



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request, *Palliative care* (letter of 5 September 2013).

The response to this request will be released on the PBO website (<http://aph.gov.au/pbo>).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

5 September 2013

COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	Palliative care
Summary of proposal:	The proposal would improve Australia's palliative care system by: • providing an extra \$15 million a year over four years in funding to community care and to the states and territories for palliative care • developing model legislation for advanced care planning, and • providing information and awareness for patients and families about palliative care options. The proposal would have effect from 1 July 2014 and would terminate on 30 June 2018.
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	5 September 2013
Date costing completed:	5 September 2013
Date of public release of policy:	4 September 2013
Additional information requested (including date):	On 5 September 2013, the PBO sought confirmation from Senator Milne's Office on whether the capped amount specified in the costing request was to cover all components of this policy.
Additional information received (including date):	On 5 September 2013, the Senator Milne's Office advised that additional costs of \$2.0 million in the first year for developing model legislation, and \$2.5 million in each year for providing information and awareness should be included in addition to the estimates in the costing request.
Agencies from which information was obtained:	Not applicable

POLICY COSTING – ELECTION CARETAKER PERIOD

Costing overview

This proposal is expected to decrease the underlying cash and fiscal balances by \$54.5 million over the 2013-14 Budget forward estimates period. The financial implications of this proposal would also extend beyond the forward estimates period with a financial impact of \$17.5 million in 2017-18, bringing the total cost of the proposal to \$72.0 million over four years. This impact is entirely due to an increase in expenses.

No additional funding has been included for departmental administration costs as:

- provision of funding to States and Territories would involve a simple transfer of funds, and
- the administration of the marginal increase in community care funding could be met from within existing resources of the Department of Health and Ageing.

This costing has a number of components which are included at Attachment A.

The estimates in this costing differ from those presented in the applicant's costing request because costs totalling \$12.0 million over four years have been included for developing model legislation and providing information and awareness for patients, as per further advice from the requestor.

This costing is considered to be of high reliability as it is based on capped amounts specified in the costing request as well as further information provided to the PBO.

Table 1: Financial implications (outturn prices)^(a)

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-19.5	-17.5	-17.5
Fiscal balance (\$m)	-	-19.5	-17.5	-17.5

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates an increase in expenses in cash terms.

POLICY COSTING – ELECTION CARETAKER PERIOD

ATTACHMENT A: BREAKDOWN OF COSTS

Underlying cash and fiscal balances	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)
Community Care Funding	-	-5.0	-5.0	-5.0	-5.0
State and Territory Funding	-	-10.0	-10.0	-10.0	-10.0
Model legislation	-	-2.0	-	-	-
Information and Awareness Campaign	-	-2.5	-2.5	-2.5	-2.5
Total	-	-19.5	-17.5	-17.5	-17.5