

ECR-2025-3254

Funding to employ an additional 1,000 peer workers							
Party:	Australian Greens						
Summary of proposal:							

The proposal would increase the peer workforce by 1,000 workers, including First Nations peer workers by providing grants to Primary Health Networks to employ these additional workers.

The proposal would be ongoing and start on 1 July 2026.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$235 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses associated with the grants, partly offset by an increase in administered revenue collected through income and superannuation taxes.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

This costing is sensitive to assumptions around the average wage of a peer worker and whether there would be sufficient supply to meet the start date of 1 July 2026.

Table 1: Funding to employ an additional 1,000 peer workers – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-77.5	-77.3	-80.5	-235.3
Underlying cash balance	-	-77.5	-77.3	-80.5	-235.3

⁽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.

- There would be sufficient supply and demand for the total 1,000 additional peer workers.
- The average salary of a peer worker was \$75,000 in 2024-25, informed by recent job advertisements for peer support workers using Seek and similar websites.
- Salaries would grow in line with Average Weekly Earnings.
- Superannuation guarantee would be paid at the standard rate of 12%.
- Departmental expenses to run the grant process will be around 2.5% of the total administered expense.

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

Indicates nil.

Methodology

The administered expenses were calculated by multiplying the specified additional workers by their estimated growth-adjusted salaries plus superannuation. Income tax was then calculated on the salaries and superannuation tax was calculated on superannuation contributions.

The departmental expenses are for the Department of Health and Aged Care to run the grant process and were informed by similar measures in Commonwealth budgets from 2015-16 to 2021-22.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Australian Taxation Office (2024) <u>Tax rates – Australian Resident</u>, accessed 14 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025,* Commonwealth of Australia.

Seek (2025) Peer worker salary in Sydney, accessed 14 May 2025.

Talent.com (2025) Peer Worker average salary in Australia 2025, accessed 14 May 2025.

¹ https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

Attachment A – Funding to employ an additional 1,000 peer workers – Financial implications

Table A1: Funding to employ an additional 1,000 peer workers – Fiscal and underlying cash balances (\$m)(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Tax revenue													
Income tax	-	14.5	15.5	16.4	17.3	18.3	19.3	20.4	21.5	22.6	23.8	46.4	189.6
Superannuation taxes	-	1.4	1.5	1.5	1.6	1.7	1.7	1.8	1.8	1.9	2.0	4.4	16.9
Total – tax revenue	-	15.9	17.0	17.9	18.9	20.0	21.0	22.2	23.3	24.5	25.8	50.8	206.5
Expenses													
Administered													
Salary including superannuation	-	-89.0	-92.0	-96.0	-99.0	-103.0	-107.0	-110.0	-115.0	-119.0	-123.0	-277.0	-1,053.0
Departmental													
Department of Health and Aged Care	-	-4.4	-2.3	-2.4	-2.5	-2.6	-2.7	-2.8	-2.9	-3.0	-3.1	-9.1	-28.7
Total – expenses	-	-93.4	-94.3	-98.4	-101.5	-105.6	-109.7	-112.8	-117.9	-122.0	-126.1	-286.1	-1,081.7
Total (excluding PDI)	-	-77.5	-77.3	-80.5	-82.6	-85.6	-88.7	-90.6	-94.6	-97.5	-100.3	-235.3	-875.2

⁽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: Funding to employ an additional 1,000 peer workers – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-	-1.7	-5.2	-8.9	-12.9	-17.3	-21.9	-26.9	-32.3	-38.2	-44.4	-15.8	-209.7
Underlying cash balance	-	-1.3	-4.3	-8.0	-11.9	-16.2	-20.8	-25.7	-31.0	-36.7	-42.9	-13.6	-198.8

- (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.
- Indicates nil.

² Online budget glossary – Parliamentary Budget Office (pbo.gov.au)