

(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: Future Farmer Guarantee Scheme – 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>Administered non-tax</i>													
<i>Interest receipts</i>	-0.2	-1.3	-1.7	-1.7	-1.7	-1.7	-1.7	-1.5	-1.3	-1.2	-1.0	-4.9	-15.0
Total – receipts	-0.2	-1.3	-1.7	-1.7	-1.7	-1.7	-1.7	-1.5	-1.3	-1.2	-1.0	-4.9	-15.0
Payments													
<i>Administered</i>													
<i>Guarantee - distribution of payouts</i>	-0.2	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.4	-4.2
Total – administered	-0.2	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.4	-4.2
<i>Departmental</i>													
<i>Departmental expenses - Regional Investment Corporation</i>	-0.7	-0.4	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.3	-2.7
Total – departmental	-0.7	-0.4	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.3	-2.7
Total – payments	-0.9	-0.8	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-2.7	-6.9
Total (excluding PDI)	-1.1	-2.1	-2.2	-2.2	-2.3	-2.3	-2.3	-2.1	-1.9	-1.8	-1.6	-7.6	-21.9
<i>PDI impacts</i>	0.2	1.0	1.6	1.6	1.6	1.5	1.4	1.1	0.9	0.6	-0.1	4.4	11.4
Total (including PDI)	-0.9	-1.1	-0.6	-0.6	-0.7	-0.8	-0.9	-1.0	-1.0	-1.2	-1.7	-3.2	-10.5

(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: Future Farmer Guarantee Scheme – Headline 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													
Administered non-tax													
<i>Interest receipts</i>	-0.2	-1.3	-1.7	-1.7	-1.7	-1.7	-1.7	-1.5	-1.3	-1.2	-1.0	-4.9	-15.0
<i>Principal repayments</i>	-	-	-	-	-	-4.1	-7.5	-7.5	-7.5	-7.5	-40.9	-	-75.0
Total – receipts	-0.2	-1.3	-1.7	-1.7	-1.7	-5.8	-9.2	-9.0	-8.8	-8.7	-41.9	-4.9	-90.0
Payments													
Administered													
<i>Guarantee - distribution of payouts</i>	-0.2	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.4	-4.2
<i>Loans made</i>	25.0	50.0	-	-	-	-	-	-	-	-	-	75.0	75.0
Total – administered	24.8	49.6	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	73.6	70.8
Departmental													
<i>Departmental expenses - Regional Investment Corporation</i>	-0.7	-0.4	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.3	-2.7
Total – departmental	-0.7	-0.4	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-1.3	-2.7
Total – payments	24.1	49.2	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	72.3	68.1
Total (excluding PDI)	23.9	47.9	-2.2	-2.2	-2.3	-6.4	-9.8	-9.6	-9.4	-9.3	-42.5	67.4	-21.9
PDI impacts	0.2	1.0	1.6	1.6	1.6	1.5	1.4	1.1	0.9	0.6	-0.1	4.4	11.4
Total (including PDI)	24.1	48.9	-0.6	-0.6	-0.7	-4.9	-8.4	-8.5	-8.5	-8.7	-42.6	71.8	-10.5

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

- Indicates nil.



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed: Agency Resourcing	
Costing Identifier:	COA 036
Summary of costing:	<p>The proposal is to return the Efficiency Dividend (ED) on departmental funding to 2.0 per cent for three years from 2022-23, stepping down to 1.5 per cent in 2025-26, and returning to the base rate of 1.0 per cent in 2026-27.</p> <p>The proposal is also to increase the Employer Contribution Rate charged to Commonwealth agencies for employees who are members of the defined benefit Public Sector Superannuation (PSS) scheme to 20 per cent from 2022-23 with the additional funds paid returned to Consolidated Revenue.</p>
Ongoing or Terminating (including date)^(a)	Ongoing.
Person making the request:	Prime Minister.
Date costing request received:	17 May 2022.
Date of public release of policy:	17 May 2022.
Date costing completed:	19 May 2022.
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	496.1	729.1	993.4	1,105.5
Fiscal Balance (\$m)	0.0	496.1	729.1	993.4	1,105.5

(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 positive number for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Any departmental expenses associated with implementing the proposal would be absorbed by relevant entities.

The costing only impacts departmental resources.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Where relevant, include an explanation of the medium-term implications of the proposal.^(c)

The savings are ongoing due to a permanent reduction in the level of departmental funding for affected Commonwealth entities.

The improvements to the underlying cash balance from the PSS component of the proposal will decrease over the medium term as contributing members leave the workforce. This is partially offset by expected increases in salary.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

ED component

Impact on UCB (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Efficiency Dividend	0.0	318.1	561.4	835.3	956.8

The costing assumes that the proposed changes to the ED rate would be applied between 2022-23 and 2024-25 (2%), in 2025-26 (1.5%), and from 2026-27 (1%).

The costing is based on Commonwealth departmental appropriations as at the 2022-23 Budget that are subject to the ED, for each year of the forward estimates.

A summary of the current and proposed ED rates assumed in this costing are as follows:

	2022-23	2023-24	2024-25	2025-26	2026-27
Current ED rate	1.0%	1.0%	1.0%	1.0%	1.0%
Proposed ED rate	2.0%	2.0%	2.0%	1.5%	1.0%

Consistent with the current application of the ED, all changes to the ED rate have a cumulative effect.

Exemptions

As outlined in the costing request:

- the departmental appropriations related to Emergency Management Australia (EMA) (part of the Department of Home Affairs) and the National Recovery and Resilience Agency (NRRRA) are fully exempt from this increase to the ED.
- all entities with full or partial exemptions from the ED policy as at the 2022-23 Budget will continue to apply.
- entities with less than 200 ASL (as at the 2022-23 Budget) will be exempt from the increase.

PSS component

Impact on UCB (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Increased Notional Employer Contribution for PSS	0.0	177.9	167.7	158.2	148.7

The costing is assumed to apply to Commonwealth entities with employees who are members of the defined benefit PSS scheme.

The increase in agency employer contributions (for staff who are PSS members) will be paid to the Commonwealth Superannuation Corporation (CSC) with the additional funds paid returned to Consolidated Revenue.

The expected employer contributions have been estimated as previous year actual contributions multiplied by:

- change in total contributing members;
- estimated salary growth rate (not including promotional based salary increases); and
- change in contribution rate.

The assumed salary growth rates and contributing member numbers are consistent with those used to prepare the superannuation estimates for the 2022-23 Budget and the impact will vary by entity.

The ability of individual entities to manage the increased contribution within existing resources has not been analysed.

As specified in the costing request, there are no changes to the employer contribution rates for other Commonwealth defined benefit schemes, such as the Commonwealth Superannuation Scheme (CSS) or the military schemes.

This proposal does not impact superannuation entitlements.

Attachment A – Agency Resourcing – financial implications

Table A1: Agency Resourcing – 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
Expenses													
Departmental													
<i>Efficiency Dividend</i>	318.1	561.4	835.3	956.8	980.0	1,000.0	1,030.0	1,050.0	1,080.0	1,100.0	1,130.0	2,671.6	10,041.6
<i>Increased Notional Employer Contribution for PSS</i>	177.9	167.7	158.2	148.7	140.0	130.0	121.0	112.0	103.0	94.0	87.0	652.5	1,439.5
Total (excluding PDI)	496.1	729.1	993.4	1,105.5	1,120.0	1,130.0	1,151.0	1,162.0	1,183.0	1,194.0	1,217.0	3,324.1	11,481.1

(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.

(b) Financial implications over the medium term are rounded consistent with the PBO's rounding rules, as outlined on the PBO Costings and budget information webpage¹.

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

Table A2: Agency Resourcing – 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>	6.0	20.0	40.0	64.0	92.0	123.0	158.0	197.0	241.0	289.0	346.0	130.0	1,576.0
<i>Underlying cash balance</i>	5.0	18.0	37.0	61.0	89.0	120.0	154.0	193.0	236.0	283.0	339.0	121.0	1,535.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals 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)



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PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed:	
Costing Identifier:	COA 003
Summary of costing:	<p>This costing outlines the financial implications of expanding the Continuous Glucose Monitoring (CGM) Initiative so that all people with type 1 diabetes (T1D) would be eligible for subsidised CGM. People in this expanded cohort would be required to make a co-payment to access this scheme.</p> <p>Those who are currently eligible for subsidised CGM devices are:</p> <ul style="list-style-type: none">• children and young people, under 21 years of age, with T1D;• people with T1D aged 21 years or older who have concessional status;• women with T1D who are planning for pregnancy, pregnant or immediately post-pregnancy; and• children and young people with conditions very similar to T1D, who require insulin. <p>The expansion of the initiative would have no impact on people currently receiving subsidised CGM devices.</p> <p>This costing also includes of the costs of expanding eligibility for the Insulin Pump Program (IPP) from 18 to up to 21 years of age.</p>
Ongoing or Terminating (including date)^(a)	Ongoing Start date: 1 July 2022
Person making the request:	Prime Minister.
Date costing request received:	22 April 2022.
Date of public release of policy:	17 April 2022.
Date costing completed:	29 April 2022
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	-57.8	-64.7	-71.8	-78.9
Fiscal Balance (\$m)	0.0	-57.8	-64.7	-71.8	-78.9

(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 positive number for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

	2021-22	2022-23	2023-24	2024-25	2025-26
Expense	0.0	-69.3	-77.6	-86.1	-94.6
Revenue	0.0	11.5	12.9	14.3	15.7

UCB and FB impacts are the same.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Not applicable.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).**Where relevant, include an explanation of the medium-term implications of the proposal.^(c)**

Not applicable.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

This costing was derived using the following inputs and assumptions:

- The current population of Australians registered for the National Diabetes Support Scheme (NDSS) who are not presently eligible for the CGM.
- Additional participants will have access to all devices currently available through the CGM Initiative and will take up those devices in the same proportions as current scheme participants.
- A reduction in revenue to the NDSS, as this proposal will result in a reduction in revenue received from co-payments for blood glucose test strips (BGTS).
- New participants will contribute a co-payment of \$390 per person annually, based on an amount of \$15 per fortnight currently payable for BGTS.
- The expansion of the IPP will provide an additional 35 pumps per year. This has costs of \$6,400 per insulin pump, \$2,254 for insulin consumables and \$150 in reduced costs from less usage of needles and syringes.
- \$170,000 will be provided to Diabetes Australia to support implementation.

Statistical data used

The population used for this is based on the current number of National Diabetes Support Scheme (NDSS) registrants.

Behavioural assumptions used (as appropriate):

Not applicable.

Attachment A – Expansion of the Continuous Glucose Monitoring Initiative – financial implications

Table A1: Expansion of the Continuous Glucose Monitoring Initiative – 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
Revenue													
<i>Non-tax revenue</i>	11.5	12.9	14.3	15.7	17.2	18.6	20.1	21.5	22.8	23.3	23.4	54.4	201.3
Total – revenue	11.5	12.9	14.3	15.7	17.2	18.6	20.1	21.5	22.8	23.3	23.4	54.4	201.3
Expenses													
<i>Administered expenses</i>	-69.3	-77.6	-86.1	-94.6	-103.2	-111.9	-120.6	-129.3	-136.8	-140.2	-140.7	-327.6	-1,210.3
Total – expenses	-69.3	-77.6	-86.1	-94.6	-103.2	-111.9	-120.6	-129.3	-136.8	-140.2	-140.7	-327.6	-1,210.3
Total (excluding PDI)	-57.8	-64.7	-71.8	-78.9	-86.0	-93.3	-100.5	-107.8	-114.0	-116.9	-117.3	-273.2	-1,009.0

(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: Expansion of the Continuous Glucose Monitoring Initiative – 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>	-0.7	-2.1	-3.7	-5.4	-7.5	-10.0	-13.0	-16.5	-20.5	-25.1	-30.5	-11.9	-135.0
<i>Underlying cash balance</i>	-0.6	-1.9	-3.5	-5.2	-7.3	-9.7	-12.6	-16.1	-20.0	-24.5	-29.9	-11.2	-131.3

(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)



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed: Reducing the PBS Co-Payment	
Costing Identifier:	COA 014
Summary of costing:	From 1 January 2023, reduce the General Patient Maximum Co-Payment of the Pharmaceutical Benefits Scheme (PBS) from the current \$42.50 down to \$32.50.
Ongoing or Terminating (including date)^(a)	Ongoing. Start date: 1 January 2023.
Person making the request:	Prime Minister.
Date costing request received:	2 May 2022.
Date of public release of policy:	30 April 2022.
Date costing completed:	9 May 2022.
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	-80.9	-152.1	-158.9	-166.3
Fiscal Balance (\$m)	0.0	-83.7	-154.6	-159.1	-166.6

(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 positive number for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

The proposal is expected to generate additional revenue, as some scripts which presently are paid for entirely by patients will become partially government subsidised and therefore will receive manufacturer rebates from drug sponsors under Special Pricing Agreements.

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Expense (FB) (\$m)	0.0	-93.0	-174.2	-181.0	-190.8
Revenue (FB) (\$m)	0.0	9.3	19.7	21.8	24.3

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

As a demand-driven program, forecasts of future utilisation of the PBS are subject to a degree of uncertainty. This proposal inherits that same level of uncertainty.

Where relevant, explain effects of departmental expenses.

Not applicable.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Where relevant, include an explanation of the medium-term implications of the proposal.^(c)

Medium term impacts are not expected to differ substantially from the growth trend seen over the forward estimates.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

The PBS modelling tool “PhRANCIS” is able to forecast PBS scripts volumes and costs over the forward estimates and compare scenarios against the existing baseline.

A scenario was developed where the General Patient Maximum Co-pay is fixed at \$32.50 in 2022 and then grown by forecast CPI from 2023 onwards. The scenario also accounted for some patients taking longer to reach the General Safety Net due to lower costs per script.

The scenario includes the effects of the 2022-23 Budget Measure *Pharmaceutical Benefits Scheme – lowering the Safety Net threshold*, due to commence on 1 July 2022.

Policy parameters:

The PBS General Patient Maximum Co-Pay is set to \$32.50 on 1 January 2023.

Annual indexation (CPI) of this Co-Pay value recommences on 1 January 2024.

This costing is informed by PhRANCIS model outputs using the *BL B22 04 - Budget 2022-23 Baseline – March 2022* parameters scenario to account for the 2022-23 Budget decision to reduce the Safety Net concessional threshold, and the latest CPI parameters as at March 2022 for indexation from 2024.

Statistical data used:

Prior years' historical PBS transactional data feeds into PhRANCIS forecasting.

Behavioural assumptions used (as appropriate):

Impacts not included. While behavioural impacts would not be zero, they were deemed to be small and generally unquantifiable for this policy change.

Attachment A – Reducing the PBS Co-Payment – financial implications

Table A1: Reducing the PBS Co-Payment – 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
Non – tax revenue													
<i>Non-tax revenue</i>	9.3	19.7	21.8	24.3	26.7	29.4	32.3	35.6	39.1	43.1	47.4	75.1	328.7
Total – revenue	9.3	19.7	21.8	24.3	26.7	29.4	32.3	35.6	39.1	43.1	47.4	75.1	328.7
Expenses													
<i>Administered expenses</i>	-93.0	-174.2	-181.0	-190.8	-200.0	-209.0	-219.0	-229.0	-240.0	-252.0	-264.0	-639.0	-2,252.0
<i>Departmental expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – expenses	-93.0	-174.2	-181.0	-190.8	-200.0	-209.0	-219.0	-229.0	-240.0	-252.0	-264.0	-639.1	-2,252.1
Total (excluding PDI)	-83.7	-154.6	-159.1	-166.6	-173.3	-179.6	-186.7	-193.4	-200.9	-208.9	-216.6	-564.0	-1,923.4

(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: Reducing the PBS Co-Payment – 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>Non-tax receipts</i>	9.3	19.7	21.8	24.3	26.7	29.4	32.3	35.6	39.1	43.1	47.4	75.1	328.7
Total – receipts	9.3	19.7	21.8	24.3	26.7	29.4	32.3	35.6	39.1	43.1	47.4	75.1	328.7
Payments													
<i>Administered payments</i>	-90.2	-171.8	-180.7	-190.6	-199.0	-209.0	-219.0	-229.0	-240.0	-251.0	-264.0	-633.3	-2,244.3
<i>Departmental payments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – payments	-90.2	-171.8	-180.7	-190.6	-199.0	-209.0	-219.0	-229.0	-240.0	-251.0	-264.0	-633.3	-2,244.3
Total (excluding PDI)	-80.9	-152.1	-158.9	-166.3	-172.3	-179.6	-186.7	-193.4	-200.9	-207.9	-216.6	-558.2	-1,915.6

(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: Reducing the PBS Co-Payment – 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	-0.9	-3.6	-7.2	-11.0	-15.3	-20.2	-25.9	-32.3	-39.5	-47.7	-57.5	-22.7	-261.1
Underlying cash balance	-0.8	-3.3	-6.8	-10.6	-14.8	-19.6	-25.2	-31.5	-38.7	-46.8	-56.4	-21.5	-254.5

(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 glossary¹.

(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.

¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)



Regional Health Package	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would provide additional funding to encourage more doctors and allied health professionals to work in regional and rural communities.</p> <p>The proposal includes 7 elements:</p> <ul style="list-style-type: none">• Element 1 provides \$35 million over 4 years for an additional 2 rounds of the Innovative Models of Collaborative Care program across Modified Monash Model 3-7 regions.• Element 2 provides funding to expand the John Flynn Prevocational Doctor Program (JFPDP) to support up to 1,000 rotations in rural Australia.• Element 3 expands the Murrumbidgee single employer model trial to more regions across rural Australia, with nil additional cost to the budget.• Element 4 provides funding to support 60 additional training posts outside of community general practice for rural generalists, GP registrars and fellowed GPs to undertake advanced skills training.• Element 5 provides \$87.5 million over 4 years through the Workforce Incentive Program (WIP) to increase workforce incentives to GPs and allied health professionals and to provide further targeted support to rural generalists.• Element 6 extends the Distribution Priority Area (DPA) status of regions granted DPA status under the exceptional circumstances review process by 12 months, with nil additional cost to the budget.• Element 7 provides funding to establish 3 new Regional Training Hubs in rural Australia. <p>Departmental costs associated with this proposal would be offset from within existing funding for relevant departments.</p> <p>Elements 3 and 6 of this proposal would have effect from 1 July 2022. All other elements of this proposal would have effect from 1 January 2023.</p> <p>Elements 2, 4, and 7 are ongoing.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by about \$151 million over the 2022-23 Budget forward estimates period. This entirely reflects an increase in administered expenses. While departmental expenses for this proposal would be expected to be worth around \$4.2 million over the forward estimates period, these costs are offset from within existing departmental funding as per the proposal specifications.

The proposal would have an ongoing 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.

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

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-19.7	-39.9	-44.3	-47.3	-151.2
Underlying cash balance	-19.7	-39.9	-44.3	-47.3	-151.2

(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 implications of this proposal were based on costing models provided by the Department of Finance.
- Departmental costs were estimated based upon the costs of similar budget measures.
- 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 the relevant costing models for all elements of the proposal and indexation parameters as at the Pre-election Economic and Fiscal Outlook 2022.

Australian Government (2018), *2018-19 Budget – Budget Paper No. 2*, Australian Government.

Australian Government (2022), *2022-23 Budget – Budget Paper No. 2*, Australian Government.

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

Attachment A – Regional Health Package – financial implications

Table A1: Regional Health Package – 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													
Administered													
<i>Element 1</i>	-5.0	-10.0	-10.0	-10.0	-	-	-	-	-	-	-	-35.0	-35.0
<i>Element 2</i>	-	-1.8	-5.5	-8.3	-9.4	-9.6	-9.7	-9.8	-10.0	-10.1	-10.3	-15.6	-84.5
<i>Element 3</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Element 4</i>	-2.2	-2.3	-2.3	-2.4	-2.4	-2.5	-2.5	-2.5	-2.6	-2.6	-2.7	-9.2	-27.0
<i>Element 5</i>	-12.5	-25.0	-25.0	-25.0	-	-	-	-	-	-	-	-87.5	-87.5
<i>Element 6</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Element 7</i>	-	-0.8	-1.5	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7	-1.7	-1.8	-3.9	-15.7
Total – administered	-19.7	-39.9	-44.3	-47.3	-13.4	-13.7	-13.9	-14.0	-14.3	-14.4	-14.8	-151.2	-249.7
Departmental													
<i>Departmental expenses</i>	-2.1	-0.7	-0.7	-0.7	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-4.2	-4.9
<i>Unspecified departmental offsets</i>	2.1	0.7	0.7	0.7	0.1	0.1	0.1	0.1	0.1	0.1	0.1	4.2	4.9
Total – departmental	-	-											
Total (excluding PDI)	-19.7	-39.9	-44.3	-47.3	-13.4	-13.7	-13.9	-14.0	-14.3	-14.4	-14.8	-151.2	-249.7

(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.

- Indicates nil.

Table A2: Regional Health Package – 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	-0.9	-1.9	-3.0	-3.7	-4.2	-4.7	-5.2	-5.9	-6.5	-7.4	-6.0	-43.6
<i>Underlying cash balance</i>	-0.2	-0.8	-1.8	-2.8	-3.6	-4.1	-4.6	-5.2	-5.8	-6.5	-7.3	-5.6	-42.7

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals 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)



Australian Government
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PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed: Incentivising Pensioners to Downsize	
Costing Identifier:	COA 032
Summary of costing:	<p>From 1 January 2023, the proposal is to:</p> <ul style="list-style-type: none"> Extend the assets test exemption for principal home sale proceeds from 12 months to 24 months for income support recipients. Change the income test, to apply only the lower deeming rate (0.25 per cent) to principal home sale proceeds when calculating deemed income for 24 months after the sale of the principal home.
Ongoing or Terminating (including date)^(a)	Ongoing.
Person making the request:	Prime Minister.
Date costing request received:	16 May 2022.
Date of public release of policy:	15 May 2022.
Date costing completed:	19 May 2022.
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	-9.2	-17.9	-16.7	-17.6
Fiscal Balance (\$m)	0.0	-9.2	-17.9	-16.7	-17.6

(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 positive number for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Revenue components (\$7.0 million over the forward estimates) are reflected in the financial impact table and reflect increased taxation revenue from a larger cohort receiving social security payments.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, the Department of Social Services, Services Australia and the Department of Veterans' Affairs would absorb the associated departmental costs.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Where relevant, include an explanation of the medium-term implications of the proposal.^(c)

Not applicable.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

- The cohort estimates are based on Services Australia data on social security payment recipients' 'encumbered' assets held in savings, which are predominately from the sale of the primary home. This data also provides the average amount of primary home sale proceeds which would now be subject to the lower deeming rate.
- Costs under this proposal are allocated to the Department of Social Services and the Department of Veterans' Affairs, which both administer social security payments.
- Australian Taxation Office data on tax paid by part-rate pensioners has been used to estimate average marginal tax rates for the cohort of affected income support recipients. Average marginal tax rates include the marginal rate, any applicable tax offsets and the Medicare levy. The revenue impact is calculated as the increase in income support payments multiplied by the average marginal tax rate. It is assumed that all additional tax will be paid on lodgement of tax returns.

Policy parameters

- Under current arrangements, primary home sale proceeds are subject to the income test, where an upper deeming rate of 2.25 per cent is used to calculate deemed income (applied to financial assets over \$53,600 for singles and \$89,000 for combined couples). The proposal would only apply the lower 0.25 per cent deeming rate for principal home sale proceeds.

Attachment A – Incentivising Pensioners to Downsize – financial implications

Table A1: Incentivising Pensioners to Downsize – 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
Revenue													
<i>Revenue</i>	-	1.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	7.0	32.0
Total – revenue	-	1.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	7.0	32.0
Expenses													
<i>Expenses</i>	-9.2	-18.9	-19.7	-20.6	-21.7	-22.9	-24.1	-25.3	-26.5	-27.8	-29.1	-68.4	-245.8
Total – expenses	-9.2	-18.9	-19.7	-20.6	-21.7	-22.9	-24.1	-25.3	-26.5	-27.8	-29.1	-68.4	-245.8
Total (excluding PDI)	-9.2	-17.9	-16.7	-17.6	-18.7	-19.9	-21.1	-21.3	-22.5	-23.8	-25.1	-61.4	-213.8

(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.

- Indicates nil.

Table A2: Incentivising Pensioners to Downsize – 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	-0.1	-0.4	-0.8	-1.2	-1.7	-2.2	-2.9	-3.6	-4.4	-5.3	-6.4	-2.5	-29.0
Underlying cash balance	-0.1	-0.4	-0.8	-1.2	-1.6	-2.2	-2.8	-3.5	-4.3	-5.2	-6.3	-2.5	-28.4

- (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 glossary¹.
- (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.

¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)



Australian Government

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PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed:	
Costing Identifier:	COA 010
Summary of costing:	<p>Increasing 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 from 1 July 2022.</p> <p>This costing only considers the financial impact of changing the CSHC income test threshold, with all other policy settings remaining unchanged.</p>
Ongoing or Terminating (including date)^(a)	Ongoing. Start date: 1 July 2022.
Person making the request:	Prime Minister
Date costing request received:	2 May 2022
Date of public release of policy:	2 May 2022
Date costing completed:	9 May 2022.
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	-16.4	-16.7	-18.1	-19.1*
Fiscal Balance (\$m)	0.0	-16.8	-16.7	-18.1	-19.2

Impact (UCB) on	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Social Services	0.0	0.0	0.0	0.0	0.0
Services Australia	0.0	-2.8	-1.7	-1.8	-1.9
Department of Health	0.0	-13.5	-15.0	-16.3	-17.3*

(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 positive number for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

* The PBO has revised this estimate slightly from that originally published on the www.electioncostings.gov.au website.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, the Department of Social Services would absorb the associated departmental costs. The operational expenses associated with the service delivery component of this costing, borne by Services Australia, have been factored into the costing profile.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Minor variances between fiscal and underlying cash impacts are due to the difference in timing between when payments are accrued and made to pharmacies in the Pharmaceutical Benefits scheme.

Where relevant, include an explanation of the medium-term implications of the proposal.^(d)

In the forward estimates period, 4 per cent is the assumed growth rate in the number of new cards distributed under this proposal (based on average annual growth since 2019). For costs beyond the forward estimates, between 2027-28 and 2029-30, growth in the number of additional recipients has been projected to reduce by 1 percentage point per year until it reaches 1 per cent growth in 2029-30, which is the assumed long-term ongoing rate. This growth rate is based on historical data.

(d) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

- This costing only considers 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 and the Pharmaceutical Benefits Scheme resulting from a larger cohort accessing these programs.
- It is assumed that the CSHC growth rate over the forward estimates remains at 4 per cent in line with recent average growth since 2019. This is primarily driven by increasing asset values which leads to an increase in the number of people disqualified from the Age Pension by the current assets test.
- The growth rate is expected to return to a historical average of 1 per cent per by 2029-30 as outlined above.

Policy parameters

- The CSHC provides access to Australian Government concessional rates for medical and pharmaceutical costs.
- The cards are available to eligible Australian residents, over Age Pension age, who are not already receiving a pension or benefit (and so already entitled to cards with similar concessions) and have an adjusted taxable income (alongside deemed income from any account based income streams they own) under a prescribed limit dependent on their relationship status. There is no assets test for the CSHC.

Statistical data used

- Estimated cohort numbers are based on average recipient growth rate data since 2014 and are as follows:

Customer Cohorts	2022-23	2023-24	2024-25	2025-26	2026-27
Additional CSHC Recipients (over baseline)	44,561	46,343	48,197	50,125	52,130

Behavioural assumptions used (as appropriate):

Not applicable.

Attachment A – Increasing the Income Threshold for the Commonwealth Seniors Health Care Card – financial implications

Table A1: Increasing the Income Threshold for the Commonwealth Seniors Health Care 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 – departmental	-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: Increasing the Income Threshold for the Commonwealth Seniors Health Care 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 – departmental	-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: Increasing the Income Threshold for the Commonwealth Seniors Health Care 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 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 glossary¹.
- (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.

¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

PRO-FORMA PUBLIC RELEASE OF COSTING¹



PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed: Specific listing as a Deductible Gift Recipient – Wendy Whiteley Secret Garden Trust.	
Costing Identifier:	COA-005
Summary of costing:	The Coalition will amend the Deductible Gift Recipient (DGR) specific listings within Division 30 of the <i>Income Tax Assessment Act 1997</i> to add a new specific listing for the Wendy Whiteley Secret Garden Trust as a DGR for donations made from 1 July 2022 to 30 June 2027.
Ongoing or Terminating (including date)^(a)	Terminating. Wendy Whiteley Secret Garden Trust to be listed as Deductible Gift Recipient from 1 July 2022 to 30 June 2027.
Person making the request:	Prime Minister
Date costing request received:	2/05/2022
Date of public release of policy:	22/04/2022
Date costing completed:	6/05/2022
Additional information requested (including date):	
Additional information received (including date):	

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

Financial implications (outturn prices)^{(b)(c)}

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	0.0	..	-0.1	-0.1
Fiscal Balance (\$m)	0.0	0.0	..	-0.1	-0.1

(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 positive number for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

(c) .. Not zero but rounded to zero.

<p>Where relevant, state that the proposal has been costed as a defined or specified amount.</p> <p>Not applicable</p>
<p>Where relevant, include separate identification of revenue and expense components.</p> <p>Not applicable</p>
<p>Where appropriate, include a range for the costing or sensitivity analysis.</p> <p>Not applicable</p>
<p>Qualifications to the costing (including reasons for the costing not being comprehensive).</p> <p>Not applicable</p>
<p>Where relevant, explain effects of departmental expenses.</p> <p>Not applicable</p>
<p>Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.</p> <p>Not applicable</p>
<p>Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).</p> <p>Where relevant, include an explanation of the medium-term implications of the proposal.^(d)</p> <p>DGR status terminates on 30 June 2027. There is therefore a reduction in receipts of \$0.1 million per year in 2026-27 and 2027-28 (in both underlying cash and fiscal terms). There is no impact beyond these years.</p>

(d) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

The revenue cost of providing DGR status is calculated by multiplying the expected deductible donations by a tax rate that reflects the average marginal tax rate of those who claim gift deductions. The expected deductible donations have been provided by North Sydney Council.

Only donations from individuals and companies are considered. Donations from philanthropic organisations, ancillary funds and income from other sources are not within the scope of a deductible donation because the income would not otherwise be subject to income tax.

The revenue impact of the deduction for individuals and companies is recorded on assessment.

Behavioural assumptions used (as appropriate):

Not applicable

Attachment A – Specific listing as a Deductible Gift Recipient – Wendy Whiteley Secret Garden Trust – financial implications

Table A1: Specific listing as a Deductible Gift Recipient – Wendy Whiteley Secret Garden Trust – 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
Revenue													
<i>Personal income tax</i>	-	..	-0.1	-0.1	-0.1	-0.1	-	-	-	-	-	-0.2	-0.4
Total (excluding PDI)	-	..	-0.1	-0.1	-0.1	-0.1	-	-	-	-	-	-0.2	-0.4

(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. 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.

.. Not zero but rounded to zero.

- Indicates nil.

Table A2: Specific listing as a Deductible Gift Recipient – Wendy Whiteley Secret Garden Trust – 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	-	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	..	-0.06
Underlying cash balance	-	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	..	-0.06

(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 glossary¹.

(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.

.. Not zero but rounded to zero.

- Indicates nil.

¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)



Super Home Buyer Scheme and Downsizer Contributions	
Party:	The Coalition
Summary of proposal:	
The proposal has 2 components.	
Component 1: Establish the Super Home Buyer Scheme	
<ul style="list-style-type: none">• Component 1 would establish the Super Home Buyer Scheme, which would allow first-home buyers to access up to 40% or \$50,000 (whichever is less) of their superannuation as a contribution towards a property purchase. Participants would be required to:<ul style="list-style-type: none">– be an owner-occupier of the property for at least 12 months– provide a deposit of at least 5% of the property purchase price, excluding the amount withdrawn from superannuation– return the withdrawn funds, including any proportional capital gains or losses, to their superannuation upon disposal of the property.• The scheme would be accessible in conjunction with existing first-home-buyer schemes, such as the Home Guarantee Scheme and the First Home Super Saver Scheme.• There would be no income or property price thresholds under the scheme, and couples would be assessed individually. Furthermore, any member of a couple who is a first-home buyer can access the scheme, even if their partner is not a first-home buyer.• The scheme would be administered by the Australian Taxation Office (ATO).<ul style="list-style-type: none">– Funds returned to superannuation upon disposal of the property would not be included in the annual superannuation contributions thresholds.– If the property is the participant’s main residence at the time of disposal, any capital gains would be exempt from capital gains tax (CGT). Otherwise, CGT would be assessed by the ATO and levied in accordance with current arrangements.– Funds not returned to superannuation would incur a penalty levied at the top marginal tax rate plus the Medicare levy.• The scheme would commence as soon as possible but no later than 1 July 2023.	
Component 2: Reduce the eligibility age for downsizer contributions into superannuation	
<ul style="list-style-type: none">• Component 2 would reduce the eligibility age for downsizer contributions into superannuation from 60 to 55.<ul style="list-style-type: none">– This would allow individuals to make a one-off, post-tax contribution to their superannuation of up to \$300,000 per person from the proceeds of selling their home. This contribution would not count towards the non-concessional contributions caps.• The proposal would commence 1 July 2022 and be administered by the ATO in accordance with current arrangements.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balance by around \$323 million across the 2022-23 Budget forward estimates. The decrease in the budget balances primarily reflects a net decrease in superannuation earnings tax revenue, though Component 2 also reflects a decrease in personal income tax revenue. Departmental resources for the ATO to implement Component 1 also contribute to the decrease in the budget balances across the forward estimates.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period.

A breakdown of the financial implications (including separate public debt interest (PDI) tables) across the period to 2032-33 is provided at Attachment A.

The financial implications of Component 1 are primarily driven by the take-up rate of the scheme, which affects the amount of tax collected on superannuation earnings. There is significant uncertainty around the proportion of first-home buyers that would access the scheme as well as uncertainty around the amount of superannuation that would be withdrawn. If, for example, the take-up rate of the scheme is much lower than what is assumed, the financial implications of Component 1 would be much smaller. The estimated costs of Component 1 are also sensitive to the trajectory of property prices, the rate of return on superannuation funds, and the amount of time that participants in the scheme would hold their property before disposal.

The financial implications of Component 2 are sensitive to the same factors, as well as the potential for some individuals (who would have otherwise have downsized above age 60) to downsize early in response to the proposal. Component 2 would result in a decrease in personal income tax revenue for individuals who would have downsized regardless of the proposal, but an increase in superannuation earnings tax revenue for those who downsize in response to the proposal. This reflects that investment returns outside of superannuation are typically taxed at higher rates than those within superannuation and that owner-occupied housing is not taxed at all.

The combined uncertainties of Component 1 and Component 2 mean that the financial implications of the proposal could differ significantly from those estimated in this response. Furthermore, the Parliamentary Budget Office (PBO) has not assessed any potential flow-on effects to the housing market or the broader economy in response to the proposal.

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

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-54.0	-106.0	-71.0	-92.0	-323.0
Underlying cash balance	-54.0	-106.0	-71.0	-92.0	-323.0

(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 PBO has made the following assumptions in costing the proposal.

Both components

- The effective marginal tax rate on returns inside superannuation would be 9.75%.

- The effective marginal tax rate was calculated based on the 15% marginal tax rate on returns inside superannuation less discounts for capital gains and imputation credits.
- The rate of return on superannuation fund investments would be 7.5%, consistent with the central case in the Treasury’s [Retirement Income Review, July 2020](#).
- The fees on superannuation balances would be 0.85%.

Component 1: Establish the Super Home Buyer Scheme

- The take-up rate of the proposal would be 80% of the eligible population.
- Each property purchased through the scheme would represent an average of 1.8 participants.
- The average annual superannuation withdrawal per participant would be \$21,325.
 - While the maximum amount that can be withdrawn is \$50,000, participants in the scheme would be required to have a superannuation balance of at least \$125,000 to access this amount. Superannuation balances for first-home buyers are typically below this.
- Around 32% of superannuation withdrawals made between 2023-24 and 2032-33 would be returned to superannuation by 2032-33.
 - This reflects the likelihood that some properties purchased under the scheme would be sold before the end of the period to 2032-33. This figure incorporates any capital gains or losses that would also be returned to superannuation.
- 198,000 participants would access the scheme in 2023-24 and 2024-25, and 113,000 participants would access the scheme each year from 2025-26 to 2032-33.
 - The increased number of participants in 2023-24 and 2024-25 reflects provisions for recent market conditions as well as a behavioural response for some individuals to time their purchase of a property to the period immediately after the proposal commences.
- Any revenue from penalties levied on funds not returned to superannuation would be negligible.
- The proposal would start 1 July 2023.

Component 2: Reduce the eligibility age for downsizer contributions into superannuation

- The average annual downsizer contribution to superannuation per participant would be \$160,410.
 - This reflects assumed average proceeds of sale from downsizing, the amount to which participants that are downsizing would already be able to contribute within their non-concessional contributions cap, and assumes that participants would not exceed the transfer-balance cap on their superannuation balance.
- Earnings on investments outside of superannuation (excluding owner-occupied housing) would be taxed at the average marginal tax rate for those aged 55 to 59, decreasing over time as participants approach retirement and transition from salary and wage income to superannuation income.
- Around 5,000 participants would make contributions to superannuation through the scheme each year from 2023-24 to 2032-33 (around 1.75% of the eligible population).
 - This assumption was based on the observed take-up rate of the 2017-18 Budget measure Reducing Pressure on Housing Affordability — contributing the proceeds of downsizing to superannuation.
- From 2026-27 to 2032-33, 25% of superannuation contributions under the scheme would come from those aged between 55 and 59 that would have otherwise downsized after the age of 60.

- The behavioural response from 2026-27 reflects the time required for participants to prepare their financial affairs to downsize earlier than under the current arrangements.
- This response partially offsets the negative revenue impact from those already downsizing in the absence of the proposal.
- Departmental expenses to implement the proposal would be nil, as the scheme already exists for those aged over 60.

Methodology

The financial implications of both components were estimated based on modelling provided by the Treasury and the ATO for the Coalition’s commitment *COA 034 – Super Home Buyer Scheme and Downsizer Contributions*, with medium-term estimates based on the assumptions outlined above.

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

Component 1: Establish the Super Home Buyer Scheme

The total amount withdrawn from superannuation each year was calculated by multiplying the average number of participants by the average superannuation withdrawal. The decrease in superannuation tax revenue was then estimated by multiplying the total amount withdrawn by the assumed superannuation tax rate, with provisions for CGT, imputation credits, and investment balance fees. The earnings after taxes and fees each year were added to the total amount withdrawn to calculate the tax impact of compounding returns, with an offset applied after the forward estimates to account for the disposal of some properties purchased under the scheme. Departmental expenses were estimated based on information provided by the ATO.

Component 2: Reduce the eligibility age for downsizer contributions into superannuation

The total amount contributed to superannuation each year was calculated by multiplying the average number of participants (including those who bring forward their decision to downsize) by the average superannuation contribution. The increase in superannuation tax revenue was then estimated by multiplying the total amount contributed by the assumed superannuation tax rate, with provisions for CGT, imputation credits, and investment balance fees. The earnings after taxes and fees each year were added to the total amount contributed to calculate the tax impact of compounding returns. The offsetting decrease in personal income tax revenue for individuals that would have downsized in the absence of the proposal was calculated in the same way, but with earnings taxed at participants’ marginal tax rates.

Data sources

The Treasury provided economic parameters as at the *2022 Pre-election Economic and Fiscal Outlook*.

The Treasury provided the modelling for the Coalition’s commitment *COA 034 – Super Home Buyer Scheme and Downsizer Contributions*.

The Australian Taxation Office provided estimated departmental expenses for the Coalition’s commitment *COA 034 – Super Home Buyer Scheme and Downsizer Contributions*.

The Treasury (2020) [Retirement Income Review, July 2020](#), Australian Government, accessed 23 June 2022.

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

Attachment A – Super Home Buyer Scheme and Downsizer Contributions – financial implications

Table A1: Super Home Buyer Scheme and Downsizer Contributions – 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
Revenue													
Tax revenue													
<i>Super Home Buyer Scheme</i>	-	-10.0	-42.0	-66.0	-82.0	-100.0	-118.0	-135.0	-151.0	-165.0	-178.0	-118.0	-1,047.0
<i>Downsizer Contributions</i>	-	-3.0	-4.0	-6.0	-6.9	-7.8	-8.6	-9.1	-9.5	-9.7	-9.7	-13.0	-74.3
Total – revenue	-	-13.0	-46.0	-72.0	-88.9	-107.8	-126.6	-144.1	-160.5	-174.7	-187.7	-131.0	-1,121.3
Expenses													
Departmental													
<i>Australian Taxation Office</i>	-54.0	-93.0	-25.0	-20.0	-15.1	-15.2	-15.3	-15.4	-15.5	-15.6	-15.7	-192.0	-299.8
Total – expenses	-54.0	-93.0	-25.0	-20.0	-15.1	-15.2	-15.3	-15.4	-15.5	-15.6	-15.7	-192.0	-299.8
Total (excluding PDI)	-54.0	-106.0	-71.0	-92.0	-104.0	-123.0	-141.9	-159.5	-176.0	-190.3	-203.4	-323.0	-1,421.1

(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.

- Indicates nil.

Table A2: Super Home Buyer Scheme and Downsizer Contributions – 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	-0.6	-2.4	-4.5	-6.5	-9.0	-12.1	-16.1	-21.1	-27.0	-34.1	-42.7	-14.0	-176.1
Underlying cash balance	-0.5	-2.2	-4.3	-6.2	-8.7	-11.7	-15.6	-20.5	-26.3	-33.3	-41.7	-13.2	-171.0

- (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)



Rural Health and Medical Training, Far North Queensland

Party: The Coalition

Summary of proposal:

The proposal would provide funding over 4 years from 2022-23 to improve rural health care in Far North Queensland. It includes 2 components and would end on 30 June 2026.

Component 1 would create an additional 20 Commonwealth Supported Places (CSPs) per year from 2023 for 3 years for medicine at James Cook University.

Component 2 would provide support for the education, training and placement of doctors in hospitals in Far North Queensland through the North Queensland Primary Health Network with the following funding profile.

\$m	2022-23	2023-24	2024-25	2025-26
Component 2	-3.1	-5.4	-5.6	-6.3

Costing overview

The proposal would be expected to decrease the fiscal balance by \$26.2 million, the underlying cash balance by \$25.9 million and the headline cash balance by \$27.6 million over the 2022-23 Budget forward estimates period. This impact predominantly reflects an increase in administered expenses.

The proposal would be expected to have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to the assumptions around the uptake and completion of the additional CSPs and the inherent uncertainties in the baseline estimates for the relevant student loan programs, including uncertainties around existing estimates of debts not expected to be repaid and limited information regarding loan repayment profiles.

Consistent with the *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the concessional loans affected by this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest payments and the flow of loan principal. In particular, only the fiscal balance reflects loan indexation and remissions, and only the headline cash balance includes transactions related to loan principal amounts. The impact on net debt will be broadly consistent with movements in the headline cash balance. A note on the accounting treatment of concessional loans is included at Attachment B.

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

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-3.4	-6.5	-7.5	-8.8	-26.2
Underlying cash balance	-3.4	-6.4	-7.4	-8.7	-25.9
Headline cash balance	-3.5	-6.7	-8.0	-9.4	-27.6

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

Key assumptions

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

- Each CSP would be for a 5-year degree and all commencing students would finish their degree.
- There would be sufficient capacity and demand for the additional CSPs.
- After the 3 years of additional CSPs, the number of commencing CSPs would return to the baseline allocation.
- Departmental expenses would not be significant and would be absorbed within existing resources.

Methodology

The financial implications of Component 1 were estimated consistent with modelling for the 2022-23 Budget measure *Build on the Government's Investment in Rural Medical Training*, provided by the Department of Finance.

- Costs for the CSPs were derived using the Commonwealth Grants Scheme and Higher Education Loan Program estimates models provided by the Department of Education, Skills and Employment.

The financial implications of Component 2 were as specified.

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 the costing model as well as the underlying data for this proposal.

The Department of Education, Skills and Employment provided the Commonwealth Grants Scheme and Higher Education Loan Program estimates models as at the *Budget 2022-23*.

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

Attachment A – Rural Health and Medical Training, Far North Queensland – financial implications

Table A1: Rural Health and Medical Training, Far North Queensland – 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													
Administered non-tax													
<i>Component 1 - Indexation on loans</i>	-	..	..	..	..	0.10	0.10	0.10	0.10	0.10	0.10	..	0.60
<i>Component 1 - Unwinding concessional loan discount</i>	-	-	-	-	-	-	-	..	..	..	..	-	..
Total – revenue	-	..	..	..	..	0.10	0.10	0.10	0.10	0.10	0.10	..	0.60
Expenses													
Administered													
<i>Component 1 - Personal benefits</i>	..	..	..	-0.01	-0.01	..	..	..	-	-	-	-0.01	-0.02
<i>Component 1 - Remissions</i>	-	-	-	-	-	..	..	..	..	..	..	-	..
<i>Component 1 - Concessional loan discount</i>	-	-	-	-	-	-0.01	-0.01	..	-	-	-	-	-0.02
<i>Component 1 - Other loan financing</i>	..	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	..	-	-	-	-0.30	-0.60
<i>Component 1 - Commonwealth Supported Places</i>	-0.30	-0.90	-1.50	-1.90	-1.90	-1.60	-1.00	-0.30	-	-	-	-4.60	-9.40
<i>Component 2 - Support for doctors in hospitals in Far North Queensland</i>	-3.10	-5.40	-5.60	-6.30	-	-	-	-	-	-	-	-20.40	-20.40
Total – expenses	-3.40	-6.30	-7.20	-8.30	-2.01	-1.71	-1.11	-0.30	..	..	..	-25.20	-30.33
Total (excluding PDI)	-3.40	-6.30	-7.20	-8.30	-2.01	-1.61	-1.01	-0.20	0.10	0.10	0.10	-25.20	-29.73
PDI impacts	..	-0.20	-0.30	-0.50	-0.70	-0.70	-0.80	-0.90	-0.90	-0.90	-1.00	-1.00	-6.90
Total (including PDI)	-3.40	-6.50	-7.50	-8.80	-2.71	-2.31	-1.81	-1.10	-0.80	-0.80	-0.90	-26.20	-36.63

(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.

.. Not zero but rounded to zero.

- Indicates nil.

Table A2: Rural Health and Medical Training, Far North Queensland – 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													
Administered non-tax													
<i>Component 1 - Interest receipts</i>	-	-	..	..	..	..	..	0.01	0.01	0.01	0.01	..	0.04
Total – receipts	-	-	..	..	..	..	..	0.01	0.01	0.01	0.01	..	0.04
Payments													
Administered													
<i>Component 1 - Personal benefits</i>	..	..	..	-0.01	-0.01	..	..	..	-	-	-	-0.01	-0.02
<i>Component 1 - Commonwealth Supported Places</i>	-0.30	-0.90	-1.50	-1.90	-1.90	-1.60	-1.00	-0.30	-	-	-	-4.60	-9.40
<i>Component 2 - Support for doctors in hospitals in Far North Queensland</i>	-3.10	-5.40	-5.60	-6.30	-	-	-	-	-	-	-	-20.40	-20.40
Total – payments	-3.40	-6.30	-7.10	-8.20	-1.91	-1.60	-1.00	-0.30	-	-	-	-25.00	-29.81
Total (excluding PDI)	-3.40	-6.30	-7.10	-8.20	-1.91	-1.60	-1.00	-0.29	0.01	0.01	0.01	-25.00	-29.77
PDI impacts	..	-0.10	-0.30	-0.50	-0.60	-0.70	-0.80	-0.90	-0.90	-0.90	-1.00	-0.90	-6.70
Total (including PDI)	-3.40	-6.40	-7.40	-8.70	-2.51	-2.30	-1.80	-1.19	-0.89	-0.89	-0.99	-25.90	-36.47

(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.

.. Not zero but rounded to zero.

- Indicates nil.

Table A3: Rural Health and Medical Training, Far North Queensland – Headline 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													
Administered non-tax													
<i>Component 1 - Interest receipts</i>	-	-	..	..	..	..	..	0.01	0.01	0.01	0.01	..	0.04
<i>Component 1 - Loan principal repayments</i>	-	..	..	..	..	0.10	0.10	0.10	0.10	0.10	0.20	..	0.70
Total – receipts	-	..	..	..	..	0.10	0.10	0.11	0.11	0.11	0.21	..	0.74
Payments													
Administered													
<i>Component 1 - Personal benefits</i>	..	..	..	-0.01	-0.01	..	..	..	-	-	-	-0.01	-0.02
<i>Component 1 - Total loans</i>	-0.10	-0.30	-0.60	-0.70	-0.70	-0.60	-0.40	-0.10	-	-	-	-1.70	-3.50
<i>Component 1 - Commonwealth Supported Places</i>	-0.30	-0.90	-1.50	-1.90	-1.90	-1.60	-1.00	-0.30	-	-	-	-4.60	-9.40
<i>Component 2 - Support for doctors in hospitals in Far North Queensland</i>	-3.10	-5.40	-5.60	-6.30	-	-	-	-	-	-	-	-20.40	-20.40
Total – payments	-3.50	-6.60	-7.70	-8.90	-2.61	-2.20	-1.40	-0.40	-	-	-	-26.70	-33.31
Total (excluding PDI)	-3.50	-6.60	-7.70	-8.90	-2.61	-2.10	-1.30	-0.29	0.11	0.11	0.21	-26.70	-32.57
PDI impacts	..	-0.10	-0.30	-0.50	-0.60	-0.70	-0.80	-0.90	-0.90	-0.90	-1.00	-0.90	-6.70
Total (including PDI)	-3.50	-6.70	-8.00	-9.40	-3.21	-2.80	-2.10	-1.19	-0.79	-0.79	-0.79	-27.60	-39.27

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

.. Not zero but rounded to zero.

- Indicates nil.

Attachment B – Accounting treatment of concessional loans

A concessional loan is a loan provided on more favourable terms than the borrower could obtain in the financial market. The most common concession is a below-market interest rate, but concessions can also include favourable repayment conditions. The income contingent loans available through the Higher Education Loan Program are an example of concessional loans offered by the Australian Government.

Budget impact²

The accounting treatment of concessional loans differs across each budget aggregate. The underlying cash balance only captures actual flows of interest related to the loans. The headline cash balance captures actual flows of principal as well as interest. The fiscal balance captures accrued interest, the value of the concession and any write-offs related to the loans. The interest cost of financing these loans is captured in all budget aggregates, and is separately identified by the PBO.³ Table B1 provides information about the detail provided in a costing. The provision of concessional loans decreases the Australian Government's net worth if the liabilities issued (the value of Australian Government Securities issued to finance the loans) are greater than the assets created (measured at their 'fair value' or price at which the loans could be sold).

Treatment of debt not expected to be repaid

All budget aggregates take into account estimates of the share of loans not expected to be repaid when calculating interest flows and estimating the value of the concession that is being provided. None of the measures capture the direct impact on net worth of the loans not expected to be repaid. If a portion of loans are not expected to be repaid, estimates of the 'fair value' of the loans outstanding will be reduced. Such reductions, both when loans are issued and if loans are subsequently re-valued, are recorded in the budget under 'other economic flows' which are reflected in net worth but not in the budget aggregates.

Table B1: Components of concessional loan financial impacts in costing proposals

Budget item	Appears in	Comments
Interest accrued or received	All budget aggregates	Captures the interest accrued or expected to be received on the fair value of the debt. (The budget cannot include interest income on a debt that is not expected to be repaid.)
Concessional loan discount expense and unwinding revenue	Fiscal balance	The net present value of the concession (based on the difference between the market and concessional interest rates) is captured as an expense in the fiscal balance. As loans are repaid, the remaining value of the concession reduces, so this expense is 'unwound' with a positive impact on the fiscal balance. The concessional discount and its unwinding are not recognised in cash balances as there is no cash inflow or outflow.
Write-offs	Fiscal balance	Debt forgiveness, also known as mutually agreed write-downs (for example in the case of the death of the borrower of a HELP loan) are expensed when they occur, reducing the fiscal balance. These transactions do not affect the cash balances as no cash flows occur.
Initial loan; principal repayments	Headline cash balance	Higher estimates of loans not expected to be repaid lowers principal repayments. These transactions are not included in the fiscal balance or underlying cash balance as they involve the exchange of one financial asset (loan) for another (cash).
Public debt interest (PDI)	All budget aggregates	The PDI impact is the cost of the change in the government's borrowing requirements to fund the loans. The net headline cash balance impact excluding PDI is used to estimate the proposal's impact on PDI payments.

² The PBO's treatment of these loans is consistent with the Department of Finance costing guidelines.

³ This is in accordance with *PBO Guidance 02/2015* and the Charter of Budget Honesty Policy Costing Guidelines which specify that costings of proposals that 'involve transactions of financial assets' need to take into account the impact on PDI payments.



Maximum penalties under the Building and Construction Industry (Improving Productivity) ACT 2016

Party: The Coalition

Summary of proposal:

The proposal would increase the maximum penalties courts can impose on a union to \$444,000 and \$88,000 on union officials.

The increased penalties would cover offences including unlawful industrial action, coercion, and unlawful picketing.

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to have a revenue impact, but due to limited available data and significant uncertainty surrounding the behavioural response pertaining to increased maximum penalties, the Parliamentary Budget Office (PBO) has determined that this proposal is unquantifiable.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period. Financial implications (including a separate PDI table) over the period to 2032-33 are provided at Attachment A.

Table 1: Financial implications (\$m)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

* Unquantifiable.

Methodology

The PBO has determined that this proposal is unquantifiable due to limited available data and significant uncertainty surrounding the behavioural response pertaining to increased maximum penalties.

Attachment A – Maximum penalties under the Building and Construction Industry (Improving Productivity) ACT 2016 – financial implications

Table A1: Maximum penalties under the Building and Construction Industry (Improving Productivity) ACT 2016 – Fiscal and underlying cash balances (\$m)

	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>Increase maximum penalties under the Building and Construction Industry ACT 2016</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable.

Table A2: Maximum penalties under the Building and Construction Industry (Improving Productivity) ACT 2016 – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)

	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	*	*	*	*	*	*	*	*	*	*	*	*	*
Underlying cash balance	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable.



Foreign criminals to face the cost of their own immigration detention

Party: The Coalition

Summary of proposal:

The proposal would seek to legislatively ensure foreign criminals would face the cost of their own immigration detention.

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to have an impact on non-tax revenue; however, the Parliamentary Budget Office (PBO) has determined that this proposal is unquantifiable for the following reasons:

- Limited available data.
- Significant uncertainty surrounding the general cost of foreign criminal detention.
- Significant uncertainty surrounding the legal costs associated with ensuring foreign criminals face the cost of their own immigration detention.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period. Financial implications (including a separate PDI table) over the period to 2032-33 are provided at Attachment A.

Table 1: Financial implications (\$m)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*	*	*	*	*
Underlying cash balance	*	*	*	*	*

* Unquantifiable impact.

Methodology

The PBO has determined that this proposal is unquantifiable due to limited available data, significant uncertainty surrounding the baseline cost of foreign criminal detention and the legal costs associated with ensuring foreign criminals face the cost of their own immigration detention.

Attachment A – Foreign criminals to face the cost of their own immigration detention – financial implications

Table A1: Foreign criminals to face the cost of their own immigration detention – Fiscal and underlying cash balance (\$m)

	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>Non-tax revenue</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable impact.

Table A2: Foreign criminals to face the cost of their own immigration detention – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)

	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>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Underlying cash balance</i>	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable impact.



Junior Minerals Exploration Incentive	
Party:	The Coalition
Summary of proposal: The proposal would enact regulation to carry over unused exploration credits for the Junior Minerals Exploration Incentive from 2020-21 to 2021-22.	

Costing overview

The proposal would be expected to have a revenue impact in the 2022-23 financial year, but due to limited available data and significant uncertainty surrounding the behavioural response pertaining to exploration credits for the Junior Minerals Exploration Incentive, the Parliamentary Budget Office (PBO) has determined that this proposal is unquantifiable.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period. Financial implications (including a separate PDI table) over the period to 2032-33 are provided at Attachment A.

Table 1: Financial implications (\$m)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*	-	-	-	*
Underlying cash balance	*	-	-	-	*

* Unquantifiable impact.

Methodology

The PBO has determined that the revenue impacts of this proposal are unquantifiable due to limited available data and significant uncertainty surrounding the behavioural response pertaining to exploration credits for the Junior Minerals Exploration Incentive.

Attachment A – Junior Minerals Exploration Incentive – financial implications

Table A1: Junior Minerals Exploration Incentive – Fiscal and underlying cash balance (\$m)

	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													
<i>Administered expenses</i>	*	-	-	-	-	-	-	-	-	-	-	*	*
Total – expenses	*	-	-	-	-	-	-	-	-	-	-	*	*
Total (excluding PDI)	*	-	-	-	-	-	-	-	-	-	-	*	*

* Unquantifiable impact.

Table A2: Junior Minerals Exploration Incentive – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)

	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>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Underlying cash balance</i>	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable impact.



Various capped costings – The Coalition

Party:

The Coalition

This document details the administered, departmental, and total funding amounts for capped costings included in Appendix A, Table A-1 of the 2022 Election commitments report.

A memorandum item shows the aggregate impact of all capped costings on Public Debt Interest (PDI).

Costing overview

A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

All commitments, except for *Infrastructure Investment Program - Additional Funding* and *Mental Health - Additional Funding*, have a Department of Finance or Treasury costing and are consistent with the corresponding costings published on the Election Costings website¹.

Consistent with the specifications provided to the Departments of Finance and the Treasury, the PBO has assumed that the departmental funding for the delivery of these commitments would be met through unspecified offsets from the portfolio responsible for delivering individual commitments (unless otherwise specified within Attachment A). In total these amounts equate to around 3.7% of the administered funding amounts.

The Parliamentary Budget Office (PBO) has not undertaken analysis to assess whether the proposed expenditures would be sufficient to achieve the objective of the policy proposals.

Consistent with PBO Guidance Note 2, programs are assumed to be ongoing unless publicly stated otherwise. Commitments for projects with a definable point of completion are not assumed to be ongoing.

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

¹ <https://www.electioncostings.gov.au/>

Attachment A – Various capped costings – The Coalition – financial implications

Table A1: Various capped costings – The Coalition – Fiscal and underlying cash balances (\$m)

Commitment Title		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
Allowah Children's Hospital - Appeal ^(a)	<i>Administered</i>	-2.0	-	-	-	-	-	-	-	-	-	-	-2.0	-2.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-2.0	-	-	-	-	-	-	-	-	-	-	-2.0	-2.0
Australia-Wide National Institute for Forest Products Innovation ^(b)	<i>Administered</i>	-10.0	-15.0	-25.0	-28.3	-28.3	-	-	-	-	-	-	-78.3	-106.6
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-10.0	-15.0	-25.0	-28.3	-28.3	-	-	-	-	-	-	-78.3	-106.6
Business Energy Advice Program ^(c)	<i>Administered</i>	-3.1	-6.9	-4.7	-3.2	-	-	-	-	-	-	-	-17.9	-17.9
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-3.1	-6.9	-4.7	-3.2	-	-	-	-	-	-	-	-17.9	-17.9
Cairns Water Security - Stage 1 ^(d)	<i>Administered</i>	-	-10.0	-43.8	-53.8	-	-	-	-	-	-	-	-107.5	-107.5
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-10.0	-43.8	-53.8	-	-	-	-	-	-	-	-107.5	-107.5
Defence Industry Pathways Program ^(e)	<i>Administered</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Enhancing Safety Across Agriculture, Fisheries and Forestry Communities	<i>Administered</i>	-1.5	-2.5	-2.8	-3.3	-	-	-	-	-	-	-	-10.0	-10.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-1.5	-2.5	-2.8	-3.3	-	-	-	-	-	-	-	-10.0	-10.0
Establishment of a Comprehensive Cancer Centre, Queensland ^(f)	<i>Administered</i>	-2.0	-13.0	-80.0	-90.0	-100.0	-90.0	-	-	-	-	-	-185.0	-375.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-2.0	-13.0	-80.0	-90.0	-100.0	-90.0	-	-	-	-	-	-185.0	-375.0
Establishment of the Bragg Comprehensive Cancer Centre, South Australia ^(g)	<i>Administered</i>	-20.0	-15.0	-15.0	-13.5	-13.5	-	-	-	-	-	-	-63.5	-77.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-20.0	-15.0	-15.0	-13.5	-13.5	-	-	-	-	-	-	-63.5	-77.0
Heart Centre for Children ^(h)	<i>Administered</i>	-0.5	-0.8	-1.5	-1.5	-	-	-	-	-	-	-	-4.3	-4.3
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-0.5	-0.8	-1.5	-1.5	-	-	-	-	-	-	-	-4.3	-4.3

Commitment Title		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
Infrastructure Investment Program - Additional Funding	<i>Administered</i>	-	-	-	-50.0	-135.0	-115.0	-25.0	-5.0	-	-	-	-50.0	-330.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-50.0	-135.0	-115.0	-25.0	-5.0	-	-	-	-50.0	-330.0
Mental Health - Additional Funding ^(u)	<i>Administered</i>	-	-13.0	-10.8	-9.0	-9.1	-9.3	-9.4	-9.6	-9.7	-9.8	-10.0	-32.8	-99.7
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-13.0	-10.8	-9.0	-9.1	-9.3	-9.4	-9.6	-9.7	-9.8	-10.0	-32.8	-99.7
Northern Tasmania Palliative Care Centre ⁽ⁱ⁾	<i>Administered</i>	-	-5.0	-10.0	-5.0	-	-	-	-	-	-	-	-20.0	-20.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-5.0	-10.0	-5.0	-	-	-	-	-	-	-	-20.0	-20.0
Nyrstar Electrolysis Plant Expansion ^(j)	<i>Administered</i>	-	-	-10.0	-10.0	-10.0	-10.0	-10.0	-	-	-	-	-20.0	-50.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-10.0	-10.0	-10.0	-10.0	-10.0	-	-	-	-	-20.0	-50.0
Perinatal Mental Health Hubs ^(k)	<i>Administered</i>	-2.0	-7.5	-8.3	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-25.6	-80.9
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-2.0	-7.5	-8.3	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-25.6	-80.9
Powering Business ^(l)	<i>Administered</i>	-20.0	-40.0	-	-	-	-	-	-	-	-	-	-60.0	-60.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-20.0	-40.0	-	-	-	-	-	-	-	-	-	-60.0	-60.0
Protecting Australians Online ^(m)	<i>Administered</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Departmental</i>	-7.0	-8.0	-9.0	-9.0	-	-	-	-	-	-	-	-33.0	-33.0
	Total	-7.0	-8.0	-9.0	-9.0	-	-	-	-	-	-	-	-33.0	-33.0
Public Interest News Gathering Program - Additional Round	<i>Administered</i>	-10.0	-	-	-	-	-	-	-	-	-	-	-10.0	-10.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-10.0	-	-	-	-	-	-	-	-	-	-	-10.0	-10.0
Public Interest News Gathering Program - Multicultural	<i>Administered</i>	-5.0	-	-	-	-	-	-	-	-	-	-	-5.0	-5.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-5.0	-	-	-	-	-	-	-	-	-	-	-5.0	-5.0
Recreational Fishing and Camping Facilities Program - extension	<i>Administered</i>	-5.0	-5.0	-5.0	-5.0	-	-	-	-	-	-	-	-20.0	-20.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-5.0	-5.0	-5.0	-5.0	-	-	-	-	-	-	-	-20.0	-20.0
Sports Package ⁽ⁿ⁾	<i>Administered</i>	-6.6	-11.6	-6.9	-	-	-	-	-	-	-	-	-25.1	-25.1
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-6.6	-11.6	-6.9	-	-	-	-	-	-	-	-	-25.1	-25.1

Commitment Title		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
Stay Afloat - Extension	<i>Administered</i>	-0.8	-0.8	-	-	-	-	-	-	-	-	-	-1.5	-1.5
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-0.8	-0.8	-	-	-	-	-	-	-	-	-	-1.5	-1.5
Supporting Livestock and Pasture Genetic Resources ^(o)	<i>Administered</i>	-1.5	-2.5	-2.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-8.2	-19.4
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-1.5	-2.5	-2.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-8.2	-19.4
Technology Skills Passport	<i>Administered</i>	-2.5	-2.5	-	-	-	-	-	-	-	-	-	-5.0	-5.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-2.5	-2.5	-	-	-	-	-	-	-	-	-	-5.0	-5.0
The Royal Children's Hospital - Good Friday Appeal	<i>Administered</i>	-2.0	-	-	-	-	-	-	-	-	-	-	-2.0	-2.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-2.0	-	-	-	-	-	-	-	-	-	-	-2.0	-2.0
Tourism Package ^(p)	<i>Administered</i>	-5.0	-4.0	-6.0	-6.0	-	-	-	-	-	-	-	-21.0	-21.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-5.0	-4.0	-6.0	-6.0	-	-	-	-	-	-	-	-21.0	-21.0
Type 1 Diabetes Family Centre ^(q)	<i>Administered</i>	-0.3	-0.3	-0.3	-	-	-	-	-	-	-	-	-0.9	-0.9
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-0.3	-0.3	-0.3	-	-	-	-	-	-	-	-	-0.9	-0.9
Veterans Package ^{(r)(s)}	<i>Administered</i>	-19.5	-27.8	-17.9	-2.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-67.7	-68.5
	<i>Departmental</i>	-1.5	-0.9	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-3.7	-8.4
	Total	-21.0	-28.7	-18.5	-3.2	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-71.4	-76.9
Wine Export Grants ^(t)	<i>Administered</i>	-1.0	-1.0	-1.0	-1.0	-	-	-	-	-	-	-	-4.0	-4.0
	<i>Departmental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-1.0	-1.0	-1.0	-1.0	-	-	-	-	-	-	-	-4.0	-4.0
Total – Administered		-120.2	-184.2	-251.4	-291.5	-305.5	-233.9	-54.0	-24.2	-19.3	-19.4	-19.6	-847.3	-1,523.3
Total – Departmental		-8.5	-8.9	-9.6	-9.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-36.7	-41.4
Total		-128.8	-193.1	-261.1	-301.2	-306.2	-234.6	-54.7	-24.9	-20.0	-20.1	-20.3	-884.0	-1,564.7

- Indicates nil.

Components may not sum to totals due to rounding.

- (a) This commitment is to provide a contribution to the Allowah Presbyterian Children's Hospital to support specialist paediatric services for children with complex disabilities in Western Sydney.
- (b) This commitment has 2 administered components:
 - \$100 million over 5 years from 2022-23 to establish a National Institute for Forest Products Innovation host hub in Launceston (University of Tasmania), with 5 regionally located centres of excellence across Australia
 - \$6.6 million over 2 years from 2025-26 to extend funding for the 11 existing Regional Forestry Hubs.
- (c) This commitment builds on and expands a 2018-19 Budget measure creating the Business Energy Advice Program (BEAP) .
- (d) This commitment is for 50% of the project cost for the Cairns Water Security – Stage 1 project.
- (e) This commitment is to provide \$108.5 million over 4 years from 2022-23 to expand the Defence Industry Pathways Program (DIPP), with costs to be offset from the DIPP.
- (f) This commitment does not include ongoing operational costs associated with the Centre.
- (g) This commitment does not include ongoing operational costs associated with the Bragg Comprehensive Cancer Centre.
- (h) This commitment is to provide \$4.3 million over 4 years to the Heart Centre for Children, terminating on 30 June 2026.
- (i) This commitment is to provide \$20.0 million to the Tasmanian Government for the construction of a dedicated palliative care centre in northern Tasmania. The associated operational funding for the centre is not included in the commitment.
- (j) This commitment is for a contribution towards the cost of the expansion of the Nyrstar electrolysis plant and is not a commitment for the total cost of this project.
- (k) This commitment would provide funding of \$25.6 million between 2022-23 and 2025-26 to the Gidget Foundation Australia (GFA) to establish 20 new perinatal mental health and wellbeing services, with at least one new service to be established in every state and territory. The commitment is ongoing with fixed costs of \$7.9 million each year to GFA from 2026-27 to continue the operation of the 20 new hubs.
- (l) This commitment has 2 administered components for capped grants to support energy efficient equipment upgrades for small and medium sized businesses:
 - Small businesses would have a maximum grant of \$25,000 and would not be required to make a co-contribution
 - Medium businesses would have a maximum grant of \$50,000 and would be required to match the funding amount.
- (m) This commitment has 2 departmental components:
 - \$23 million for eSafety in schools, consisting of:
 - providing material to every school in Australia to raise awareness of the services provided by eSafety
 - additional resources and training to school children on emerging online safety and mental health issues
 - in-person teacher training to help educators support students
 - enhancing the eSafety Commissioner's Online Safety Toolkit
 - strengthening the Trusted eSafety Provider Program.
 - \$10 million for the eSafety Commissioner to further expand coordination with other regulatory and law enforcement agencies to make it easier for Australians to report online harms.
- (n) This commitment has 3 administered components:
 - \$20.2 million over 3 years from 1 January 2023 to expand the Sporting Schools program to secondary students in years 9 and 10
 - \$4.8 million over 3 years from 1 July 2022 to support Surf Life Saving Australia to purchase additional equipment
 - \$0.06 million in 2022-23 to support the Veterans Surf Project to provide surf therapy programs.
- (o) This commitment is for funding towards the design framework and preparatory work to establish and operate a national livestock genebank.
- (p) This commitment has 3 administered components over 2022-23 to 2025-26:
 - \$15 million for grants to small to medium sized wineries, distilleries and craft beer producers for the construction or upgrade of cellar door or tourism-associated facilities
 - \$5 million for grants to tourism and local government organisations for the creation of new wine, spirits and craft brewery tourism events and experiences
 - \$1 million for a feasibility study into the establishment of a tourism skills training school on the Mornington Peninsula.
- (q) This commitment is to provide \$930,000 over 3 years to the Type 1 Diabetes Family Centre in Perth, Western Australia, to continue their community support programs.

- (r) This commitment has 6 administered components:
- \$38.1 million over 3 years from 2022-23 to support the establishment of a National Veteran Volunteer Service program in partnership with Disaster Relief Australia
 - \$15.0 million over 2 years from 2022-23 for 3 additional Veterans Wellbeing Centres
 - \$2.0 million over 2 years from 2022-23 as a contribution to veteran-led mental health charity Swiss 8
 - \$10.0 million over 4 years from 2022-23 in further support for the Prime Minister’s Veterans’ Employment Program
 - \$2.2 million over 3 years from 2022-23 to establish a pilot program to provide early intervention specialist child and adolescent mental health support for children of current and former ADF members in 3 high-needs locations
 - \$0.4 million over 4 years from 2022-23 (and \$0.1 million each year ongoing) for a grants program to mark the private graves of veterans of the First World War who died post war and are at rest in Australian civil cemeteries.
- (s) This commitment has 2 departmental components:
- \$0.4 million over 3 years from 2022-23 to establish a pilot program to provide early intervention specialist child and adolescent mental health support for children of current and former ADF members in 3 high-needs locations
 - \$3.3 million over 4 years from 2022-23 (and \$0.6 million each year ongoing) for a grants program to mark the private graves of veterans of the First World War who died post war and are at rest in Australian civil cemeteries.
- (t) This commitment provides matched funding of up to \$25,000 to wine producers to reimburse costs of promoting their products in international markets.
- (u) This commitment is assumed as ongoing from 2026-27 over the medium term, consistent with PBO general election guidance.

Table A2: Memorandum item: Public Debt Interest (PDI) impacts – Various capped costings – The Coalition – 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	-1.3	-5.0	-10.4	-16.9	-24.5	-32.3	-36.9	-39.4	-41.3	-43.3	-46.7	-33.6	-297.7
Underlying cash balance	-1.3	-4.6	-9.6	-16.2	-23.6	-31.5	-36.3	-39.0	-41.1	-43.2	-46.4	-31.7	-292.6

- (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 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)