Parliamentary Budget Office

APPENDIX G – COSTING DOCUMENTATION FOR THE AUSTRALIAN GREENS' ELECTION COMMITMENTS

Contents

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.

Parliamentary Budget Office

No new coal, oil and gas	
Party:	Australian Greens

Summary of proposal:

The proposal would prohibit any new gas fields, coal mines, gas plants or coal stations. This includes preventing any expansion of any existing gas fields (onshore and offshore) or coal mines that are currently in operation. The proposal would mean that any new coal and gas projects that have been publicly announced, but not yet committed to, would no longer be permitted to commence.

This would be implemented by cancelling existing mining licences or by not approving new licences under the corporations power without compensation, noting that these licences are not proprietary rights and the Australian Government would merely cancel the legal rights that it bestows.

This proposal would commence on 1 June 2022.

Costing overview

This proposal would be expected to decrease the fiscal balance and underlying cash balance by around $920 million over the 2022-23 Budget forward estimates period. This impact reflects a decrease to company tax revenue paid by coal and gas projects that would no longer be going ahead under the proposal.

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

There are 2 main sources of uncertainty in this estimate. Firstly, there is uncertainty in the production volumes and longevity of projects that have been identified. Over- or under-production compared to current predictions would impact the potential revenue foregone. Secondly, this costing has identified a limited number of projects that are scheduled to commence operations after the start date of the proposal. It is unknown how many projects, that have currently not been identified or planned, would commence over the period until 2032-33. As these unknown potential projects are not included in the costing, this creates further uncertainty regarding the potential revenue forgone under this proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-150.0	-176.0	-258.0	-336.0	**-920.0**
Underlying cash balance	-150.0	-176.0	-258.0	-336.0	**-920.0**

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

- Any legal challenges to the validity of legislation cancelling mining licences would not succeed. The PBO has made no judgement regarding the likelihood that this would be the case or estimated the likely cost of such litigation.
- All future coal and gas projects, as currently identified in the publication *Resources and Energy Major Projects: 2020* by the Department of Industry, Science, Energy and Resources would be affected by this proposal.
- There will be no material impact on global coal and gas prices as a result of prohibiting new coal and gas projects.
- The thermal and metallurgical coal and gas prices would be consistent with forecasts from the 2022-23 Budget forward estimates period and its real value would be maintained over the period to 2032-33 by indexing it by the consumer price index.
- All affected companies would be taxable.
- The tax payable by affected coal companies would be approximately 6% of their total income. The tax payable by affected gas companies would be approximately 2% of their total income.
  - These are based on the ratio of tax payable to total revenue for coal mining and gas extraction companies in the Australian Taxation Office's (ATO's) *2018-19 Taxation Statistics*.

Methodology

Projects yet to commence were identified using the *Resources and Energy Major Projects: 2020* report from the Department of Industry, Science, Energy and Resources. Only projects labelled as 'Publicly announced' were factored into the revenue impact.

Wood Mackenzie was consulted to estimate which year each project was likely to commence commercial production.

The expected value of output of coal and gas products from these projects was calculated by multiplying the expected production volumes by the projected prices, as at the 2022-23 Budget. The value of coal and gas was then multiplied by the tax payable to total income ratio to calculate the forgone corporate tax revenue.

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

ATO (2021) *Taxation Statistics 2018-19*, ATO.

Australian Government (2022) *2022-23 Budget*, Australian Government.

Department of Industry, Science, Energy and Resources (2020) *Resources and Energy Major Projects: 2020*, Office of the Chief Economist.

Wood Mackenzie provided advice on which year the proposed coal and gas projects were likely to commence commercial production.

Attachment A – No new coal, oil and gas – financial implications

Table A1: No new coal, oil and gas – 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													
Company tax	*-150.0*	*-176.0*	*-258.0*	*-336.0*	*-400.0*	*-443.0*	*-506.0*	*-593.0*	*-668.0*	*-706.0*	*-725.0*	***-920.0***	***-4,961.0***
Total (excluding PDI)	**-150.0**	**-176.0**	**-258.0**	**-336.0**	**-400.0**	**-443.0**	**-506.0**	**-593.0**	**-668.0**	**-706.0**	**-725.0**	**-920.0**	**-4,961.0**

(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: No new coal, oil and gas – 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	*-2.0*	*-5.0*	*-10.0*	*-17.0*	*-27.0*	*-38.0*	*-52.0*	*-70.0*	*-92.0*	*-119.0*	*-149.0*	***-34.0***	***-581.0***
Underlying cash balance	*-1.0*	*-5.0*	*-10.0*	*-17.0*	*-25.0*	*-37.0*	*-51.0*	*-68.0*	*-90.0*	*-115.0*	*-146.0*	***-33.0***	***-565.0***

(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 glossary[2].

(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)

Parliamentary
Budget Office

End handouts for coal, oil and gas companies	
Party:	Australian Greens

Summary of proposal:

The proposal has 6 components that would end subsidies for the coal mining, oil and gas industries.

- **Component 1** would abolish fuel tax credits (FTCs) for all industries except agriculture.
- **Component 2** would abolish accelerated asset depreciation for the coal mining, oil, and gas industries as well as for aircraft and motor vehicles (except for agricultural and zero-emission vehicles).
- **Component 3** would abolish immediate deductions for exploration and prospecting expenses in the coal mining, oil, and gas industries.
- **Component 4** would withdraw all government payments to oil refineries.
- **Component 5** would withdraw all government payments to the Beetaloo Gas Basin and any other budget measures associated with funding a 'gas-fired recovery' in Australia.
- **Component 6** would:
  a) reverse the $300 million allocated to projects in Darwin under the Energy Security and Regional Development Plan
  b) reverse the $50.3 million allocated to gas pipelines under the National Gas Infrastructure Plan
  c) reverse the funding allocated to the five gas projects under the Underwriting New Generation Investments Program.

The proposal would commence from 1 July 2022.

Costing overview

The proposal would be expected to increase the fiscal balance by around $36,960 million and the underlying cash balance by around $36,560 million across the 2022-23 Budget forward estimates. The fiscal balance impact reflects an increase in revenue of $2,041 million and a decrease in expenses of $34,919 million.

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

The fiscal and underlying cash balances differ because of timing differences between when FTC expense liabilities arise and when the associated cash transaction occurs. Liabilities arise entirely within the year that vehicle owners purchase fuel, but they receive FTCs after lodging their business activity statement, some of which are lodged in the next financial year.

The Department of Industry, Science, Energy and Resources (DISER) advised that funds are not allocated to the Underwriting New Generation Investments Program (Component 6(c)) because, while the Commonwealth underwrites eligible projects, it does not issue direct payments. Accordingly, expenses would only arise in instances of monetary loss, meaning that reversing the program would not have an effect on the budget balances. Furthermore, the Department of Infrastructure, Transport, Regional Development and Communications (Infrastructure) advised that the funding profiles for projects in Darwin under the Energy Security and Regional Development Plan (Component 6(a)) are not available. Consequently, the Parliamentary Budget Office (PBO) has assumed that the funds allocated to these projects would be distributed across the 2022-23 Budget forward estimates proportionate to the distribution of total funds under the program, with the remainder of the funds distributed evenly across the medium term.

The financial implications in this response are sensitive to fossil fuel prices, technological developments, other developments that affect fuel consumption, and the trajectory of FTC claims and assets subject to accelerated depreciation. Growth in the exploration and prospecting component of the proposal is highly uncertain and likely to vary significantly, reflecting the nature of prospecting activity in the mining industry.

Removing FTCs and accelerated asset deprecation as specified in the proposal could have effects on the broader economy, particularly for the mining and transport industries because it would increase costs of production, influence investment decisions, and increase the prices paid by consumers. The PBO has not factored these effects into this response.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	9,507.3	8,542.2	9,196.9	9,713.9	**36,960.3**
Underlying cash balance	9,407.3	8,442.2	9,096.9	9,613.9	**36,560.3**

(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 this proposal.

Component 1 – Abolish FTCs for all industries except agriculture

- Businesses would not change their fuel consumption as a result of the proposal because the demand for fuel is relatively inelastic across the medium term.
- Tax deductions for fuel expenses would increase after the removal of FTCs.
- Affected entities would be taxed at the company tax rate of 30%.

Component 2 – Abolish accelerated asset depreciation for the coal mining, oil, and gas industries as well as for aircraft and motor vehicles

- There would be no change in the timing and level of investments in assets because businesses would still need to invest in the absence of accelerated depreciation.

Component 3 – Abolish immediate deductions for exploration and prospecting expenses in the coal mining, oil, and gas industries

- There would be no change in the timing and level of investments in exploration and prospecting because businesses would still need to invest in the absence of deductions.

Component 4 – Withdraw all government payments to oil refineries

- In the absence of the proposal, there would be no additional payments to oil refineries after 1 July 2022.

Component 5 – Withdraw all government payments to the Beetaloo Gas Basin and any other budget measures associated with funding a 'gas-fired recovery' in Australia

- Payments made before the proposal start date would not be reversable.

Component 6 – Reverse 2022-23 Budget measures related to the coal, oil and gas industries

- Funds that are uncommitted as at the 2022-23 Budget would remain uncommitted until the proposal start date, including the $300 million allocated to projects in Darwin under the Energy Security and Regional Development Plan.
- The total amount of uncommitted funds as at the 2022-23 Budget would be reversable.

Methodology

Component 1 – Abolish FTCs for all industries except agriculture

- Component 1 was estimated by projecting FTC expenses across the medium term, which were then adjusted to account for expected claims from agricultural entities.
- Because FTCs reduce fuel-related expenses that eligible entities can deduct, abolishing FTCs would increase deductions and reduce company tax revenues.
  - The decrease in company tax revenue was estimated by multiplying the expected decrease in FTCs by the assumed 30% company tax rate, which was then adjusted to the reflect the difference between when liabilities would arise and when payments would be made.

Component 2 – Abolish accelerated asset depreciation for the coal mining, oil, and gas industries as well as for aircraft and motor vehicles

- Component 2 was estimated as the difference in company tax collected under the proposed deduction arrangements and under ordinary depreciation arrangements.

Component 3 – Abolish immediate deductions for exploration and prospecting expenses in the coal mining, oil, and gas industries

- Component 3 was estimated as the difference in company tax collected under the proposed deduction arrangements and under ordinary deduction arrangements.

Component 4 – Withdraw all government payments to oil refineries

- Component 4 was estimated based on the 2020-21 Budget measure *JobMaker Plan – Gas-fired Recovery*.

– The split between administered and departmental funds was taken from DISER's 2020-21 Portfolio Budget Statements (PBS).

Component 5 – Withdraw all government payments to the Beetaloo Gas Basin and any other budget measures associated with funding a 'gas-fired recovery' in Australia

- Component 5 was estimated based on the 2020-21 Budget measures *JobMaker Plan – Gas-fired Recovery* and *JobMaker Plan – Gas-fired Recovery – Delivering Accelerated Exploration in the Beetaloo Sub-basin.*
  - The split between administered and departmental expenses was taken from DISER's 2020-21 Portfolio Budget Statements (PBS).

Component 6 – Reverse 2022-23 Budget measures related to the coal, oil and gas industries

- Component 6(a) was estimated based on the funding profile of the Energy Security and Regional Development Plan reported in Infrastructure's 2022-23 PBS.
- Component 6(b) was estimated based on the administered and departmental funding profiles provided by DISER.
- Component 6(c) was assumed to be nil in accordance with advice provided by DISER.

The financial implications of all components were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Treasury provided the relevant tax benchmarks and variations statement models on business expenditure from depreciating assets and deductions related to exploration and prospecting.

The Treasury provided projections for fuel excise revenue as at the 2022-23 Budget.

The Australian Taxation Office provided estimates of fuel tax credit expenses as at the 2022-23 Budget.

The Department of Industry, Science, Energy and Resources provided the funding profile of the National Gas Infrastructure Plan as at the 2022-23 Budget.

Australian Taxation Office (ATO), *Taxation statistics 2018-19*, ATO, Australian Government, 2020, accessed 7 October 2021.

Australian Government, *2020-21 Budget*, Australian Government, 2020, accessed 7 October 2021.

Australian Government, *2020-21 Mid-Year Economic and Fiscal Outlook*, Australian Government, 2020, accessed 7 October 2021.

Australian Government, *2021-22 Budget*, Australian Government, 2021, accessed 7 October 2021.

The Treasury, *2020-21 Portfolio Budget Statements: Budget Related Paper No. 1.9*, The Treasury, Australian Government, 2020, accessed 7 October 2021.

The Treasury, *2020-21 Portfolio Additional Estimates Statements*, The Treasury, Australian Government, 2021, accessed 7 October 2021.

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

The Department of Infrastructure, Transport, Regional Development and Communications (DITRDC), *2022-23 Portfolio Budget Statements*, DITRDC, Australian Government, 2022, accessed 22 April 2022.

Attachment A – End handouts for coal, oil and gas companies – financial implications

Table A1: End handouts for coal, oil and gas companies – 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													
Tax revenue													
Component 1	-	-2,310.0	-2,470.0	-2,650.0	-2,840.0	-3,030.0	-3,170.0	-3,320.0	-3,480.0	-3,710.0	-3,840.0	***-7,430.0***	***-30,820.0***
Component 2	1,380.0	1,720.0	1,990.0	2,200.0	2,380.0	2,500.0	2,530.0	2,530.0	2,510.0	2,480.0	2,470.0	***7,290.0***	***24,690.0***
Component 3	147.0	745.0	753.0	536.0	521.0	506.0	491.0	474.0	457.0	447.0	463.0	***2,181.0***	***5,540.0***
Total – revenue	**1,527.0**	**155.0**	**273.0**	**86.0**	**61.0**	**-24.0**	**-149.0**	**-316.0**	**-513.0**	**-783.0**	**-907.0**	**2,041.0**	**-590.0**
Expenses													
Administered													
Component 1	7,800.0	8,300.0	8,900.0	9,600.0	10,200.0	10,600.0	11,100.0	11,700.0	12,500.0	12,900.0	13,500.0	***34,600.0***	***117,100.0***
Component 4	92.6	62.6	3.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	***161.9***	***181.5***
Component 5	39.9	2.9	-	-	-	-	-	-	-	-	-	***42.8***	***42.8***
Component 6 (a)	4.5	8.7	19.5	24.7	33.8	33.8	33.8	33.8	33.8	33.8	33.8	***57.4***	***294.0***
Component 6 (b)	25.2	-	-	-	-	-	-	-	-	-	-	***25.2***	***25.2***
Component 6 (c)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – administered	***7,962.2***	***8,374.2***	***8,923.4***	***9,627.5***	***10,236.6***	***10,636.6***	***11,136.6***	***11,736.6***	***12,536.6***	***12,936.6***	***13,536.6***	***34,887.3***	***117,643.5***
Departmental													
Component 4	1.7	1.8	-	-	-	-	-	-	-	-	-	***3.5***	***3.5***
Component 5	1.2	0.2	-	-	-	-	-	-	-	-	-	***1.4***	***1.4***
Component 6 (a)	0.5	0.5	0.5	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	***1.9***	***6.1***
Component 6 (b)	14.7	10.5	-	-	-	-	-	-	-	-	-	***25.2***	***25.2***
Component 6 (c)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – departmental	***18.1***	***13.0***	***0.5***	***0.4***	***0.6***	***0.6***	***0.6***	***0.6***	***0.6***	***0.6***	***0.6***	***32.0***	***36.2***
Total – expenses	**7,980.3**	**8,387.2**	**8,923.9**	**9,627.9**	**10,237.2**	**10,637.2**	**11,137.2**	**11,737.2**	**12,537.2**	**12,937.2**	**13,537.2**	**34,919.3**	**117,679.7**
Total (excluding PDI)	**9,507.3**	**8,542.2**	**9,196.9**	**9,713.9**	**10,298.2**	**10,613.2**	**10,988.2**	**11,421.2**	**12,024.2**	**12,154.2**	**12,630.2**	**36,960.3**	**117,089.7**

(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.

\- Indicates nil.

Table A2: End handouts for coal, oil and gas companies – 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													
Tax receipts													
Component 1	*-*	*-2,310.0*	*-2,470.0*	*-2,650.0*	*-2,840.0*	*-3,030.0*	*-3,170.0*	*-3,320.0*	*-3,480.0*	*-3,710.0*	*-3,840.0*	***-7,430.0***	***-30,820.0***
Component 2	*1,380.0*	*1,720.0*	*1,990.0*	*2,200.0*	*2,380.0*	*2,500.0*	*2,530.0*	*2,530.0*	*2,510.0*	*2,480.0*	*2,470.0*	***7,290.0***	***24,690.0***
Component 3	*147.0*	*745.0*	*753.0*	*536.0*	*521.0*	*506.0*	*491.0*	*474.0*	*457.0*	*447.0*	*463.0*	***2,181.0***	***5,540.0***
Total – receipts	**1,527.0**	**155.0**	**273.0**	**86.0**	**61.0**	**-24.0**	**-149.0**	**-316.0**	**-513.0**	**-783.0**	**-907.0**	**2,041.0**	**-590.0**
Payments													
Administered													
Component 1	*7,700.0*	*8,200.0*	*8,800.0*	*9,500.0*	*10,100.0*	*10,600.0*	*11,100.0*	*11,600.0*	*12,400.0*	*12,800.0*	*13,400.0*	***34,200.0***	***116,200.0***
Component 4	*92.6*	*62.6*	*3.9*	*2.8*	*2.8*	*2.8*	*2.8*	*2.8*	*2.8*	*2.8*	*2.8*	***161.9***	***181.5***
Component 5	*39.9*	*2.9*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***42.8***	***42.8***
Component 6 (a)	*4.5*	*8.7*	*19.5*	*24.7*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	***57.4***	***294.0***
Component 6 (b)	*25.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***25.2***	***25.2***
Component 6 (c)	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Total – administered	***7,862.2***	***8,274.2***	***8,823.4***	***9,527.5***	***10,136.6***	***10,636.6***	***11,136.6***	***11,636.6***	***12,436.6***	***12,836.6***	***13,436.6***	***34,487.3***	***116,743.5***
Departmental													
Component 4	*1.7*	*1.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***3.5***	***3.5***
Component 5	*1.2*	*0.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***1.4***	***1.4***
Component 6 (a)	*0.5*	*0.5*	*0.5*	*0.4*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	***1.9***	***6.1***
Component 6 (b)	*14.7*	*10.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***25.2***	***25.2***
Component 6 (c)	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Total – departmental	***18.1***	***13.0***	***0.5***	***0.4***	***0.6***	***0.6***	***0.6***	***0.6***	***0.6***	***0.6***	***0.6***	***32.0***	***36.2***
Total – payments	**7,880.3**	**8,287.2**	**8,823.9**	**9,527.9**	**10,137.2**	**10,637.2**	**11,137.2**	**11,637.2**	**12,437.2**	**12,837.2**	**13,437.2**	**34,519.3**	**116,779.7**
Total (excluding PDI)	**9,407.3**	**8,442.2**	**9,096.9**	**9,613.9**	**10,198.2**	**10,613.2**	**10,988.2**	**11,321.2**	**11,924.2**	**12,054.2**	**12,530.2**	**36,560.3**	**116,189.7**

(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: End handouts for coal, oil and gas companies – 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	*110.0*	*310.0*	*520.0*	*740.0*	*1,000.0*	*1,290.0*	*1,620.0*	*2,000.0*	*2,430.0*	*2,920.0*	*3,520.0*	***1,680.0***	***16,460.0***
Underlying cash balance	*90.0*	*290.0*	*490.0*	*720.0*	*960.0*	*1,250.0*	*1,580.0*	*1,950.0*	*2,380.0*	*2,860.0*	*3,450.0*	***1,590.0***	***16,020.0***

(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 glossary[2].

(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.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Make Gas Exporters Pay Taxes and Royalties	
Party:	Australian Greens

Summary of proposal:

The proposal has two components that would have effect from 1 July 2022.

Component 1

Replace the existing petroleum resource rent tax (PRRT) method of uplifting excess expenditure to future years that relates to PRRT projects with the following method.

- All excess expenditure recorded before the implementation date would be immediately deducted against PRRT profit. Any unused excess expenditure incurred before the implementation date would not be carried forward to future years.
- All expenditure, including general expenditure, incurred after the implementation date, would be deducted based on prime cost depreciation over 15 years so that 6.66% of the expenditure would be deducted each year. There would be no uplift factor applied to unused expenditure.

Component 2

Place a 10% royalty on offshore projects (excluding the North West Shelf project) that are subject to the PRRT. Royalty payments would be creditable against PRRT liabilities on a one-for-one basis and treated as a deductible expense in calculating company tax liabilities. Any royalties paid that are not credited against PRRT liabilities in a year would be carried forward, to be credited against PRRT liabilities in a later year.

Costing overview

The proposal would be expected to increase the fiscal balance by around $59,000 million and the underlying cash balance by around $54,600 million over the 2022-23 Budget forward estimates period. This impact reflects a net increase in tax and non-tax revenue.

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

Departmental expenses for the proposal would not be expected to be material because it would not significantly alter the administration of the tax system. It is assumed that the Australian Taxation Office (ATO) would absorb the departmental costs of implementing these changes and as such this proposal would have nil departmental costs.

The differences between the fiscal and underlying cash balance impacts reflect timing differences between when the PRRT and royalty revenue are recognised and when they are paid.

There is a significant degree of uncertainty around the following factors:

- oil and gas production volumes
- capital and operating costs

- future oil and gas prices
- long-term bond rate
- expected behavioural responses to the proposal.

It is possible that some projects would close sooner than they otherwise would. This is because the proposal would reduce the post-tax return on projects, possibly making them unviable.

The uncertainty of these factors means that revenue from this proposal could vary substantially from the estimates provided, both over the time frame of this costing or in individual years. For example, lower oil or gas prices can rapidly reduce PRRT profit and tax payable.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	4,320.0	19,060.0	20,210.0	15,450.0	**59,040.0**
Underlying cash balance	3,940.0	14,140.0	19,720.0	16,750.0	**54,550.0**

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

- Oil and gas production volumes over the period to 2032-33 would not be affected by the proposal.
- No new oil and gas projects would begin production over the period to 2032-33.
- Companies affected by this proposal would be subject to the full company tax rate of 30%, and PRRT payments would be deductible for company tax purposes.
- Companies would not vary their company tax instalment payments as a result of this proposal.
- The gross-up oil price of oil would be around US$96 per barrel at the end of the 2022-23 Budget forward estimates period and grow over the period to 2032-33 in line with changes in the consumer price index.
- There would be no new transfers of exploration expenditure between PRRT projects.
- Royalties would be paid monthly, consistent with company tax instalments.
- The majority of companies that are investors in PRRT projects would continue to be primarily foreign owned over the period to 2032-33.

Methodology

PRRT

The PRRT impact was estimated by calculating the difference between the amount of PRRT revenue raised under the proposal and the baseline on a project-by-project basis.

Under the baseline, taxable PRRT profit was calculated by deducting estimated eligible project expenses from the assessable receipts derived from the project. PRRT profit was multiplied by 40% to derive the PRRT liability.

Under the proposal, a similar calculation was applied, however, the proposed treatment of expenditure was applied instead. This include disallowing unused excess expenditure being uplifted and carried forward to later years and applying the prime cost depreciation method to new deductible expenditure.

Royalties

Royalty revenue was estimated by multiplying the royalty rate by the wellhead value of the forecast production levels of projects that would be subject to the proposed royalty. Estimated production of offshore oil and gas projects that would become subject to the royalty was based on PBO analysis and data from Wood Mackenzie.

Royalties paid by projects would be creditable against PRRT liabilities. In calculating resource tax expenditure, the royalty revenue was grossed up by dividing the value of the royalty expenditure by the PRRT rate to offset the available assessable PRRT receipts and reduce the PRRT payable.

Company tax

The company tax impact was calculated based on the net amount of the estimated increase in PRRT and the estimated royalty amount that would become deductible from company taxable income.

Other

As the majority of shareholders in companies that operate PRRT projects are not Australian tax residents, the PBO has not calculated the dividend effect of this proposal or any impact on Australian resident shareholders under the dividend imputation arrangements.

The costing has taken into account the timing of tax collections.

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

Data sources

Wood Mackenzie provided project level data on oil and gas production.

The Treasury provided economic parameters as at the Budget 2022-23.

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

Attachment A – Make Gas Exporters Pay Taxes and Royalties – financial implications

Table A1: Make Gas Exporters Pay Taxes and Royalties – 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
Tax revenue													
Petroleum resource rent tax	*-200.0*	*19,400.0*	*21,400.0*	*16,200.0*	*15,300.0*	*14,300.0*	*9,100.0*	*6,800.0*	*3,100.0*	*1,200.0*	*600.0*	***56,800.0***	***107,200.0***
Company tax	*-*	*-5,130.0*	*-5,940.0*	*-5,550.0*	*-5,040.0*	*-4,760.0*	*-4,530.0*	*-4,330.0*	*-4,110.0*	*-2,150.0*	*-1,510.0*	***-16,620.0***	***-43,050.0***
Total – tax revenue	**-200.0**	**14,270.0**	**15,460.0**	**10,650.0**	**10,260.0**	**9,540.0**	**4,570.0**	**2,470.0**	**-1,010.0**	**-950.0**	**-910.0**	**40,180.0**	**64,150.0**
Non – tax revenue													
Royalties	*4,520.0*	*4,790.0*	*4,750.0*	*4,800.0*	*4,790.0*	*4,630.0*	*4,360.0*	*4,270.0*	*4,260.0*	*4,180.0*	*4,120.0*	***18,860.0***	***49,470.0***
Total – non-tax revenue	***4,520.0***	***4,790.0***	***4,750.0***	***4,800.0***	***4,790.0***	***4,630.0***	***4,360.0***	***4,270.0***	***4,260.0***	***4,180.0***	***4,120.0***	***18,860.0***	***49,470.0***
Total (excluding PDI)	**4,320.0**	**19,060.0**	**20,210.0**	**15,450.0**	**15,050.0**	**14,170.0**	**8,930.0**	**6,740.0**	**3,250.0**	**3,230.0**	**3,210.0**	**59,040.0**	**113,620.0**

(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.

\- Indicates nil.

Table A2: Make Gas Exporters Pay Taxes and Royalties – 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
Tax receipts													
Petroleum resource rent tax	*-200.0*	*14,500.0*	*20,900.0*	*17,500.0*	*15,500.0*	*14,600.0*	*10,400.0*	*7,400.0*	*4,100.0*	*1,700.0*	*700.0*	***52,700.0***	***107,100.0***
Company tax	*-*	*-5,130.0*	*-5,940.0*	*-5,550.0*	*-5,040.0*	*-4,760.0*	*-4,530.0*	*-4,330.0*	*-4,110.0*	*-2,150.0*	*-1,510.0*	***-16,620.0***	***-43,050.0***
Total – tax receipts	**-200.0**	**9,370.0**	**14,960.0**	**11,950.0**	**10,460.0**	**9,840.0**	**5,870.0**	**3,070.0**	**-10.0**	**-450.0**	**-810.0**	**36,080.0**	**64,050.0**
Non-tax receipts													
Royalties	*4,140.0*	*4,770.0*	*4,760.0*	*4,800.0*	*4,790.0*	*4,640.0*	*4,380.0*	*4,280.0*	*4,260.0*	*4,190.0*	*4,130.0*	***18,470.0***	***49,140.0***
Total – non-tax receipts	***4,140.0***	***4,770.0***	***4,760.0***	***4,800.0***	***4,790.0***	***4,640.0***	***4,380.0***	***4,280.0***	***4,260.0***	***4,190.0***	***4,130.0***	***18,470.0***	***49,140.0***
Total (excluding PDI)	**3,940.0**	**14,140.0**	**19,720.0**	**16,750.0**	**15,250.0**	**14,480.0**	**10,250.0**	**7,350.0**	**4,250.0**	**3,740.0**	**3,320.0**	**54,550.0**	**113,190.0**

(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: Make Gas Exporters Pay Taxes and Royalties – 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	*50.0*	*250.0*	*640.0*	*1,070.0*	*1,470.0*	*1,890.0*	*2,290.0*	*2,610.0*	*2,880.0*	*3,110.0*	*3,380.0*	***2,010.0***	***19,640.0***
Underlying cash balance	*40.0*	*230.0*	*590.0*	*1,020.0*	*1,420.0*	*1,840.0*	*2,240.0*	*2,570.0*	*2,850.0*	*3,080.0*	*3,340.0*	***1,880.0***	***19,220.0***

(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 glossary[2].

(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)

Coal Export Levies	
Party:	Australian Greens

Summary of proposal:

The proposal has two components that would introduce levies, in the form of purchasable permits, on thermal and metallurgical coal. The proposal would also introduce a declining annual cap on the export of thermal coal. The export of metallurgical coal would not be capped.

Component 1: Thermal coal

- Component 1 would require coal exporters to purchase permits in order to export thermal coal. The number of available thermal coal permits would be capped each year, with the cap declining over time as per the following table.
  - This would result in a complete ban of thermal coal exports by 1 July 2030. The amount coal exporters spend on permits would be tax deductible for company tax purposes. Permits would only be available for purchase by coal exporters.
- The following table shows the yearly coal permit cap and permit price to 2029-30.:

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Permit price ($/t)	1	2	3	4	5	6	7	8
Export permit cap (Mt)	262.9	230.0	197.1	164.3	131.4	98.6	65.7	32.9

Component 2: Metallurgical coal

- Component 2 would require coal exporters to purchase permits in order to export metallurgical coal. The number of available metallurgical coal permits would be uncapped. The amount spent on permits would be tax deductible for company tax purposes. Permits would only be available for purchase by coal exporters.
- The following table shows the yearly metallurgical coal export permit price over the medium term.

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Permit price ($/t)	3	6	9	12	15	18	21	24	27	30	33

The proposal is ongoing and would be in effect from 1 July 2022.

Costing overview

This proposal is estimated to increase the fiscal balance by around $4,617 million and the underlying cash balance by around $4,394 million over the 2022-23 Budget forward estimates period. On a fiscal balance basis, this impact reflects an increase in revenue of around $4,634 million and an increase in departmental expenses of around $17 million over this period.

Departmental expenses to implement this proposal are estimated to be around $4 million per annum from 2022-23, based on the cost of implementing similar previous measures.

The proposal would have an 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.

Revenue financial implications are comprised of:

- Permit revenue paid to the government by coal exporters in order to export thermal and metallurgical coal.
- Reduced company tax revenue due to reduced profitability of coal exporters whose exports are capped or who have to purchase export permits.
- Reduced personal income tax revenue due to lower dividend payments being made to shareholders by coal exporters whose exports are capped or who have to purchase export permits.

The financial implications are highly sensitive to several factors, including changes in projected commodity export volumes and prices over the period to 2032-33:

- Metallurgical coal permit revenue is expected to vary in line with changes in export quantities, which creates significant financial uncertainty.
  - Thermal coal permit revenue is expected to vary in line with the cap on export quantities which is expected to be reached in most years.
- Company tax and personal tax reductions, which arise due to the metallurgical coal permit levy reducing company profits, are also sensitive to changes in the metallurgical coal price. The impact of this uncertainty on the costing is estimated to be relatively small because the company tax and personal tax implications of metallurgical coal exports themselves are relatively small.
- Company tax and personal tax reductions, which arise due to the thermal coal export cap and permit levy reducing company profits, are also sensitive to changes in the thermal coal price. These impacts could be significant because the company tax and personal tax impacts of thermal coal exports are relatively large.

There is also some uncertainty underlying the data, methodology, and taxation assumptions that were used in the costing model.

The financial implications are also highly uncertain due to a range of flow-on impacts from the policy that cannot be reliably estimated and have hence not been included in the costing.

- The introduction of coal export permits and the capping of thermal coal exports could have other broader macroeconomic effects, such as adverse effects on businesses that support coal mining companies, reduced mining industry employment and downward pressure on the exchange rate which would also have flow-on effects on government revenue and payments. Reflecting the Parliamentary Budget Office's (PBO) normal practices, the financial implications of such broader macroeconomic effects have not been included in the costing.
- The PBO has not included any industry-specific responses to the proposal (such as any substitution of mining activity from thermal coal to metallurgical coal) in this analysis.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	519.0	1,002.3	1,426.4	1,669.6	**4,617.3**
Underlying cash balance	452.0	945.3	1,372.4	1,624.6	**4,394.3**

(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 this proposal.

General

- All companies that export thermal or metallurgical coal have an aggregate annual turnover greater than $50 million and hence are subject to the 30% company tax rate.
- All affected companies are in a taxable financial position.
- The date of announcement for this proposal would not give affected companies sufficient time to bring forward production.

Commodities

- Based on the latest available projections as at 2022-23 Budget, export volumes of thermal coal would equal the specified cap from 2024-25. Prior to that year, export volumes of thermal coal are projected to be less than the specified cap amount.
- Export volumes of metallurgical coal would not be affected by the proposal and would remain consistent with 2022-23 Budget projections.
- The proposal would have no material impact on global commodity prices. The market price for thermal coal is based on the latest available projections as at the 2022-23 Budget.
- Growth in thermal and metallurgical coal export volumes and prices over the medium term is based on expected export volumes and prices published by the Department of Industry, Science, Energy and Resources (March 2022 update).

Company taxes

- The thermal coal export cap would reduce exporter profits and therefore lower company tax revenue. The reduction in tax payable by affected companies was calculated based on the ratio of tax payable to total income for mining companies in the *2018-19 Taxation Statistics*, which was 5%.

Individual taxes

- The reduction in exporter profits would lower dividend distributions made to company shareholders and therefore lower individual income tax revenue. It is assumed that:
  - 70% of company profits are distributed to shareholders as dividend payments
  - 30% of shareholders are domestic shareholders who are eligible for franking credits
  - domestic shareholders have an average marginal tax rate of 32%
  - all foreign investors pay 15% withholding tax on unfranked dividends.

Methodology

Export permit revenue

Permit revenue was calculated by multiplying the commodity export volume allowed (for thermal coal) or projected (for metallurgical coal) under the proposal by the permit price.

Company tax revenue forgone

The tax-deductible permits purchased by coal exporters would be expected to reduce their taxable income and decrease company tax revenue. The reduction in company tax revenue due to the tax deductibility of permits purchased by coal exporters was calculated by multiplying the estimated permit revenue by the general company tax rate (30%).

The reduction in company tax revenue due to the cap on thermal coal exports was calculated by multiplying the average baseline tax-to-income ratio of mining companies by the reduction in company income due to the cap on exports. The change in company income was calculated as the volume of thermal coal not exported multiplied by the market price of thermal coal.

Individual tax revenue forgone

The reduction in dividends paid to shareholders was calculated based on the amount companies are required to pay to purchase export permits and the reduced profits from the cap on exports.

The individual tax revenue foregone was estimated by multiplying the expected reduction in dividends by the average marginal tax rate of shareholders (assuming investors comprise a mix of domestic and foreign shareholders and a mix of franked and unfranked dividends). This calculation takes into account the modelling assumptions outlined above.

Departmental

The departmental impact of this proposal was estimated based on the cost of previous similar 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

Office of the Chief Economist, *Resources and Energy Quarterly March 2022*, Canberra: Department of Industry, Science, Energy and Resources.

Australian Taxation Office, *Taxation Statistics 2018-19*, Canberra: Australian Taxation Office.

Australian Government, *2022-23 Budget,* Canberra: Australian Government.

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

Attachment A – Coal Export Levies – financial implications

Table A1: Coal Export Levies – 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
Tax revenue													
Permit revenue (Thermal coal)	*204.0*	*413.0*	*591.0*	*657.0*	*657.0*	*591.0*	*460.0*	*263.0*	*-*	*-*	*-*	***1,865.0***	***3,836.0***
Company tax (Thermal coal)	*-61.0*	*-124.0*	*-213.0*	*-370.0*	*-513.0*	*-635.0*	*-737.0*	*-819.0*	*-881.0*	*-894.0*	*-896.0*	***-768.0***	***-6,143.0***
Personal income tax (Thermal coal)	*-*	*-8.5*	*-17.4*	*-28.0*	*-42.5*	*-54.0*	*-62.7*	*-68.5*	*-71.6*	*-71.9*	*-72.0*	***-53.9***	***-497.1***
Permit revenue (Metallurgical coal)	*540.0*	*1,080.0*	*1,630.0*	*2,180.0*	*2,740.0*	*3,300.0*	*3,870.0*	*4,440.0*	*5,010.0*	*5,590.0*	*6,180.0*	***5,430.0***	***36,560.0***
Company tax (Metallurgical coal)	*-160.0*	*-320.0*	*-490.0*	*-660.0*	*-820.0*	*-990.0*	*-1,160.0*	*-1,330.0*	*-1,500.0*	*-1,680.0*	*-1,850.0*	***-1,630.0***	***-10,960.0***
Personal income tax (Metallurgical coal)	*-*	*-34.0*	*-70.0*	*-105.0*	*-141.0*	*-177.0*	*-213.0*	*-249.0*	*-286.0*	*-323.0*	*-360.0*	***-209.0***	***-1,958.0***
Total – revenue	**523.0**	**1,006.5**	**1,430.6**	**1,674.0**	**1,880.5**	**2,035.0**	**2,157.3**	**2,236.5**	**2,271.4**	**2,621.1**	**3,002.0**	**4,634.1**	**20,837.9**
Expenses													
Departmental													
Australian Taxation Office	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	*-2.4*	*-2.5*	*-2.5*	***-8.4***	***-25.0***
Department of Industry, Science, Energy and Resources	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	*-2.4*	*-2.5*	*-2.5*	***-8.4***	***-25.0***
Total – expenses	**-4.0**	**-4.2**	**-4.2**	**-4.4**	**-4.4**	**-4.6**	**-4.6**	**-4.8**	**-4.8**	**-5.0**	**-5.0**	**-16.8**	**-50.0**
Total (excluding PDI)	**519.0**	**1,002.3**	**1,426.4**	**1,669.6**	**1,876.1**	**2,030.4**	**2,152.7**	**2,231.7**	**2,266.6**	**2,616.1**	**2,997.0**	**4,617.3**	**20,787.9**

(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: Coal Export Levies – 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
Tax receipts													
Permit revenue (Thermal coal)	*187.0*	*396.0*	*577.0*	*652.0*	*657.0*	*597.0*	*471.0*	*279.0*	*22.0*	-	-	***1,812.0***	***3,838.0***
Company tax (Thermal coal)	*-61.0*	*-124.0*	*-213.0*	*-370.0*	*-513.0*	*-635.0*	*-737.0*	*-819.0*	*-881.0*	*-894.0*	*-896.0*	***-768.0***	***-6,143.0***
Personal income tax (Thermal coal)	-	*-8.5*	*-17.4*	*-28.0*	*-42.5*	*-54.0*	*-62.7*	*-68.5*	*-71.6*	*-71.9*	*-72.0*	***-53.9***	***-497.1***
Permit revenue (Metallurgical coal)	*490.0*	*1,040.0*	*1,590.0*	*2,140.0*	*2,700.0*	*3,260.0*	*3,820.0*	*4,390.0*	*4,970.0*	*5,550.0*	*6,130.0*	***5,260.0***	***36,080.0***
Company tax (Metallurgical coal)	*-160.0*	*-320.0*	*-490.0*	*-660.0*	*-820.0*	*-990.0*	*-1,160.0*	*-1,330.0*	*-1,500.0*	*-1,680.0*	*-1,850.0*	***-1,630.0***	***-10,960.0***
Personal income tax (Metallurgical coal)	-	*-34.0*	*-70.0*	*-105.0*	*-141.0*	*-177.0*	*-213.0*	*-249.0*	*-286.0*	*-323.0*	*-360.0*	***-209.0***	***-1,958.0***
Total – receipts	**456.0**	**949.5**	**1,376.6**	**1,629.0**	**1,840.5**	**2,001.0**	**2,118.3**	**2,202.5**	**2,253.4**	**2,581.1**	**2,952.0**	**4,411.1**	**20,359.9**
Payments													
Departmental													
Australian Taxation Office	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	*-2.4*	*-2.5*	*-2.5*	***-8.4***	***-25.0***
Department of Industry, Science, Energy and Resources	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	*-2.4*	*-2.5*	*-2.5*	***-8.4***	***-25.0***
Total – payments	**-4.0**	**-4.2**	**-4.2**	**-4.4**	**-4.4**	**-4.6**	**-4.6**	**-4.8**	**-4.8**	**-5.0**	**-5.0**	**-16.8**	**-50.0**
Total (excluding PDI)	**452.0**	**945.3**	**1,372.4**	**1,624.6**	**1,836.1**	**1,996.4**	**2,113.7**	**2,197.7**	**2,248.6**	**2,576.1**	**2,947.0**	**4,394.3**	**20,309.9**

(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: Coal Export Levies – 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	*5.0*	*21.0*	*48.0*	*83.0*	*126.0*	*178.0*	*240.0*	*311.0*	*391.0*	*485.0*	*604.0*	***157.0***	***2,492.0***
Underlying cash balance	*5.0*	*19.0*	*44.0*	*78.0*	*120.0*	*172.0*	*232.0*	*302.0*	*381.0*	*474.0*	*589.0*	***146.0***	***2,416.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(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)

Terminate the Climate Solutions Fund	
Party:	Australian Greens
Summary of proposal: The proposal would abolish the Climate Solutions Fund (CSF) and return all uncommitted funds to the budget. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $47.3 million over the 2022-23 Budget forward estimates period. This impact is largely due to a decrease in administered expenses.

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) over the period to 2032-33 is provided at Attachment A.

Because of commercial sensitivities, the Department of Industry, Science, Energy and Resources (DISER) advised that:

- contractually committed funds are not-for-publication on an annual basis
- total funds (contractually committed and uncommitted) are not-for-publication on an annual basis beyond 2025-26.

So that an annual profile cannot be derived, Table A1 presents the total amount of uncommitted funds for the period 2026-27 to 2032-33 as equally distributed across each financial year.

The financial implications in this response are sensitive to the level of funds allocated to the CSF. Market interest rates, credit investment spreads, abatement activity schedules, regulatory activity, and the policy environment (particularly in relation to renewable assets and generation) are some factors that could affect the level of funds allocated to the CSF.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	6.0	13.8	13.9	13.6	**47.3**
Underlying cash balance	6.0	13.8	13.9	13.6	**47.3**

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

- Funds that are uncommitted as at the 2022-23 Budget would remain uncommitted until the proposal start date.
- Departmental expenses for the CSF would be returned to the budget.

Methodology

The financial implications of the proposal were estimated as the sum of administered and departmental funds that are expected to be uncommitted as at 1 July 2022. These funds were calculated based on information provided by DISER and smoothed by the PBO to avoid commercial sensitivities.

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 Industry, Science, Energy and Resources provided the funding profile for the Climate Solutions Fund as at 4 April 2022.

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

Attachment A – Terminate the Climate Solutions Fund – financial implications

Table A1: Terminate the Climate Solutions Fund – 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													
Terminate the Climate Solutions Fund	*6.0*	*12.0*	*12.0*	*12.0*	*196.1*	*196.1*	*196.1*	*196.1*	*196.1*	*196.1*	*196.1*	***42.0***	***1,415.0***
Total – administered	***6.0***	***12.0***	***12.0***	***12.0***	***196.1***	***196.1***	***196.1***	***196.1***	***196.1***	***196.1***	***196.1***	***42.0***	***1,415.0***
Departmental													
Department of Industry, Science, Energy and Resources	-	*1.8*	*1.9*	*1.6*	*1.5*	*1.6*	*1.6*	*1.4*	*1.4*	*0.7*	*1.7*	***5.3***	***15.2***
Total – departmental	-	***1.8***	***1.9***	***1.6***	***1.5***	***1.6***	***1.6***	***1.4***	***1.4***	***0.7***	***1.7***	***5.3***	***15.2***
Total – expenses	**6.0**	**13.8**	**13.9**	**13.6**	**197.6**	**197.7**	**197.7**	**197.5**	**197.5**	**196.8**	**197.8**	**47.3**	**1,430.2**
Total (excluding PDI)	**6.0**	**13.8**	**13.9**	**13.6**	**197.6**	**197.7**	**197.7**	**197.5**	**197.5**	**196.8**	**197.8**	**47.3**	**1,430.2**

(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: Terminate the Climate Solutions Fund – 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*	*0.3*	*0.6*	*0.9*	*3.6*	*8.7*	*14.4*	*20.7*	*27.6*	*35.1*	*43.4*	***1.9***	***155.4***
Underlying cash balance	*0.1*	*0.3*	*0.6*	*0.9*	*3.2*	*8.1*	*13.7*	*19.9*	*26.8*	*34.2*	*42.4*	***1.9***	***150.2***

(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 glossary[2].

(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)

Parliamentary Budget Office

Make Polluters Pay for the Damage they are doing	
Party:	Australian Greens

Summary of proposal:

The proposal has two components that both commence from 1 July 2022.

Component 1: Carbon-dioxide (CO2)-equivalent emissions levy

- Carbon emitting facilities would pay a levy of $50 per tonne on direct[1] CO2-equivalent emissions if they produce more than 25,000 tonnes of both direct and indirect[2] CO2-equivalent emissions annually. The levy would increase by 4% each year and would be tax deductible.
  - Facilities in the agriculture or transport industries would be exempt from paying this levy.
  - 80% of emissions-intensive trade-exposed industry emissions would be exempt from the levy in the first year. This exemption would reduce to zero over the first 5 years of the proposal.

Component 2: Energy Supplement changes

- The base Energy Supplement payment rate would increase by 30% for all eligible payments.
- Eligibility for the Energy Supplement payment would be reinstated for the following payment recipients and cardholders:[3]
  - Family Tax Benefit – Part A
  - Family Tax Benefit – Part B
  - Commonwealth Seniors Health Card.
- The Energy Supplement payment would be indexed proportionate to changes in the headline consumer price index every 6 months from 1 January 2023.

Costing overview

This proposal would be expected to increase the fiscal balance by around $31,816 million and the underlying cash balance by around $28,516 million over the 2022-23 Budget forward estimates period. The fiscal balance impact reflects an increase in revenue of around $35,106 million, partially offset by an increase in administered expenses of $3,250 million and an increase in departmental expenses of $40 million.

[1] Direct emissions are also known as Scope 1 emissions and refer to the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level.

[2] Indirect emissions are also known as Scope 2 emissions and refer to the emissions released to the atmosphere from the indirect consumption of an energy commodity.

[3] Recipients who became eligible for these payments and the Commonwealth Seniors Health Card on or after 20 September 2016 are not entitled to the Energy Supplement.

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

The fiscal balance impact differs from the underlying cash balance impact due to the timing difference between when entities become liable for the levy and when levy payments are made.

The financial implications in this response are uncertain and sensitive to assumptions about the behavioural responses of affected entities. The Parliamentary Budget Office (PBO) has assumed that affected entities would continue to reduce CO2-equivalent emissions because the levy would continue to increase in real terms. However, it is also possible that some entities in both directly and indirectly-affected industries would cease operating as a result of the proposal. Furthermore, the costs of the proposal could also be affected by exogenous factors, such as economic growth and technological developments that decrease the costs of carbon abatement.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	8,040.0	7,580.0	7,840.0	8,356.0	**31,816.0**
Underlying cash balance	5,040.0	7,580.0	7,740.0	8,156.0	**28,516.0**

(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 this proposal.

Component 1

- The levy would reduce CO2-equivalent emissions by 3% each year.
- The levy liability would be calculated quarterly and paid in the following quarter.
- All manufacturing entities affected by the proposal would be considered emissions-intensive trade exposed entities.
- All entities subject to the levy would be taxable at an average tax rate of 29%.
- All entities subject to the levy would pay out 70% of their net profits as dividends.
- 40% of total dividends would be paid to domestic shareholders who have an average marginal tax rate of 32%.

Component 2

- The current proportion of Australians aged over 65 in receipt of the Commonwealth Senior Health Card would remain constant over the medium term.

Methodology

Component 1

The financial impact of the levy was estimated by multiplying the estimated volume of taxable CO2-equivalent emissions by the levy rate for each financial year.

The total number of taxable CO2-equivalent emissions was calculated by summing direct emissions from affected entities. The exemption provided to emissions-intensive trade-exposed industries was phased out over the first 5 years of the proposal, as specified.

The company tax impact of the levy was estimated by multiplying the value of deductions claimed by affected entities by the company tax rate. As this proposal would lower company profits and in turn distributions of dividends, the estimates in this response take into account the imputation system flow through effect to personal income tax.

Component 2

The Policy Evaluation Model (PoEM) and a bespoke Commonwealth Seniors Health Card holder model were used to estimate the administered expenses under this proposal. As the Energy Supplement is non-taxable, there is no related impact on personal income tax as a result of this component.

PoEM is a micro-simulation model of administered transfer payments provided over the 2022-23 Budget forward estimates period. It is developed by the Department of Social Services and provided to the PBO for use in costing policy proposals.

Administered Commonwealth Seniors Health Card holder expenses were calculated by multiplying the estimated number of recipients by the change in supplement rate (for existing recipients) or the proposed supplement rate (for newly eligible recipients).

Departmental expenses

Departmental expenses to administer the proposal were based on previous measures with similar levels of administrative complexity.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[4]

Data sources

The Treasury provided economic parameters as at the 2022-23 Budget.

The Department of Social Services provided expenditure and population forecasts for income support recipients as at the 2022-23 Budget.

Australian Government (2022) *2022-23 Budget*, accessed 9 June 2022.

Department of Industry, Science, Energy and Resources (DISER) (2020) *Australia's emissions projections 2020*, DISER, accessed 9 June 2022.

Australian Government (2013) *Climate Change Mitigation Scenarios – Modelling report provided to the Climate Change Authority in support of its Caps and Targets Review*, Australian Government, accessed 9 June 2022.

[4] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Make Polluters Pay for the Damage they are doing – financial implications

Table A1: Make Polluters Pay for the Damage they are doing – 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													
Tax revenue													
Carbon levy	*11,900.0*	*11,900.0*	*12,400.0*	*13,200.0*	*14,200.0*	*14,100.0*	*14,100.0*	*14,100.0*	*14,100.0*	*14,100.0*	*14,100.0*	***49,400.0***	***148,200.0***
Company tax	*-3,160.0*	*-3,440.0*	*-3,590.0*	*-3,800.0*	*-4,100.0*	*-4,100.0*	*-4,100.0*	*-4,090.0*	*-4,090.0*	*-4,100.0*	*-4,100.0*	***-13,990.0***	***-42,670.0***
Personal income tax	-	*-100.0*	*-100.0*	*-104.0*	*-111.0*	*-119.0*	*-119.0*	*-119.0*	*-118.0*	*-119.0*	*-119.0*	***-304.0***	***-1,128.0***
Total – revenue	**8,740.0**	**8,360.0**	**8,710.0**	**9,296.0**	**9,989.0**	**9,881.0**	**9,881.0**	**9,891.0**	**9,892.0**	**9,881.0**	**9,881.0**	**35,106.0**	**104,402.0**
Expenses													
Administered													
Energy supplement	*-690.0*	*-770.0*	*-860.0*	*-930.0*	*-1,010.0*	*-1,080.0*	*-1,150.0*	*-1,240.0*	*-1,320.0*	*-1,410.0*	*-1,500.0*	***-3,250.0***	***-11,960.0***
Total – administered	***-690.0***	***-770.0***	***-860.0***	***-930.0***	***-1,010.0***	***-1,080.0***	***-1,150.0***	***-1,240.0***	***-1,320.0***	***-1,410.0***	***-1,500.0***	***-3,250.0***	***-11,960.0***
Departmental													
Australian Taxation Office	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	***-40.0***	***-110.0***
Services Australia	..	..	..	..	..	..	..	..	..	..	..	**..**	**..**
Total – departmental	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-40.0***	***-110.0***
Total – expenses	**-700.0**	**-780.0**	**-870.0**	**-940.0**	**-1,020.0**	**-1,090.0**	**-1,160.0**	**-1,250.0**	**-1,330.0**	**-1,420.0**	**-1,510.0**	**-3,290.0**	**-12,070.0**
Total (excluding PDI)	**8,040.0**	**7,580.0**	**7,840.0**	**8,356.0**	**8,969.0**	**8,791.0**	**8,721.0**	**8,641.0**	**8,562.0**	**8,461.0**	**8,371.0**	**31,816.0**	**92,332.0**

(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.

\- Indicates nil.

.. Not zero but rounded to zero.

Table A2: Make Polluters Pay for the Damage they are doing – 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													
Tax receipts													
Carbon levy	*8,900.0*	*11,900.0*	*12,300.0*	*13,000.0*	*14,000.0*	*14,200.0*	*14,100.0*	*14,100.0*	*14,100.0*	*14,100.0*	*14,100.0*	***46,100.0***	***144,800.0***
Company tax	*-3,160.0*	*-3,440.0*	*-3,590.0*	*-3,800.0*	*-4,100.0*	*-4,100.0*	*-4,100.0*	*-4,090.0*	*-4,090.0*	*-4,100.0*	*-4,100.0*	***-13,990.0***	***-42,670.0***
Personal income tax	*-*	*-100.0*	*-100.0*	*-104.0*	*-111.0*	*-119.0*	*-119.0*	*-119.0*	*-118.0*	*-119.0*	*-119.0*	***-304.0***	***-1,128.0***
Total – receipts	**5,740.0**	**8,360.0**	**8,610.0**	**9,096.0**	**9,789.0**	**9,981.0**	**9,881.0**	**9,891.0**	**9,892.0**	**9,881.0**	**9,881.0**	**31,806.0**	**101,002.0**
Payments													
Administered													
Energy supplement	*-690.0*	*-770.0*	*-860.0*	*-930.0*	*-1,010.0*	*-1,080.0*	*-1,150.0*	*-1,240.0*	*-1,320.0*	*-1,410.0*	*-1,500.0*	***-3,250.0***	***-11,960.0***
Total – administered	***-690.0***	***-770.0***	***-860.0***	***-930.0***	***-1,010.0***	***-1,080.0***	***-1,150.0***	***-1,240.0***	***-1,320.0***	***-1,410.0***	***-1,500.0***	***-3,250.0***	***-11,960.0***
Departmental													
Australian Taxation Office	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	***-40.0***	***-110.0***
Services Australia	*..*	*..*	*..*	*..*	*..*	*..*	*..*	*..*	*..*	*..*	*..*	***..***	***..***
Total – departmental	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-10.0***	***-40.0***	***-110.0***
Total – payments	**-700.0**	**-780.0**	**-870.0**	**-940.0**	**-1,020.0**	**-1,090.0**	**-1,160.0**	**-1,250.0**	**-1,330.0**	**-1,420.0**	**-1,510.0**	**-3,290.0**	**-12,070.0**
Total (excluding PDI)	**5,040.0**	**7,580.0**	**7,740.0**	**8,156.0**	**8,769.0**	**8,891.0**	**8,721.0**	**8,641.0**	**8,562.0**	**8,461.0**	**8,371.0**	**28,516.0**	**88,932.0**

(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.

.. Not zero but rounded to zero.

Table A3: Make Polluters Pay for the Damage they are doing – 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	*60.0*	*200.0*	*380.0*	*570.0*	*780.0*	*1,030.0*	*1,300.0*	*1,600.0*	*1,920.0*	*2,270.0*	*2,690.0*	***1,210.0***	***12,800.0***
Underlying cash balance	*50.0*	*180.0*	*360.0*	*550.0*	*760.0*	*1,000.0*	*1,270.0*	*1,560.0*	*1,880.0*	*2,230.0*	*2,640.0*	***1,140.0***	***12,480.0***

(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 glossary[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 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.

[5] Online budget glossary – Parliament of Australia (aph.gov.au)

Snowy Hydro: Publicly Owned Energy	
Party:	Australian Greens

Summary of proposal:

The proposal consists of 4 components and would start from 1 July 2022.

Component 1 would repurpose Snowy Hydro into the following two separate corporate entities:

- an electricity wholesale generation and storage company called Snowy Hydro Ltd
- a non-profit electricity and gas retail company called Power Australia Ltd.

Component 2 would require Snowy Hydro Ltd to construct at least 25 Gigawatts (GW) of wind, solar and storage capacity across the six years between 2023-24 and 2029-30:

- $40 billion of equity finance would be provided, as needed, to meet the 25 GW goal
- interest rates would be pegged to the overnight cash rate
- equity finance terms would be over an appropriate mix of 10, 20, 25 and 30-year periods.

Component 3 would require Power Australia Ltd to sell electricity to customers at cost after meeting generation, transmission, distribution, regulatory, operational and overhead costs.

Component 4 would reverse the $600 million equity investment for the 660 Megawatt (MW) open cycle gas turbine at Kurri Kurri in the Hunter Valley.

Costing overview

The proposal would be expected to increase the fiscal balance by around $22.4 million, increase the underlying cash balance by around $32.4 million, and decrease the headline cash balance by around $9,648 million over the 2022-23 Budget forward estimates period. Component 1 does not involve any impact on administered expenditure as it restructures existing Commonwealth assets and it is unclear what impact the restructured entities would have on the budget, but it is anticipated that it will involve additional departmental expenditure in the transitional period. Component 3 of the proposal would have no financial impact, because Component 1 addresses its requirements.

The proposal would have an ongoing 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 uncertain and highly sensitive to assumptions on the speed at which capital is deployed and projects are completed. The costing includes no allowance for the impact of the proposal on business profitability or company tax revenue. The magnitude of such effects would be highly uncertain and could comprise different effects, including:

- reductions in the returns of competing investment projects especially due to the entry of a large-scale investment in the clean energy sector and non-profit seller of electricity (crowding-out effects)
- increases in profits from marginal projects as a result of a reduction in the cost of capital because of potential flow-on effects of large-scale equities in the market (crowding-in effects).

It is unclear which of the crowding-out or crowding-in effects would dominate, and this could vary from period to period.

The fiscal, underlying cash and headline cash balance impacts differ primarily because only the headline cash balance includes transactions related to equity investments. The impact on net debt will be broadly consistent with movements in the headline cash balance.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-10.9	9.2	9.4	14.7	**22.4**
Underlying cash balance	-10.9	9.2	9.4	24.7	**32.4**
Headline cash balance	239.1	-1,410.8	-3,320.6	-4,975.3	**-9,467.6**

(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.

Component 2 – equity finance for power generation and storage

- The $40 billion equity funding would be committed over 6 years from 2023-24, with each tranche of funding deployed over 4 years.
- The committed equity would not impact consolidated revenue through dividend payments until funding is deployed or drawn down for investment or operational purposes.
  - Dividend earnings on investments would be returned to consolidated revenue.
- The projects would commence and be completed in a phased manner. This would reflect time needed to assess eligibility, the average investment project length and staged project commencement.
- The departmental costs would be broadly consistent with the costs of the Clean Energy Finance Corporation (CEFC) relative to the amount of funding administered. There would be additional departmental expenses in 2022-23 to reflect establishment costs for the investments.

Component 4 – reversal of equity investment for 660MW gas turbine at Kurri Kurri in the Hunter Valley

- Under the 2022-23 PEFO baseline, the equity injection would be spread over 3 years starting in 2021-22. When reversing this measure under the proposal, only the equity injections for 2022-23 and 2023-24 of $250 million per year would be recoverable. The estimated $100 million equity injection for 2021-22 would have been spent and would not be recoverable.
  - The Department of Finance advised the equity injection profile is commercial-in-confidence and not to be released. The PBO has assumed our own profile.
- In reversing this policy there may be costs associated with dismantling work done up to the date work ceases and potentially some cost recovery from salvage. The PBO has no information on the potential magnitudes of these effects, and they have not been included in this costing.

- Departmental costs for this measure would not be significant and would be met from within existing resources.

Methodology

For Component 1, total departmental costs for repurposing Snowy Hydro into wholesale and retail arms was modelled on the 2016-17 MYEFO measure *Supporting Australia's Future Shipbuilding Capability – ASC Pty Ltd structure.*

For Component 2, equity investment profile estimates use information from the CEFC as a guide because projects under this proposal are of a comparable nature. The equity commitment and deployment profiles were adjusted to reflect the scale of the investment. Departmental costs are set as a proportion of the capital deployment in each year, based on the financial statements of the CEFC.

For Component 3, the departmental costs for legislative instruments and Commonwealth oversight of Power Australia Ltd would be met from within existing departmental expenses.

For Component 4, the equity investment profile allows for a ramp-up in construction activity with most of the equity provided in the final 2 years of the project.

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 Industry, Science, Energy and Resources (2022) *CEFC model,* Department of Industry, Science, Energy and Resources, Australian Government

The Hon Angus Taylor MP (2021) *Protecting families and businesses from higher energy prices*, Department of Industry, Science, Energy and Resources Minister's website, accessed 3 June 2022

Commonwealth of Australia (2016) *Mid-Year Economic and Fiscal Outlook 2016-17,* Australian Government

Commonwealth of Australia (2022) *Budget 2022-23,* Australian Government

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

Attachment A – Snowy Hydro Publicly Owned Energy – financial implications

Table A1: Snowy Hydro Publicly Owned Energy – 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													
Component 2 - Dividend income	-	*36.0*	*101.0*	*222.0*	*369.0*	*517.0*	*665.0*	*776.0*	*850.0*	*887.0*	*887.0*	***359.0***	***5,310.0***
Total – revenue	**-**	**36.0**	**101.0**	**222.0**	**369.0**	**517.0**	**665.0**	**776.0**	**850.0**	**887.0**	**887.0**	**359.0**	**5,310.0**
Expenses													
Departmental													
Component 1	*-3.0*	*-1.0*	-	-	-	-	-	-	-	-	-	***-4.0***	***-4.0***
Component 2	*-7.9*	*-15.8*	*-31.6*	*-47.3*	*-63.1*	*-63.1*	*-63.1*	*-47.3*	*-31.6*	*-15.8*	-	***-102.6***	***-386.6***
Total – expenses	**-10.9**	**-16.8**	**-31.6**	**-47.3**	**-63.1**	**-63.1**	**-63.1**	**-47.3**	**-31.6**	**-15.8**	**-**	**-106.6**	**-390.6**
Total (excluding PDI)	**-10.9**	**19.2**	**69.4**	**174.7**	**305.9**	**453.9**	**601.9**	**728.7**	**818.4**	**871.2**	**887.0**	**252.4**	**4,919.4**
PDI impacts	***..***	***-10.0***	***-60.0***	***-160.0***	***-290.0***	***-460.0***	***-640.0***	***-820.0***	***-950.0***	***-1,040.0***	***-1,070.0***	***-230.0***	***-5,500.0***
Total (including PDI)	**-10.9**	**9.2**	**9.4**	**14.7**	**15.9**	**-6.1**	**-38.1**	**-91.3**	**-131.6**	**-168.8**	**-183.0**	**22.4**	**-580.6**

(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: Snowy Hydro Publicly Owned Energy – 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													
Component 2 - Dividend income	-	*36.0*	*101.0*	*222.0*	*369.0*	*517.0*	*665.0*	*776.0*	*850.0*	*887.0*	*887.0*	***359.0***	***5,310.0***
Total – receipts	**-**	**36.0**	**101.0**	**222.0**	**369.0**	**517.0**	**665.0**	**776.0**	**850.0**	**887.0**	**887.0**	**359.0**	**5,310.0**
Payments													
Departmental													
Component 1	*-3.0*	*-1.0*	-	-	-	-	-	-	-	-	-	***-4.0***	***-4.0***
Component 2	*-7.9*	*-15.8*	*-31.6*	*-47.3*	*-63.1*	*-63.1*	*-63.1*	*-47.3*	*-31.6*	*-15.8*	-	***-102.6***	***-386.6***
Total – payments	**-10.9**	**-16.8**	**-31.6**	**-47.3**	**-63.1**	**-63.1**	**-63.1**	**-47.3**	**-31.6**	**-15.8**	**-**	**-106.6**	**-390.6**
Total (excluding PDI)	**-10.9**	**19.2**	**69.4**	**174.7**	**305.9**	**453.9**	**601.9**	**728.7**	**818.4**	**871.2**	**887.0**	**252.4**	**4,919.4**
PDI impacts	**..**	***-10.0***	***-60.0***	***-150.0***	***-280.0***	***-440.0***	***-620.0***	***-800.0***	***-930.0***	***-1,030.0***	***-1,070.0***	***-220.0***	***-5,390.0***
Total (including PDI)	**-10.9**	**9.2**	**9.4**	**24.7**	**25.9**	**13.9**	**-18.1**	**-71.3**	**-111.6**	**-158.8**	**-183.0**	**32.4**	**-470.6**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Snowy Hydro Publicly Owned Energy – 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													
Component 2 - Dividend income	*-*	*36.0*	*101.0*	*222.0*	*369.0*	*517.0*	*665.0*	*776.0*	*850.0*	*887.0*	*887.0*	***359.0***	***5,310.0***
Total – receipts	**-**	**36.0**	**101.0**	**222.0**	**369.0**	**517.0**	**665.0**	**776.0**	**850.0**	**887.0**	**887.0**	359.0	5,310.0
Payments													
Administered													
Component 2 - Equity investments	*-*	*-1,670.0*	*-3,330.0*	*-5,000.0*	*-6,670.0*	*-6,670.0*	*-6,670.0*	*-5,000.0*	*-3,330.0*	*-1,670.0*	*-*	***-10,000.0***	***-40,010.0***
Component 4 - reverse Kurri Kurri gas generator equity injection	*250.0*	*250.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***500.0***	***500.0***
Total – administered	***250.0***	***-1,420.0***	***-3,330.0***	***-5,000.0***	***-6,670.0***	***-6,670.0***	***-6,670.0***	***-5,000.0***	***-3,330.0***	***-1,670.0***	***-***	***-9,500.0***	***-39,510.0***
Departmental													
Component 1	*-3.0*	*-1.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-4.0***	***-4.0***
Component 2	*-7.9*	*-15.8*	*-31.6*	*-47.3*	*-63.1*	*-63.1*	*-63.1*	*-47.3*	*-31.6*	*-15.8*	*-*	***-102.6***	***-386.6***
Total – payments	**239.1**	**-1,436.8**	**-3,361.6**	**-5,047.3**	**-6,733.1**	**-6,733.1**	**-6,733.1**	**-5,047.3**	**-3,361.6**	**-1,685.8**	**-**	-9,606.6	-39,900.6
Total (excluding PDI)	**239.1**	**-1,400.8**	**-3,260.6**	**-4,825.3**	**-6,364.1**	**-6,216.1**	**-6,068.1**	**-4,271.3**	**-2,511.6**	**-798.8**	**887.0**	**-9,247.6**	**-34,590.6**
PDI impacts	***..***	***-10.0***	***-60.0***	***-150.0***	***-280.0***	***-440.0***	***-620.0***	***-800.0***	***-930.0***	***-1,030.0***	***-1,070.0***	***-220.0***	***-5,390.0***
Total (including PDI)	**239.1**	**-1,410.8**	**-3,320.6**	**-4,975.3**	**-6,644.1**	**-6,656.1**	**-6,688.1**	**-5,071.3**	**-3,441.6**	**-1,828.8**	**-183.0**	**-9,467.6**	**-39,980.6**

(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.

FutureGrid Rewiring Australia's Energy System	
Party:	Australian Greens

Summary of proposal:

The proposal consist of 3 components, each starting from 1 July 2022.

Component 1 – Public Grid Investment

- Create a new publicly owned electricity transmission and distribution corporation (FutureGrid), with a specific remit to:
  – invest in new transmission infrastructure to connect the existing grid to Renewable Energy Zones
  – buy transmission and distribution infrastructure from the private sector, beginning with privately owned interconnectors.
- Provide $25 billion of equity to FutureGrid ($10 billion in 2022-23 and $3.75 billion in each year from 2023-24 to 2026-27).

Component 2 – Household Solar Storage Scheme

- Element 1 would provide grants of up to $5,000 to any Australian household to install household storage technology. Grants would be limited to 50% of the total cost of the upgrade.
- Element 2 would provide low interest loans of up to $10,000 to any Australian household to install household storage technology. Loans would be offered at the Reserve Bank of Australia (RBA) overnight cash rate with a maximum 10-year fixed term.

Component 3 – Small Business Solar Storage Scheme

- Element 1 would provide grants of up to $10,000 to any Australian small business (a business with a turnover below $10 million in the previous financial year) to install a battery at their business site. Grants would be limited to 50% of the total cost of the upgrade.
- Element 2 would provide low interest loans of up to $50,000 to any Australian small business to install a battery at their business site (excluding those businesses where their site is a residential household). Loans would be offered at the RBA overnight cash rate with a maximum 10-year fixed term.

To be eligible for Components 2 and 3, households and businesses would need to use qualified system providers installing battery systems that meet a set of minimum technical requirements.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $2.72 billion, the underlying cash balance by around $2.27 billion and the headline cash balance by around $14.5 billion over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing 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 uncertain and highly sensitive to assumptions on the speed at which capital would be deployed and projects would be completed. The value of transmission and distribution assets, including interconnectors, purchased from the private sector is also highly uncertain, as the cost would depend on market factors at the time of the negotiation. The costing includes no allowance for the impact of the proposal on business profitability or company tax revenue. The magnitude of such effects would be highly uncertain and could comprise different effects, including:

- reductions in the returns of competing investment projects especially due to the entry of large-scale investment in the clean energy sector (crowding-out effects)
- increases in profits from marginal projects as a result of large-scale Australian Government investment driving increased private sector investment (crowding-in effects).

It is unclear which of these 2 effects would dominate and this could vary from period to period.

The financial implications of the grant and loan schemes for household and small business solar storage are sensitive to the assumed take-up rates for the grants and the concessional loans. The take-up rates are likely to be impacted by the price of eligible solar storage technologies, and the price of alternative electricity provision, as well as the perceived benefits of installing such storage technologies. These factors may in turn be influenced by the electricity sector, climate and other policies. Some states and territories provide similar schemes subsidising the cost of solar storage which may impact the adoption rates of this proposed scheme. The Parliamentary Budget Office (PBO) has not made any assessment of how this proposal would interact with other subsidies or schemes available.

Consistent with *PBO Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the concessional loans provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest and dividend payments, and the flow of equity and loan principal. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan write-downs, and only the headline cash balance includes transactions related to equity and 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	-460.7	-578.5	-779.9	-898.1	**-2,717.2**
Underlying cash balance	-382.0	-475.1	-647.8	-765.6	**-2,270.5**
Headline cash balance	-712.0	-3,417.1	-4,641.8	-5,730.6	**-14,501.5**

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

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1

- Each tranche of the funding would be deployed over 4 years.
  - Similar to the Clean Energy Finance Corporation (CEFC), FutureGrid would commence making investments a year after establishment, allowing for preparations required to enable entry into the transmission and distribution market.
  - There is a large pool of existing transmission and distribution assets available to purchase.
- FutureGrid would be a public non-financial corporation, providing goods and services to consumers on a commercial basis, largely funded by the sale of these goods and services and generally legally distinguishable from the Australian Government.
- FutureGrid would have a similar risk and return profile to the CEFC and would achieve similar returns.
  - FutureGrid would target an average return of the 5-year Australian Government bond rate plus 3% to 4% per annum over the medium to long term as the benchmark return on the core portfolio.
  - In targeting these returns, FutureGrid would develop a portfolio that has an acceptable, but not excessive, level of risk.
- The committed equity would not impact the Consolidated Revenue Fund through dividend payments until funding is deployed or drawn down for investment or operational purposes.
  - Dividend earnings on investments would be returned to the Consolidated Revenue Fund.
- The projects would commence and be completed in a phased manner. This would reflect the time needed to assess eligibility, the average investment project length and staged project commencement.
- The departmental costs would reflect the establishment of FutureGrid as a corporation only.
  - The ratio of administered and departmental costs would be broadly consistent with the CEFC.

Components 2 and 3

- The number of household battery installations would initially increase by around 31% to 51,000 in 2022-23 and would grow in line with historical demand responses to the introduction of solar storage rebates in the states and territories. This is informed by:
  - data from the Clean Energy Regulator's postcode data for small-scale installations
  - analysis in SunWiz's *Australian Battery Market 2021* report.
- The take-up rate of small business battery installations would be around 0.5% in 2022-23, partially informed by the experience in the household sector. The number of small business installations would grow at 13% per annum into the medium term.
- The average cost of battery installations would remain similar to current estimates of around $11,000 for households and $26,000 for small businesses, with any decrease in price offset by an increase in storage size.

  - The current estimates were based on estimated storage requirements for households and small businesses, and actual costs per kilowatt-hour.
- All households and small businesses accessing the grants would fund any outstanding installation costs using a concessional loan up to the specified amount.
- No household or small business would access a concessional loan but not a grant.
- The average loan maturity would be 10 years and default rates would be at 1.2% for households and 2.5% for small businesses. Default rates are based on the RBA observations of non-performing loans and default probabilities for each sector.

Methodology

Component 1

The equity investment profile estimates were based on the CEFC model as projects envisaged under this proposal are of a comparable nature. The equity commitment and deployment profiles were adjusted to reflect the scale of the investment.

Components 2 and 3

The financial implications for these components were derived by estimating the number of eligible households and small businesses that would take up a grant for solar storage and the average costs of installation.

The cost of installing solar storage technology would be funded by the full amount of the grant with the remainder to be funded through the concessional loan.

- This reflects the assumption that consumers would maximise any grant funding by installing a storage system that qualified them for the maximum grant amount.
- The remaining installation costs would be treated as a concessional loan. The PBO used its concessional loan model to calculate the impact to the fiscal, underlying cash and headline cash balances of the loan funding provided, with interest payments at the specified RBA cash rate, and repayments spread evenly over the maximum 10-year period.

Departmental costs were estimated based on similar programs administered by the Department of Industry, Science, Energy and Resources.

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 Treasury provided indexation parameters and RBA cash rate projections as at the 2022 Pre-election Economic and Fiscal Outlook.

The Australian Taxation Office provided the 2018-19 taxation statistics for companies.

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

The Department of Industry, Science, Energy and Resources provided information on the CEFC's funding commitments, equity investments, concessional loans and operational expenses over the 2022-23 Budget forward estimates period.

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Attachment A – FutureGrid Rewiring Australia's Energy System – financial implications

Table A1: FutureGrid Rewiring Australia's Energy System – 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													
Component 1 - Equity investment dividends	*-*	*53.0*	*120.0*	*229.0*	*346.0*	*429.0*	*492.0*	*533.0*	*554.0*	*554.0*	*554.0*	***402.0***	***3,864.0***
Component 2 - Income from unwinding concessional loans	*13.0*	*32.0*	*56.0*	*83.0*	*110.0*	*139.0*	*169.0*	*200.0*	*234.0*	*269.0*	*307.0*	***184.0***	***1,612.0***
Component 2 - Interest accrued from loans	*..*	*..*	*1.0*	*1.0*	*4.0*	*10.0*	*20.0*	*35.0*	*56.0*	*84.0*	*121.0*	***2.0***	***332.0***
Component 3 - Income from unwinding concessional loans	*1.8*	*3.7*	*5.7*	*7.7*	*9.7*	*11.7*	*13.6*	*15.6*	*17.5*	*19.3*	*21.1*	***18.9***	***127.4***
Component 3 - Interest accrued from loans	*..*	*0.1*	*0.1*	*0.1*	*0.4*	*1.1*	*2.1*	*3.6*	*5.6*	*8.2*	*11.5*	***0.3***	***32.8***
Total – revenue	**14.8**	**88.8**	**182.8**	**320.8**	**470.1**	**590.8**	**696.7**	**787.2**	**867.1**	**934.5**	**1,014.6**	**607.2**	**5,968.2**
Expenses													
Administered													
Component 2 - Concessional loan discount expense	*-78.0*	*-120.0*	*-161.0*	*-187.0*	*-206.0*	*-234.0*	*-265.0*	*-301.0*	*-341.0*	*-387.0*	*-439.0*	***-546.0***	***-2,719.0***
Component 2 - Other financing costs	*-3.7*	*-5.7*	*-7.6*	*-8.9*	*-10.3*	*-12.0*	*-13.9*	*-16.2*	*-18.9*	*-22.0*	*-25.7*	***-25.9***	***-144.9***
Component 2 - Solar storage grant	*-260.0*	*-390.0*	*-530.0*	*-620.0*	*-720.0*	*-830.0*	*-970.0*	*-1,130.0*	*-1,310.0*	*-1,530.0*	*-1,780.0*	***-1,800.0***	***-10,070.0***
Component 3 - Concessional loan discount expense	*-10.4*	*-11.8*	*-13.4*	*-15.2*	*-16.0*	*-17.5*	*-19.2*	*-20.9*	*-22.9*	*-25.0*	*-27.2*	***-50.8***	***-199.5***
Component 3 - Other financing costs	*-1.4*	*-1.6*	*-1.8*	*-2.1*	*-2.3*	*-2.7*	*-3.0*	*-3.4*	*-3.9*	*-4.4*	*-5.0*	***-6.9***	***-31.6***
Component 3 - Solar storage grant	*-35.0*	*-40.0*	*-45.0*	*-51.0*	*-58.0*	*-66.0*	*-75.0*	*-85.0*	*-96.0*	*-109.0*	*-124.0*	***-171.0***	***-784.0***
Total – administered	***-388.5***	***-569.1***	***-758.8***	***-884.2***	***-1,012.6***	***-1,162.2***	***-1,346.1***	***-1,556.5***	***-1,792.7***	***-2,077.4***	***-2,400.9***	***-2,600.6***	***-13,949.0***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Component 1	*-11.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-11.8***	***-11.8***
Component 2	*-56.0*	*-43.0*	*-58.0*	*-68.0*	*-79.0*	*-92.0*	*-107.0*	*-124.0*	*-144.0*	*-168.0*	*-196.0*	***-225.0***	***-1,135.0***
Component 3	*-9.2*	*-5.2*	*-5.9*	*-6.7*	*-7.6*	*-8.6*	*-9.8*	*-11.1*	*-12.6*	*-14.3*	*-16.2*	***-27.0***	***-107.2***
Total – departmental	***-77.0***	***-48.2***	***-63.9***	***-74.7***	***-86.6***	***-100.6***	***-116.8***	***-135.1***	***-156.6***	***-182.3***	***-212.2***	***-263.8***	***-1,254.0***
Total – expenses	**-465.5**	**-617.3**	**-822.7**	**-958.9**	**-1,099.2**	**-1,262.8**	**-1,462.9**	**-1,691.6**	**-1,949.3**	**-2,259.7**	**-2,613.1**	**-2,864.4**	**-15,203.0**
Total (excluding PDI)	**-450.7**	**-528.5**	**-639.9**	**-638.1**	**-629.1**	**-672.0**	**-766.2**	**-904.4**	**-1,082.2**	**-1,325.2**	**-1,598.5**	**-2,257.2**	**-9,234.8**
PDI impacts	***-10.0***	***-50.0***	***-140.0***	***-260.0***	***-410.0***	***-570.0***	***-710.0***	***-840.0***	***-960.0***	***-1,080.0***	***-1,200.0***	***-460.0***	***-6,230.0***
Total (including PDI)	**-460.7**	**-578.5**	**-779.9**	**-898.1**	**-1,039.1**	**-1,242.0**	**-1,476.2**	**-1,744.4**	**-2,042.2**	**-2,405.2**	**-2,798.5**	**-2,717.2**	**-15,464.8**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: FutureGrid Rewiring Australia's Energy System – 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													
Component 1 - Equity investment dividends	*-*	*53.0*	*120.0*	*229.0*	*346.0*	*429.0*	*492.0*	*533.0*	*554.0*	*554.0*	*554.0*	***402.0***	***3,864.0***
Component 2 - Interest repayments received on loans	*..*	*..*	*1.0*	*1.0*	*4.0*	*10.0*	*20.0*	*35.0*	*56.0*	*84.0*	*121.0*	***2.0***	***332.0***
Component 3 - Interest repayments received on loans	*..*	*0.1*	*0.1*	*0.1*	*0.4*	*1.1*	*2.1*	*3.6*	*5.6*	*8.2*	*11.5*	***0.3***	***32.8***
Total – receipts	**..**	**53.1**	**121.1**	**230.1**	**350.4**	**440.1**	**514.1**	**571.6**	**615.6**	**646.2**	**686.5**	**404.3**	**4,228.8**
Payments													
Administered													
Component 2 - Solar storage grant	*-260.0*	*-390.0*	*-530.0*	*-620.0*	*-720.0*	*-830.0*	*-970.0*	*-1,130.0*	*-1,310.0*	*-1,530.0*	*-1,780.0*	***-1,800.0***	***-10,070.0***
Component 3 - Solar storage grant	*-35.0*	*-40.0*	*-45.0*	*-51.0*	*-58.0*	*-66.0*	*-75.0*	*-85.0*	*-96.0*	*-109.0*	*-124.0*	***-171.0***	***-784.0***
Total – administered	***-295.0***	***-430.0***	***-575.0***	***-671.0***	***-778.0***	***-896.0***	***-1,045.0***	***-1,215.0***	***-1,406.0***	***-1,639.0***	***-1,904.0***	***-1,971.0***	***-10,854.0***
Departmental													
Component 1	*-11.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-11.8***	***-11.8***
Component 2	*-56.0*	*-43.0*	*-58.0*	*-68.0*	*-79.0*	*-92.0*	*-107.0*	*-124.0*	*-144.0*	*-168.0*	*-196.0*	***-225.0***	***-1,135.0***
Component 3	*-9.2*	*-5.2*	*-5.9*	*-6.7*	*-7.6*	*-8.6*	*-9.8*	*-11.1*	*-12.6*	*-14.3*	*-16.2*	***-27.0***	***-107.2***
Total – departmental	***-77.0***	***-48.2***	***-63.9***	***-74.7***	***-86.6***	***-100.6***	***-116.8***	***-135.1***	***-156.6***	***-182.3***	***-212.2***	***-263.8***	***-1,254.0***
Total – payments	**-372.0**	**-478.2**	**-638.9**	**-745.7**	**-864.6**	**-996.6**	**-1,161.8**	**-1,350.1**	**-1,562.6**	**-1,821.3**	**-2,116.2**	**-2,234.8**	**-12,108.0**
Total (excluding PDI)	**-372.0**	**-425.1**	**-517.8**	**-515.6**	**-514.2**	**-556.5**	**-647.7**	**-778.5**	**-947.0**	**-1,175.1**	**-1,429.7**	**-1,830.5**	**-7,879.2**
PDI impacts	***-10.0***	***-50.0***	***-130.0***	***-250.0***	***-390.0***	***-550.0***	***-690.0***	***-820.0***	***-950.0***	***-1,060.0***	***-1,190.0***	***-440.0***	***-6,090.0***
Total (including PDI)	**-382.0**	**-475.1**	**-647.8**	**-765.6**	**-904.2**	**-1,106.5**	**-1,337.7**	**-1,598.5**	**-1,897.0**	**-2,235.1**	**-2,619.7**	**-2,270.5**	**-13,969.2**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: FutureGrid Rewiring Australia's Energy System – 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													
Component 1 - Equity investment dividends	*-*	*53.0*	*120.0*	*229.0*	*346.0*	*429.0*	*492.0*	*533.0*	*554.0*	*554.0*	*554.0*	***402.0***	***3,864.0***
Component 2 - Interest repayments received on loans	*..*	*..*	*1.0*	*1.0*	*4.0*	*10.0*	*20.0*	*35.0*	*56.0*	*84.0*	*121.0*	***2.0***	***332.0***
Component 2 - Loan repayments	*30.0*	*80.0*	*140.0*	*210.0*	*300.0*	*400.0*	*510.0*	*640.0*	*800.0*	*980.0*	*1,160.0*	***460.0***	***5,250.0***
Component 3 - Interest repayments received on loans	*..*	*0.1*	*0.1*	*0.1*	*0.4*	*1.1*	*2.1*	*3.6*	*5.6*	*8.2*	*11.5*	***0.3***	***32.8***
Component 3 - Loan repayments	*6.0*	*12.0*	*19.0*	*27.0*	*36.0*	*46.0*	*58.0*	*71.0*	*86.0*	*104.0*	*117.0*	***64.0***	***582.0***
Total – receipts	**36.0**	**145.1**	**280.1**	**467.1**	**686.4**	**886.1**	**1,082.1**	**1,282.6**	**1,501.6**	**1,730.2**	**1,963.5**	**928.3**	**10,060.8**
Payments													
Administered													
Component 1 - Equity investments	*-*	*-2,500.0*	*-3,440.0*	*-4,380.0*	*-5,310.0*	*-3,750.0*	*-2,810.0*	*-1,880.0*	*-940.0*	*-*	*-*	***-10,320.0***	***-25,010.0***
Component 2 - Loans made	*-310.0*	*-470.0*	*-640.0*	*-740.0*	*-860.0*	*-1,000.0*	*-1,160.0*	*-1,350.0*	*-1,580.0*	*-1,840.0*	*-2,140.0*	***-2,160.0***	***-12,090.0***
Component 2 - Solar storage grant	*-260.0*	*-390.0*	*-530.0*	*-620.0*	*-720.0*	*-830.0*	*-970.0*	*-1,130.0*	*-1,310.0*	*-1,530.0*	*-1,780.0*	***-1,800.0***	***-10,070.0***
Component 3 - Loans made	*-56.0*	*-64.0*	*-73.0*	*-82.0*	*-93.0*	*-106.0*	*-120.0*	*-136.0*	*-155.0*	*-176.0*	*-199.0*	***-275.0***	***-1,260.0***
Component 3 - Solar storage grant	*-35.0*	*-40.0*	*-45.0*	*-51.0*	*-58.0*	*-66.0*	*-75.0*	*-85.0*	*-96.0*	*-109.0*	*-124.0*	***-171.0***	***-784.0***
Total – administered	***-661.0***	***-3,464.0***	***-4,728.0***	***-5,873.0***	***-7,041.0***	***-5,752.0***	***-5,135.0***	***-4,581.0***	***-4,081.0***	***-3,655.0***	***-4,243.0***	***-14,726.0***	***-49,214.0***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
Component 1	*-11.8*	-	-	-	-	-	-	-	-	-	-	***-11.8***	***-11.8***
Component 2	*-56.0*	*-43.0*	*-58.0*	*-68.0*	*-79.0*	*-92.0*	*-107.0*	*-124.0*	*-144.0*	*-168.0*	*-196.0*	***-225.0***	***-1,135.0***
Component 3	*-9.2*	*-5.2*	*-5.9*	*-6.7*	*-7.6*	*-8.6*	*-9.8*	*-11.1*	*-12.6*	*-14.3*	*-16.2*	***-27.0***	***-107.2***
Total – departmental	***-77.0***	***-48.2***	***-63.9***	***-74.7***	***-86.6***	***-100.6***	***-116.8***	***-135.1***	***-156.6***	***-182.3***	***-212.2***	***-263.8***	***-1,254.0***
Total – payments	**-738.0**	**-3,512.2**	**-4,791.9**	**-5,947.7**	**-7,127.6**	**-5,852.6**	**-5,251.8**	**-4,716.1**	**-4,237.6**	**-3,837.3**	**-4,455.2**	**-14,989.8**	**-50,468.0**
Total (excluding PDI)	**-702.0**	**-3,367.1**	**-4,511.8**	**-5,480.6**	**-6,441.2**	**-4,966.5**	**-4,169.7**	**-3,433.5**	**-2,736.0**	**-2,107.1**	**-2,491.7**	**-14,061.5**	**-40,407.2**
PDI impacts	***-10.0***	***-50.0***	***-130.0***	***-250.0***	***-390.0***	***-550.0***	***-690.0***	***-820.0***	***-950.0***	***-1,060.0***	***-1,190.0***	***-440.0***	***-6,090.0***
Total (including PDI)	**-712.0**	**-3,417.1**	**-4,641.8**	**-5,730.6**	**-6,831.2**	**-5,516.5**	**-4,859.7**	**-4,253.5**	**-3,686.0**	**-3,167.1**	**-3,681.7**	**-14,501.5**	**-46,497.2**

(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 impact[2]

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.

Parliamentary Budget Office

Refurbishing our Industrial Hubs	
Party:	Australian Greens

Summary of proposal:

Component 1: Establish Green Metals Australia

Invest an initial $700 million in funding in 2022-23, followed by additional funding of $350 million per year from 2023-24 in Green Metals Australia, a new agency which would be responsible for developing a zero carbon Australian metal sector. This investment would be in the form of loans, equity, grants or direct investment.

Component 2: Establish Green Hydrogen Australia

Invest an initial $900 million in funding in 2022-23, followed by additional funding of $450 million per year from 2023-24 in Green Hydrogen Australia, a new agency which would be responsible for developing a zero carbon Australian green hydrogen sector. This investment would be in the form of loans, equity, grants or direct investment.

The breakdown of grants, loans and equity for Components 1 and 2 would be 20%, 40% and 40% respectively.

Component 3: Reinstate the Clean Technology Program

Provide funding to reinstate the Clean Technology Program, including:

- Clean Technology Investment Program: Allocate $1.6 billion between 2022-23 and 2028-29 to assist manufacturers to invest in electrification and substitution of feedstocks.
- Green Aluminium Australia: Allocate $21.4 million per year to Green Aluminium Australia to modernise and secure its emissions free future.
- Research and Development for Cement: Allocate $28.6 million per year for research and development into cement to reduce emissions in production and electrification processes.
- Clean Technology Food and Foundries Investment Program: Allocate $28.6 million per year to help manufacturers in the food and foundries industries to invest in energy efficient capital equipment, shift off gas and emissions intensive fertilisers.
- Clean Technology Innovation Program: Allocate $57.1 million per year to support research that would reduce greenhouse gas emissions.

Component 4: Green Procurement Strategy

Fund the development of a national Green Procurement Strategy in the 2022-23 financial year.

Component 5: Electrification Strategy

Fund the development of a national Electrification Strategy in the 2022-23 financial year.

Component 6: Establish a Green Steel Innovation fund

Allocate $100 million per year to provide grants targeted at steel producing regions to transition to green steel production.

Component 7: Retrofit infrastructure at the Gladstone liquified natural gas (LNG) terminal

Allocate funding of $2.2 billion from 2025-26 over three years to retrofit infrastructure at the Gladstone LNG terminal to enable hydrogen production and ammonia exports.

The funding for all components would be allocated evenly over the specified time periods.

Departmental expenses would be additional to the specified funding amounts for Components 1, 2, 3, and 7.

Departmental expenses would be included in the specified funding amount for Component 6.

The proposal has a start date of 1 July 2022.

Costing overview

This proposal would be expected to decrease the fiscal balance by around $3,648 million, decrease the underlying cash balance by around $3,488 million and decrease the headline cash balance by around $6,623 million over the 2022-23 Budget forward estimates period.

This proposal would have ongoing 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 Components 1 and 2 of this proposal are highly uncertain and sensitive to assumptions about how quickly capital is deployed, interest rates, debt not repaid and the average maturity period of investments. In particular, the costing includes no allowance for the impact of the proposal on business profitability or company tax revenue. The magnitude of such effects would be highly uncertain and could comprise different effects, including:

- crowding out effects:
  - companies switching their financing arrangements to the concessional loans provided under this proposal, which has a flow-on impact to incomes of private lenders and shareholders
  - reductions in the returns of competing investment projects, which could subsequently impact tax revenues
- crowding in effects, where there would be an increase in profits from marginal projects as a result of a reduction in the cost of capital from this proposal.

It is unclear whether the crowding out or crowding in effect would dominate and to what magnitude. Additionally, this impact could vary over time.

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 provided under this proposal involve financial asset transactions. See Attachment B for an explanation of the accounting for concessional loans.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest and dividend payments and the flow of loan principal and equity amounts. In particular:

- only the fiscal balance reflects the concessional loan discount expense, associated unwinding income and loan write-downs
- only the headline cash balance includes transactions related to loan principal amounts and equity investments.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-852.8	-668.6	-673.5	-1,453.5	**-3,648.4**
Underlying cash balance	-798.1	-635.4	-639.5	-1,415.0	**-3,488.0**
Headline cash balance	-1,988.1	-1,289.4	-1,294.5	-2,051.0	**-6,623.0**

(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.
- Indicates nil.

Key assumptions

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

- There would be sufficient investment opportunities to be able to deploy the full amounts committed to Green Metals Australia and Green Hydrogen Australia.
- Average loan maturity would be seven years, consistent with the Clean Energy Finance Corporation's investment management to date.
- Market interest rates would move in line with the ten-year government bond rate projection.
- The departmental costs of Green Metals Australia and Green Hydrogen Australia would be broadly consistent with the departmental costs of the Clean Energy Finance Corporation relative to the amount of funding administered.
  - There would be additional departmental expenses in 2022-23 to reflect establishment costs.

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

Methodology

Components 1 and 2

Expenditure estimates for Components 1 and 2 were developed using information on the Clean Energy Finance Corporation provided by the Department of Industry, Science, Energy and Resources. The information included funding commitments, drawdowns, interest payments, dividends and debt not expected to be repaid.

- The 40% of committed funds provided as concessional loans and the 40% of committed funds invested into equity was modelled to be consistent with the current commitment and investment schedule for the Clean Energy Finance Corporation.
  - Repaid capital would be reinvested in Greens Metals Australia and Green Hydrogen Australia and deployed into additional projects.
  - Dividend yield from equity investments for Components 1 and 2 would match that of the Clean Energy Finance Corporation's equity investment portfolio.

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

- Interest payments and dividend earnings on investments would be returned to consolidated revenue.

- Departmental costs were estimated as a percentage of the total loan and equity amounts, consistent with the current operational expenses of the Clean Energy Finance Corporation.
  - The departmental costs include an allowance for start-up implementation costs in the first year of the proposal for Components 1 and 2.

Component 3

All elements of Component 3 have would have departmental expenses that follow the same departmental to administered expenses ratio profile as the 2017-18 Budget measure *Regional Growth Fund*.

Component 4 and 5

The departmental costs for Components 4 and 5 were calculated based on the Department of Finance's standard departmental calculator. Each component was costed as a small team of 2 APS6, 1 EL1 and 1 EL2 in 2022-23 to establish the specified strategies.

Component 6

Component 6 would have departmental expenses that follow the same departmental to administered expenses ratio profile as the 2017-18 Budget measure *Regional Growth Fund*.

Component 7

Component 7 is terminating and has financial impacts equal to the specified capped amount.

Departmental expenses for Component 7 were informed by similar measures in Budgets from 2015-16 to 2021-22.

Assumed Ongoing Components

Consistent with PBO general election guidance, in the absence of a public statement to the contrary the PBO has assumed that the following policies are ongoing[2].

- Component 3: Reinstate the Clean Technology Program – the following sub-components:
  - Green Aluminium Australia
  - Research and Development for Cement
  - Clean Technology Food and Foundries Investment Program
  - Clean Technology Innovation Program
- Component 6: Establish a Green Steel Innovation fund

[2] PBO general election guidance 2 of 4, 2021 The election commitments report: overview.

Data sources

The Department of Industry, Science, Energy and Resources provided information on the Clean Energy Finance Corporation's funding commitments, equity investments, concessional loans and operational expenses over the 2022-23 Budget forward estimates period, as at the 2022-23 Budget.

The Department of Finance and the Treasury provided the economic parameters used in the model as at the 2022-23 Pre-election Economic and Fiscal Outlook report.

Infrastructure and Regional Development Portfolio (2017) *Portfolio Budget Statement 2017-18*, Australian Government

Australian Government (2015) *2015-16 Budget*, Australian Government.

Australian Government (2016) *2016-17 Budget*, Australian Government.

Australian Government (2017) *2017-18 Budget*, Australian Government.

Australian Government (2018) *2018-19 Budget*, Australian Government.

Australian Government (2019) *2019-20 Budget*, Australian Government.

Australian Government (2020) *2020-21 Budget*, Australian Government.

Australian Government 2021) *2021-22 Budget*, Australian Government.

Attachment A – Refurbishing our Industrial Hubs – financial implications

Table A1: Refurbishing our Industrial Hubs – 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													
Non – tax revenue													
Component 1 - Create Green Metals Australia - Income from unwinding concessional loan	*5.8*	*9.6*	*13.9*	*18.6*	*23.8*	*29.2*	*35.0*	*41.0*	*47.5*	*54.2*	*61.4*	***47.9***	***340.0***
Component 1 - Create Green Metals Australia - Interest income	*9.0*	*15.0*	*22.0*	*29.0*	*37.0*	*46.0*	*57.0*	*70.0*	*85.0*	*102.0*	*122.0*	***75.0***	***594.0***
Component 1 - Create Green Metals Australia - Dividend income	*6.0*	*9.8*	*13.2*	*19.3*	*24.5*	*30.1*	*36.1*	*42.6*	*49.5*	*56.8*	*64.5*	***48.3***	***352.4***
Component 2 - Create Green Hydrogen Australia - Income from unwinding concessional loan	*7.5*	*12.4*	*17.9*	*24.0*	*30.6*	*37.6*	*45.0*	*52.7*	*61.0*	*69.7*	*78.9*	***61.8***	***437.3***
Component 2 - Create Green Hydrogen Australia - Interest income	*12.0*	*20.0*	*28.0*	*38.0*	*48.0*	*60.0*	*74.0*	*91.0*	*110.0*	*132.0*	*156.0*	***98.0***	***769.0***
Component 2 - Create Green Hydrogen Australia - Dividend income	*7.7*	*12.6*	*16.9*	*24.8*	*31.5*	*38.7*	*46.5*	*54.8*	*63.6*	*73.0*	*82.9*	***62.0***	***453.0***
Total – revenue	**48.0**	**79.4**	**111.9**	**153.7**	**195.4**	**241.6**	**293.6**	**352.1**	**416.6**	**487.7**	**565.7**	**393.0**	**2,945.7**

	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													
Component 1 - Create Green Metals Australia - Grants	*-140.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	***-350.0***	***-840.0***
Component 1 - Create Green Metals Australia - Concessional loan discount	*-24.7*	*-19.1*	*-23.5*	*-28.5*	*-34.1*	*-40.5*	*-47.6*	*-55.8*	*-61.6*	*-69.0*	*-76.9*	***-95.8***	***-481.3***
Component 1 - Create Green Metals Australia - Other financing costs	*-4.2*	*-3.3*	*-4.0*	*-4.8*	*-5.8*	*-6.9*	*-8.2*	*-9.6*	*-10.6*	*-12.0*	*-13.4*	***-16.3***	***-82.8***
Component 2 - Create Green Hydrogen Australia - Grants	*-180.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	***-450.0***	***-1,080.0***
Component 2 - Create Green Hydrogen Australia - Concessional loan discount	*-31.7*	*-24.6*	*-30.2*	*-36.6*	*-43.9*	*-52.0*	*-61.2*	*-71.7*	*-79.2*	*-88.8*	*-98.8*	***-123.1***	***-618.7***
Component 2 - Create Green Hydrogen Australia - Other financing costs	*-5.4*	*-4.2*	*-5.1*	*-6.2*	*-7.5*	*-8.9*	*-10.5*	*-12.3*	*-13.7*	*-15.4*	*-17.2*	***-20.9***	***-106.4***
Component 3 - Electrifying and Substituting Feedstocks	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-*	*-*	*-*	*-*	***-916.0***	***-1,603.0***
Component 3 - Clean Technology Food and Foundries Investment Program	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-29.3*	*-30.0*	*-30.8*	*-31.6*	***-114.4***	***-321.9***
Component 3 - Clean Technology Innovation Program	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-58.6*	*-60.1*	*-61.6*	*-63.1*	***-228.4***	***-643.1***
Component 3 - Research and Development for Cement	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-29.3*	*-30.1*	*-30.8*	*-31.6*	***-114.4***	***-322.0***
Component 3 -Green Metals Aluminium fund	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-22.0*	*-22.5*	*-23.1*	*-23.7*	***-85.6***	***-241.1***
Component 6 - Green Steel Innovation Fund	*-96.0*	*-98.0*	*-99.0*	*-99.0*	*-99.0*	*-102.0*	*-104.0*	*-107.0*	*-110.0*	*-112.0*	*-115.0*	***-392.0***	***-1,141.0***
Element 7 - Retrofit infrastructure at Gladstone LNG terminal	*-*	*-*	*-*	*-733.0*	*-733.0*	*-733.0*	*-*	*-*	*-*	*-*	*-*	***-733.0***	***-2,199.0***
Total – administered	***-846.7***	***-673.9***	***-686.5***	***-1,432.8***	***-1,448.0***	***-1,468.0***	***-756.2***	***-555.6***	***-577.8***	***-603.5***	***-631.3***	***-3,639.9***	***-9,680.3***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Component 1 – Green Metals Australia	*-5.3*	*-3.4*	*-3.7*	*-4.1*	*-4.4*	*-4.8*	*-5.2*	*-5.5*	*-5.9*	*-6.2*	*-6.6*	***-16.5***	***-55.1***
Component 2 – Green Hydrogen Australia	*-6.8*	*-4.3*	*-4.8*	*-5.2*	*-5.7*	*-6.2*	*-6.6*	*-7.1*	*-7.5*	*-8.0*	*-8.5*	***-21.1***	***-70.7***
Component 3 – Clean Technology Program	*-14.6*	*-5.8*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-0.7*	*-0.7*	*-0.7*	*-0.8*	***-24.2***	***-32.8***
Component 4 – Green Procurement Strategy	*-0.7*	-	-	-	-	-	-	-	-	-	-	***-0.7***	***-0.7***
Component 5 – Electrification Strategy	*-0.7*	-	-	-	-	-	-	-	-	-	-	***-0.7***	***-0.7***
Component 6 - Green Steel Innovation Fund	*-4.0*	*-1.6*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-6.6***	***-10.5***
Element 7 - Retrofit infrastructure at Gladstone LNG terminal	-	-	-	*-36.7*	*-18.3*	*-18.3*	-	-	-	-	-	***-36.7***	***-73.3***
Total – departmental	***-32.1***	***-15.1***	***-10.9***	***-48.4***	***-30.8***	***-31.7***	***-14.2***	***-13.9***	***-14.7***	***-15.5***	***-16.5***	***-106.5***	***-243.8***
Total – expenses	**-878.8**	**-689.0**	**-697.4**	**-1,481.2**	**-1,478.8**	**-1,499.7**	**-770.4**	**-569.5**	**-592.5**	**-619.0**	**-647.8**	**-3,746.4**	**-9,924.1**
Total (excluding PDI)	**-830.8**	**-609.6**	**-585.5**	**-1,327.5**	**-1,283.4**	**-1,258.1**	**-476.8**	**-217.4**	**-175.9**	**-131.3**	**-82.1**	**-3,353.4**	**-6,978.4**
PDI impacts	***-22.0***	***-59.0***	***-88.0***	***-126.0***	***-173.0***	***-224.0***	***-266.0***	***-296.0***	***-322.0***	***-346.0***	***-381.0***	***-295.0***	***-2,303.0***
Total (including PDI)	**-852.8**	**-668.6**	**-673.5**	**-1,453.5**	**-1,456.4**	**-1,482.1**	**-742.8**	**-513.4**	**-497.9**	**-477.3**	**-463.1**	**-3,648.4**	**-9,281.4**

(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: Refurbishing our Industrial Hubs – 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													
Non-tax receipts													
Component 1 - Create Green Metals Australia - Interest income	*9.0*	*15.0*	*22.0*	*29.0*	*37.0*	*46.0*	*57.0*	*70.0*	*85.0*	*102.0*	*122.0*	***75.0***	***594.0***
Component 1 - Create Green Metals Australia - Dividend income	*6.0*	*9.8*	*13.2*	*19.3*	*24.5*	*30.1*	*36.1*	*42.6*	*49.5*	*56.8*	*64.5*	***48.3***	***352.4***
Component 2 - Create Green Hydrogen Australia - Interest income	*12.0*	*20.0*	*28.0*	*38.0*	*48.0*	*60.0*	*74.0*	*91.0*	*110.0*	*132.0*	*156.0*	***98.0***	***769.0***
Component 2 - Create Green Hydrogen Australia - Dividend income	*7.7*	*12.6*	*16.9*	*24.8*	*31.5*	*38.7*	*46.5*	*54.8*	*63.6*	*73.0*	*82.9*	***62.0***	***453.0***
Total – receipts	**34.7**	**57.4**	**80.1**	**111.1**	**141.0**	**174.8**	**213.6**	**258.4**	**308.1**	**363.8**	**425.4**	**283.3**	**2,168.4**
Payments													
Administered													
Component 1 - Create Green Metals Australia - Grants	*-140.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	***-350.0***	***-840.0***
Component 2 - Create Green Hydrogen Australia - Grants	*-180.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	***-450.0***	***-1,080.0***
Component 3 - Electrifying and Substituting Feedstocks	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-*	*-*	*-*	*-*	***-916.0***	***-1,603.0***
Component 3 - Clean Technology Food and Foundries Investment Program	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-29.3*	*-30.0*	*-30.8*	*-31.6*	***-114.4***	***-321.9***
Component 3 - Clean Technology Innovation Program	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-58.6*	*-60.1*	*-61.6*	*-63.1*	***-228.4***	***-643.1***
Component 3 - Research and Development for Cement	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-29.3*	*-30.1*	*-30.8*	*-31.6*	***-114.4***	***-322.0***

	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
Component 3 -Green Metals Aluminium fund	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-22.0*	*-22.5*	*-23.1*	*-23.7*	***-85.6***	***-241.1***
Component 6 - Green Steel Innovation Fund	*-96.0*	*-98.0*	*-99.0*	*-99.0*	*-99.0*	*-102.0*	*-104.0*	*-107.0*	*-110.0*	*-112.0*	*-115.0*	***-392.0***	***-1,141.0***
Element 7 - Retrofit infrastructure at Gladstone LNG terminal	-	-	-	*-733.0*	*-733.0*	*-733.0*	-	-	-	-	-	***-733.0***	***-2,199.0***
Total – administered	***-780.7***	***-622.7***	***-623.7***	***-1,356.7***	***-1,356.7***	***-1,359.7***	***-628.7***	***-406.2***	***-412.7***	***-418.3***	***-425.0***	***-3,383.8***	***-8,391.1***
Departmental													
Component 1 – Green Metals Australia	*-5.3*	*-3.4*	*-3.7*	*-4.1*	*-4.4*	*-4.8*	*-5.2*	*-5.5*	*-5.9*	*-6.2*	*-6.6*	***-16.5***	***-55.1***
Component 2 – Green Hydrogen Australia	*-6.8*	*-4.3*	*-4.8*	*-5.2*	*-5.7*	*-6.2*	*-6.6*	*-7.1*	*-7.5*	*-8.0*	*-8.5*	***-21.1***	***-70.7***
Component 3 – Clean Technology Program	*-14.6*	*-5.8*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-0.7*	*-0.7*	*-0.7*	*-0.8*	***-24.2***	***-32.8***
Component 4 – Green Procurement Strategy	*-0.7*	-	-	-	-	-	-	-	-	-	-	***-0.7***	***-0.7***
Component 5 – Electrification Strategy	*-0.7*	-	-	-	-	-	-	-	-	-	-	***-0.7***	***-0.7***
Component 6 - Green Steel Innovation Fund	*-4.0*	*-1.6*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-6.6***	***-10.5***
Element 7 - Retrofit infrastructure at Gladstone LNG terminal	-	-	-	*-36.7*	*-18.3*	*-18.3*	-	-	-	-	-	***-36.7***	***-73.3***
Total – departmental	***-32.1***	***-15.1***	***-10.9***	***-48.4***	***-30.8***	***-31.7***	***-14.2***	***-13.9***	***-14.7***	***-15.5***	***-16.5***	***-106.5***	***-243.8***
Total – payments	**-812.8**	**-637.8**	**-634.6**	**-1,405.1**	**-1,387.5**	**-1,391.4**	**-642.9**	**-420.1**	**-427.4**	**-433.8**	**-441.5**	**-3,490.3**	**-8,634.9**
Total (excluding PDI)	**-778.1**	**-580.4**	**-554.5**	**-1,294.0**	**-1,246.5**	**-1,216.6**	**-429.3**	**-161.7**	**-119.3**	**-70.0**	**-16.1**	**-3,207.0**	**-6,466.5**
PDI impacts	***-20.0***	***-55.0***	***-85.0***	***-121.0***	***-168.0***	***-218.0***	***-261.0***	***-292.0***	***-319.0***	***-343.0***	***-377.0***	***-281.0***	***-2,259.0***
Total (including PDI)	**-798.1**	**-635.4**	**-639.5**	**-1,415.0**	**-1,414.5**	**-1,434.6**	**-690.3**	**-453.7**	**-438.3**	**-413.0**	**-393.1**	**-3,488.0**	**-8,725.5**

(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: Refurbishing our Industrial Hubs – 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													
Non-tax receipts													
Component 1 - Create Green Metals Australia - Interest income	*9.0*	*15.0*	*22.0*	*29.0*	*37.0*	*46.0*	*57.0*	*70.0*	*85.0*	*102.0*	*122.0*	***75.0***	***594.0***
Component 1 - Create Green Metals Australia - Dividend income	*6.0*	*9.8*	*13.2*	*19.3*	*24.5*	*30.1*	*36.1*	*42.6*	*49.5*	*56.8*	*64.5*	***48.3***	***352.4***
Component 1 - Create Green Metals Australia - Loan principal repayments	*39.0*	*70.0*	*107.0*	*153.0*	*207.0*	*272.0*	*349.0*	*400.0*	*469.0*	*544.0*	*624.0*	***369.0***	***3,234.0***
Component 2 - Create Green Hydrogen Australia - Interest income	*12.0*	*20.0*	*28.0*	*38.0*	*48.0*	*60.0*	*74.0*	*91.0*	*110.0*	*132.0*	*156.0*	***98.0***	***769.0***
Component 2 - Create Green Hydrogen Australia - Dividend income	*7.7*	*12.6*	*16.9*	*24.8*	*31.5*	*38.7*	*46.5*	*54.8*	*63.6*	*73.0*	*82.9*	***62.0***	***453.0***
Component 2 - Create Green Hydrogen Australia - Loan principal repayments	*51.0*	*90.0*	*138.0*	*197.0*	*267.0*	*350.0*	*449.0*	*514.0*	*603.0*	*699.0*	*802.0*	***476.0***	***4,160.0***
Total – receipts	**124.7**	**217.4**	**325.1**	**461.1**	**615.0**	**796.8**	**1,011.6**	**1,172.4**	**1,380.1**	**1,606.8**	**1,851.4**	**1,128.3**	**9,562.4**

	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													
Component 1 - Create Green Metals Australia - Grants	*-140.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	*-70.0*	***-350.0***	***-840.0***
Component 1 - Create Green Metals Australia - Loan amounts	*-280.0*	*-178.0*	*-197.0*	*-216.0*	*-235.0*	*-253.0*	*-272.0*	*-291.0*	*-310.0*	*-329.0*	*-348.0*	***-871.0***	***-2,909.0***
Component 1 - Equity investments	*-280.0*	*-178.0*	*-197.0*	*-216.0*	*-235.0*	*-253.0*	*-272.0*	*-291.0*	*-310.0*	*-329.0*	*-348.0*	***-871.0***	***-2,909.0***
Component 2 - Create Green Hydrogen Australia - Grants	*-180.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	*-90.0*	***-450.0***	***-1,080.0***
Component 2 - Create Green Hydrogen Australia - Loan amounts	*-360.0*	*-229.0*	*-253.0*	*-277.0*	*-302.0*	*-326.0*	*-350.0*	*-374.0*	*-399.0*	*-423.0*	*-447.0*	***-1,119.0***	***-3,740.0***
Component 2 - Create Green Hydrogen Australia - Equity investments	*-360.0*	*-229.0*	*-253.0*	*-277.0*	*-302.0*	*-326.0*	*-350.0*	*-374.0*	*-399.0*	*-423.0*	*-447.0*	***-1,119.0***	***-3,740.0***
Component 3 - Electrifying and Substituting Feedstocks	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-229.0*	*-*	*-*	*-*	*-*	***-916.0***	***-1,603.0***
Component 3 - Clean Technology Food and Foundries Investment Program	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-29.3*	*-30.0*	*-30.8*	*-31.6*	***-114.4***	***-321.9***
Component 3 - Clean Technology Innovation Program	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-57.1*	*-58.6*	*-60.1*	*-61.6*	*-63.1*	***-228.4***	***-643.1***
Component 3 - Research and Development for Cement	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-28.6*	*-29.3*	*-30.1*	*-30.8*	*-31.6*	***-114.4***	***-322.0***
Component 3 -Green Metals Aluminium fund	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-21.4*	*-22.0*	*-22.5*	*-23.1*	*-23.7*	***-85.6***	***-241.1***
Component 6 - Green Steel Innovation Fund	*-96.0*	*-98.0*	*-99.0*	*-99.0*	*-99.0*	*-102.0*	*-104.0*	*-107.0*	*-110.0*	*-112.0*	*-115.0*	***-392.0***	***-1,141.0***
Element 7 - Retrofit infrastructure at Gladstone LNG terminal	*-*	*-*	*-*	*-733.0*	*-733.0*	*-733.0*	*-*	*-*	*-*	*-*	*-*	***-733.0***	***-2,199.0***
Total – administered	***-2,060.7***	***-1,436.7***	***-1,523.7***	***-2,342.7***	***-2,430.7***	***-2,517.7***	***-1,872.7***	***-1,736.2***	***-1,830.7***	***-1,922.3***	***-2,015.0***	***-7,363.8***	***-21,689.1***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
Component 1 – Green Metals Australia	*-5.3*	*-3.4*	*-3.7*	*-4.1*	*-4.4*	*-4.8*	*-5.2*	*-5.5*	*-5.9*	*-6.2*	*-6.6*	***-16.5***	***-55.1***
Component 2 – Green Hydrogen Australia	*-6.8*	*-4.3*	*-4.8*	*-5.2*	*-5.7*	*-6.2*	*-6.6*	*-7.1*	*-7.5*	*-8.0*	*-8.5*	***-21.1***	***-70.7***
Component 3 – Clean Technology Program	*-14.6*	*-5.8*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-0.7*	*-0.7*	*-0.7*	*-0.8*	***-24.2***	***-32.8***
Component 4 – Green Procurement Strategy	*-0.7*	-	-	-	-	-	-	-	-	-	-	***-0.7***	***-0.7***
Component 5 – Electrification Strategy	*-0.7*	-	-	-	-	-	-	-	-	-	-	***-0.7***	***-0.7***
Component 6 - Green Steel Innovation Fund	*-4.0*	*-1.6*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-6.6***	***-10.5***
Element 7 - Retrofit infrastructure at Gladstone LNG terminal	-	-	-	*-36.7*	*-18.3*	*-18.3*	-	-	-	-	-	***-36.7***	***-73.3***
Total – departmental	***-32.1***	***-15.1***	***-10.9***	***-48.4***	***-30.8***	***-31.7***	***-14.2***	***-13.9***	***-14.7***	***-15.5***	***-16.5***	***-106.5***	***-243.8***
Total – payments	**-2,092.8**	**-1,451.8**	**-1,534.6**	**-2,391.1**	**-2,461.5**	**-2,549.4**	**-1,886.9**	**-1,750.1**	**-1,845.4**	**-1,937.8**	**-2,031.5**	**-7,470.3**	**-21,932.9**
Total (excluding PDI)	**-1,968.1**	**-1,234.4**	**-1,209.5**	**-1,930.0**	**-1,846.5**	**-1,752.6**	**-875.3**	**-577.7**	**-465.3**	**-331.0**	**-180.1**	**-6,342.0**	**-12,370.5**
PDI impacts	***-20.0***	***-55.0***	***-85.0***	***-121.0***	***-168.0***	***-218.0***	***-261.0***	***-292.0***	***-319.0***	***-343.0***	***-377.0***	***-281.0***	***-2,259.0***
Total (including PDI)	**-1,988.1**	**-1,289.4**	**-1,294.5**	**-2,051.0**	**-2,014.5**	**-1,970.6**	**-1,136.3**	**-869.7**	**-784.3**	**-674.0**	**-557.1**	**-6,623.0**	**-14,629.5**

(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.

Parliamentary
Budget Office

Manufacturing "Made in Australia" Bank	
Party:	Australian Greens
Summary of proposal: This proposal would establish a $15 billion green industry and manufacturing bank (the bank) to support manufacturing, innovation, industrial decarbonisation and re/localisation of supply chains. It would have a similar structure to the existing Clean Energy Finance Corporation (CEFC) in terms of the Australian Government balance sheet and provide direct grants, equity investment, financing and concessional loan options depending on the corporate structure of applicants. It would target small businesses, workers' cooperatives, green not-for-profit and social enterprises that are engaged in innovative production, research and development. The bank would manage $12 billion of equity and concessional loan investments with loan repayments, returns on equity and earnings reinvested. Departmental costs would be additional. The bank would also deliver $3 billion over 5 years via direct grants, which would also include departmental costs. There would be a review of the bank after 5 years. The proposal would begin on 1 July 2022.	

Costing overview

This proposal would be expected to decrease the fiscal balance by around $3,250 million, the underlying cash balance by around $2,353 million, and the headline cash balance by around $8,625 million over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing 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 uncertain and highly sensitive to assumptions on the speed at which capital is deployed, the rate of interest earned and the average maturity period of investments. In particular, the costing includes no allowance for the impact of the proposal on business profitability or company tax revenue. The magnitude of such effects would be highly uncertain and could comprise different effects, including:

- enterprises switching from traditional lenders to concessional loans under this proposal (reducing the profits of banks) and reductions in the returns of competing investment projects (crowding-out effects)
- increases in profits from marginal projects as a result of a reduction in the cost of capital from the proposal, especially when considering the grants on offer (crowding-in effects).

It is unclear which of the crowding-out or crowding-in effects would dominate and this could vary from period to period.

Consistent with Parliamentary Budget Office (PBO) Guidance 02/2015, public debt interest (PDI) expense impacts have been included in this costing because the equity injections and concessional loans provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest and dividend payments, and the flow of loan principal and equity amounts. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan write-downs, and only the headline cash balance includes transactions related to loan principal amounts and equity investments. 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)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-693.7	-783.3	-879.5	-893.9	**-3,250.4**
Underlying cash balance	-601.3	-593.2	-583.3	-575.5	**-2,353.3**
Headline cash balance	-1,297.3	-1,984.2	-2,671.3	-2,672.5	**-8,625.3**

(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 this proposal.

- Committed funding would not impact consolidated revenue until funding is deployed or drawn down for investment or operational purposes.
- The $12 billion investments under the bank's management would be committed evenly over five years from 2022-23 and deployed in the following fashion:
  - Each tranche of funding would be deployed evenly over three years after it is made available. This is consistent with the time needed to assess eligibility, the average length of investment projects, and provides staged funding to projects.
  - Average investment maturity would be around seven years, consistent with the CEFC's investment management experience to date.
  - Market interest rates would move in line with the five-year government bond rate projections.
  - Interest payments and dividend earnings on investments would be returned to consolidated revenue and repaid capital would be reinvested in the fund, consistent with the operation of the CEFC.
  - Debt not expected to be repaid is assumed to be 10% of loans issued, as this proposal would involve high-risk early-stage enterprises and innovations.
  - The departmental costs would be broadly consistent with the costs of the CEFC relative to the amount of funding administered. There would be additional departmental expenses in 2022-23 to reflect establishment costs.
- The grants program would allocate grants evenly over the first five years and departmental costs to administer these grants would be in line with similar-sized programs.

- The five-year review of the bank would incur a small departmental cost in 2027-28.

Methodology

Expenditure estimates for the equity commitment were developed using information on the CEFC provided by the Department of Industry, Science, Energy and Resources, including funding commitments, drawdowns, interest payments and dividends.

- Around 90% of committed funds were provided as concessional loans and the remainder as invested equity, consistent with the current commitment and investment schedule of the CEFC.
- Departmental costs were calculated as a share of total loan and equity amounts, consistent with the current operational expenses of the CEFC.

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

Data sources

Economic parameters used in the model were provided by the Department of Finance and the Treasury as at *Pre-election Economic and Fiscal Outlook 2022-23*.

Information on the CEFC's funding commitments, equity investments, concessional loans, and operational expenses was provided by the Department of Industry, Science, Energy and Resources 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 – Manufacturing "Made in Australia" Bank – financial implications

Table A1: Manufacturing "Made in Australia" Bank – 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													
Income from unwinding concessional loan	*6.6*	*19.9*	*39.8*	*59.6*	*79.6*	*92.6*	*98.3*	*96.5*	*94.1*	*91.3*	*88.4*	***125.9***	***766.7***
Interest income	*21.0*	*63.0*	*126.0*	*188.0*	*249.0*	*293.0*	*317.0*	*319.0*	*324.0*	*331.0*	*339.0*	***398.0***	***2,570.0***
Dividend income	*2.4*	*7.0*	*13.2*	*21.9*	*28.6*	*32.8*	*34.8*	*34.8*	*34.8*	*34.8*	*34.8*	***44.5***	***279.9***
Total – revenue	**30.0**	**89.9**	**179.0**	**269.5**	**357.2**	**418.4**	**450.1**	**450.3**	**452.9**	**457.1**	**462.2**	**568.4**	**3,616.6**
Expenses													
Administered													
Concessional loan discount	*-28.0*	*-59.0*	*-94.0*	*-106.0*	*-121.0*	*-109.0*	*-94.0*	*-78.0*	*-84.0*	*-87.0*	*-86.0*	***-287.0***	***-946.0***
Other financing costs	*-69.0*	*-147.0*	*-235.0*	*-265.0*	*-302.0*	*-272.0*	*-237.0*	*-196.0*	*-213.0*	*-221.0*	*-219.0*	***-716.0***	***-2,376.0***
Direct grants to enterprises	*-586.0*	*-586.0*	*-586.0*	*-586.0*	*-586.0*	-	-	-	-	-	-	***-2,344.0***	***-2,930.0***
Total – administered	***-683.0***	***-792.0***	***-915.0***	***-957.0***	***-1,009.0***	***-381.0***	***-331.0***	***-274.0***	***-297.0***	***-308.0***	***-305.0***	***-3,347.0***	***-6,252.0***
Departmental													
Departmental costs	*-25.7*	*-30.2*	*-39.5*	*-42.4*	*-45.6*	*-28.4*	*-23.2*	*-18.6*	*-20.1*	*-20.9*	*-20.8*	***-137.8***	***-315.4***
Total – departmental	***-25.7***	***-30.2***	***-39.5***	***-42.4***	***-45.6***	***-28.4***	***-23.2***	***-18.6***	***-20.1***	***-20.9***	***-20.8***	***-137.8***	***-315.4***
Total – expenses	**-708.7**	**-822.2**	**-954.5**	**-999.4**	**-1,054.6**	**-409.4**	**-354.2**	**-292.6**	**-317.1**	**-328.9**	**-325.8**	**-3,484.8**	**-6,567.4**
Total (excluding PDI)	**-678.7**	**-732.3**	**-775.5**	**-729.9**	**-697.4**	**9.0**	**95.9**	**157.7**	**135.8**	**128.2**	**136.4**	**-2,916.4**	**-2,950.8**
PDI impacts	***-15.0***	***-51.0***	***-104.0***	***-164.0***	***-226.0***	***-277.0***	***-304.0***	***-314.0***	***-316.0***	***-321.0***	***-338.0***	***-334.0***	***-2,430.0***
Total (including PDI)	**-693.7**	**-783.3**	**-879.5**	**-893.9**	**-923.4**	**-268.0**	**-208.1**	**-156.3**	**-180.2**	**-192.8**	**-201.6**	**-3,250.4**	**-5,380.8**

(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.

\- Indicates nil.

Table A2: Manufacturing "Made in Australia" Bank – 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													
Interest income	*21.0*	*63.0*	*126.0*	*188.0*	*249.0*	*293.0*	*317.0*	*319.0*	*324.0*	*331.0*	*339.0*	***398.0***	***2,570.0***
Dividend income	*2.4*	*7.0*	*13.2*	*21.9*	*28.6*	*32.8*	*34.8*	*34.8*	*34.8*	*34.8*	*34.8*	***44.5***	***279.9***
Total – receipts	**23.4**	**70.0**	**139.2**	**209.9**	**277.6**	**325.8**	**351.8**	**353.8**	**358.8**	**365.8**	**373.8**	**442.5**	**2,849.9**
Payments													
Administered													
Direct grants to enterprises	*-586.0*	*-586.0*	*-586.0*	*-586.0*	*-586.0*	-	-	-	-	-	-	***-2,344.0***	***-2,930.0***
Total – administered	***-586.0***	***-586.0***	***-586.0***	***-586.0***	***-586.0***	-	-	-	-	-	-	***-2,344.0***	***-2,930.0***
Departmental													
Departmental costs	*-25.7*	*-30.2*	*-39.5*	*-42.4*	*-45.6*	*-28.4*	*-23.2*	*-18.6*	*-20.1*	*-20.9*	*-20.8*	***-137.8***	***-315.4***
Total – departmental	***-25.7***	***-30.2***	***-39.5***	***-42.4***	***-45.6***	***-28.4***	***-23.2***	***-18.6***	***-20.1***	***-20.9***	***-20.8***	***-137.8***	***-315.4***
Total – payments	**-611.7**	**-616.2**	**-625.5**	**-628.4**	**-631.6**	**-28.4**	**-23.2**	**-18.6**	**-20.1**	**-20.9**	**-20.8**	**-2,481.8**	**-3,245.4**
Total (excluding PDI)	**-588.3**	**-546.2**	**-486.3**	**-418.5**	**-354.0**	**297.4**	**328.6**	**335.2**	**338.7**	**344.9**	**353.0**	**-2,039.3**	**-395.5**
PDI impacts	***-13.0***	***-47.0***	***-97.0***	***-157.0***	***-219.0***	***-271.0***	***-301.0***	***-313.0***	***-316.0***	***-321.0***	***-336.0***	***-314.0***	***-2,391.0***
Total (including PDI)	**-601.3**	**-593.2**	**-583.3**	**-575.5**	**-573.0**	**26.4**	**27.6**	**22.2**	**22.7**	**23.9**	**17.0**	**-2,353.3**	**-2,786.5**

(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: Manufacturing "Made in Australia" Bank – 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													
Loan principal repayments	*90.0*	*280.0*	*580.0*	*920.0*	*1,310.0*	*1,660.0*	*1,960.0*	*2,130.0*	*2,210.0*	*2,190.0*	*2,130.0*	***1,870.0***	***15,460.0***
Interest income	*21.0*	*63.0*	*126.0*	*188.0*	*249.0*	*293.0*	*317.0*	*319.0*	*324.0*	*331.0*	*339.0*	***398.0***	***2,570.0***
Dividend income	*2.4*	*7.0*	*13.2*	*21.9*	*28.6*	*32.8*	*34.8*	*34.8*	*34.8*	*34.8*	*34.8*	***44.5***	***279.9***
Total – receipts	**113.4**	**350.0**	**719.2**	**1,129.9**	**1,587.6**	**1,985.8**	**2,311.8**	**2,483.8**	**2,568.8**	**2,555.8**	**2,503.8**	**2,312.5**	**18,309.9**
Payments													
Administered													
Loan amounts	*-690.0*	*-1,470.0*	*-2,350.0*	*-2,650.0*	*-3,020.0*	*-2,720.0*	*-2,370.0*	*-1,960.0*	*-2,130.0*	*-2,210.0*	*-2,190.0*	***-7,160.0***	***-23,760.0***
Equity investments	*-96.0*	*-201.0*	*-318.0*	*-367.0*	*-383.0*	*-322.0*	*-263.0*	*-205.0*	*-210.0*	*-207.0*	*-195.0*	***-982.0***	***-2,767.0***
Direct grants to enterprises	*-586.0*	*-586.0*	*-586.0*	*-586.0*	*-586.0*	-	-	-	-	-	-	***-2,344.0***	***-2,930.0***
Total – administered	***-1,372.0***	***-2,257.0***	***-3,254.0***	***-3,603.0***	***-3,989.0***	***-3,042.0***	***-2,633.0***	***-2,165.0***	***-2,340.0***	***-2,417.0***	***-2,385.0***	***-10,486.0***	***-29,457.0***
Departmental													
Departmental costs	*-25.7*	*-30.2*	*-39.5*	*-42.4*	*-45.6*	*-28.4*	*-23.2*	*-18.6*	*-20.1*	*-20.9*	*-20.8*	***-137.8***	***-315.4***
Total – departmental	***-25.7***	***-30.2***	***-39.5***	***-42.4***	***-45.6***	***-28.4***	***-23.2***	***-18.6***	***-20.1***	***-20.9***	***-20.8***	***-137.8***	***-315.4***
Total – payments	**-1,397.7**	**-2,287.2**	**-3,293.5**	**-3,645.4**	**-4,034.6**	**-3,070.4**	**-2,656.2**	**-2,183.6**	**-2,360.1**	**-2,437.9**	**-2,405.8**	**-10,623.8**	**-29,772.4**
Total (excluding PDI)	**-1,284.3**	**-1,937.2**	**-2,574.3**	**-2,515.5**	**-2,447.0**	**-1,084.6**	**-344.4**	**300.2**	**208.7**	**117.9**	**98.0**	**-8,311.3**	**-11,462.5**
PDI impacts	***-13.0***	***-47.0***	***-97.0***	***-157.0***	***-219.0***	***-271.0***	***-301.0***	***-313.0***	***-316.0***	***-321.0***	***-336.0***	***-314.0***	***-2,391.0***
Total (including PDI)	**-1,297.3**	**-1,984.2**	**-2,671.3**	**-2,672.5**	**-2,666.0**	**-1,355.6**	**-645.4**	**-12.8**	**-107.3**	**-203.1**	**-238.0**	**-8,625.3**	**-13,853.5**

(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.

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 impact[2]

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.

More Electric Vehicles	
Party:	Australian Greens

Summary of proposal:

The proposal includes 7 components that aim to encourage the uptake of electric vehicles (EVs), including light passenger battery electric vehicles, plug-in hybrid electric vehicles, and fuel cell vehicles.

- Component 1 would provide a rebate to first-time buyers of electric vehicles priced below the luxury car tax (LCT) threshold for fuel efficient vehicles (an 'eligible vehicle').
  - Each individual would only be eligible for one rebate, with a register to be kept by the Clean Energy Regulator. Businesses would not be eligible for the rebate.
  - The rebate would be available to the first 2.5 million buyers of eligible vehicles, and the value of the rebate would decline over time according to the following schedule.

Eligible vehicles sold	Rebate per purchase of eligible vehicles made in Australia	Rebate per purchase of eligible vehicles made outside Australia
First 100,000 vehicles	$15,000	$10,000
Next 200,000 vehicles	$11,250	$7,500
Next 200,000 vehicles	$7,500	$5,000
Next 500,000 vehicles	$4,500	$3,000
Next 500,000 vehicles	$3,000	$2,000
Next 1 million vehicles	$1,500	$1,000

  - The maximum rebate would be limited to 30% of the original list price for eligible vehicles manufactured in Australia.
  - The maximum rebate would be limited to 20% of the original list price for eligible vehicles not manufactured in Australia.
- Component 2 would provide loans of up to $50,000 to first-time buyers of eligible vehicles.
  - The interest rate on the loans would be set at the Reserve Bank of Australia's (RBA) overnight cash rate, with a maximum repayment term of 10 years.
  - The first 2.5 million buyers of eligible vehicles would have access to the loan program. Each individual would only be eligible for one loan, with a register to be kept by the Clean Energy Regulator. Businesses would not be eligible for the loan.

- Component 3 would provide $2 billion in capped funding evenly distributed over two years for fast-charging infrastructure, with departmental expenses included in the cap.
- Component 4 would introduce average emissions standards of carbon dioxide on the fleet-wide passenger vehicles sold by each manufacturer in Australia according to the following schedule.
  - 105g/km in 2025-26
  - 84g/km in 2026-27
  - 63g/km in 2027-28
  - 42g/km in 2028-29
  - 21g/km in 2029-30
  - 0g/km in 2030-31
  - The penalty for non-compliance would be $100 per excess gram of carbon dioxide per km over the set standards, multiplied by the total number of passenger vehicles sold in Australia for the given year.
  - From 1 July 2030, the sale of internal combustion engine passenger vehicles would be banned.
- Component 5 would transition Australian Government fleet procurements to 100% electric vehicles by 2025.
- Component 6 would provide $1.2 billion in capped funding evenly distributed over three years to attract new manufacturers of electric vehicles and components of the electric vehicle supply chain, with departmental expenses included in the cap.
- Component 7 would legislate the COAG Reform Fund Amendment (No Electric Vehicle Taxes) Bill 2020.
  - This bill would aim to reverse decisions by state and territory governments to tax electric vehicles.

The proposal has a start date of 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $415 million, increase the underlying cash balance by around $1,165 million, and decrease the headline cash balance by around $5,735 million over the 2022-23 Budget forward estimates period. The fiscal balance impact reflects an increase of around $6,690 million in revenue, an increase of around $6,735 million in expenses, and an increase of around $370 million in public debt interest expenses.

The proposal would be expected to have ongoing impacts 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.

Departmental expenses to implement and administer the proposal have been provided for the Australian Taxation Office (ATO), the Department of Industry, Science, Energy and Resources, the Department of Finance, and the Department of Infrastructure, Transport, Regional Development and Communications.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the concessional loans provided under Component 2 involve financial asset transactions.

Under Component 2, the fiscal, underlying cash, and headline cash balance impacts differ in the treatment of interest payments, bad debt, and the flow of loan principal amounts. Specifically, only the fiscal balance reflects the concessional loan discount expense and associated unwinding income, 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.

Under other components, the differences between the fiscal and underlying cash balance impacts reflect the timing differences between when LCT and fuel excise liabilities would be recognised and when the associated cash transaction would occur.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	*-1,711.6*	*-1,878.1*	*-1,092.0*	*4,266.8*	**-414.9**
Underlying cash balance	*-1,571.6*	*-1,678.1*	*-842.0*	*5,256.8*	**1,165.1**
Headline cash balance	*-2,171.6*	*-2,478.1*	*-1,942.0*	*856.8*	**-5,734.9**

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

The financial implications in this response are particularly sensitive to assumptions about manufacturers' compliance with the proposed emissions standards (Component 4) and how consumers respond to the new purchasing incentives. Some other factors that could affect the costs of the proposal include.

- technological improvement and cost control in manufacturing EVs
- automakers' commitment to electric vehicle manufacturing
- investment in charging infrastructure (including public and home/workplace fast charging options) across Australia
- variations in policies to support electric vehicle uptake between state and territory governments
- fluctuations of world and Australian oil prices
- changes in the RBA cash rate.

As there is limited information and data available to determine the potential impact of all factors, the costs of the proposal are highly uncertain.

Key assumptions

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

General

- All EVs would be manufactured outside Australia over the life of the proposal.
- All projected sales of passenger EVs priced below the LCT threshold would be eligible for rebates and concessional loans until the capped places are exhausted.
- The price elasticity of EVs would be approximately -2. This implies that a 1% decrease in the sales price would lead to a 2% increase in volume sold.

Component 1: Rebates for new passenger EVs priced below LCT threshold

- Recipients of the rebate would receive the maximum allowable value of the rebate.

Component 2: Concessional loans to support first-time buyers of eligible vehicles

- All eligible first-time buyers would apply for the maximum amount ($50,000) of the concessional loans until the 2.5 million capped places are reached.
- The RBA overnight cash rate and market interest rates would move in line with government bond rate projections provided by the Treasury.
- On average 5% of loans issued would not be repaid.
- Repayment of the initial loan principal amount would be evenly spread over 10 years.

Component 4: Fleet-wide average emissions standard

- The proportion of internal combustion engine passenger vehicles in all passenger vehicles sales in Australia would decline from 2025-26 to zero by 1 July 2030 in a straight line as a result of the proposed emission standards.
- The average carbon dioxide emission of an internal combustion engine passenger vehicle would be 251 gram per km.

Component 5: Transitioning entire Australian Government fleet to electric vehicles

- All new battery EVs added to the Australian Government fleet would be leased for a 5-year period rather than purchased.
- The total number of new vehicles acquired each year by the Australian Government fleet that are suitable for conversion to battery EVs, currently 1,500, would not change over the period to 2032-33.
  - Over time the proportion of EVs in the Australian Government fleet would be expected to increase while the overall size of the fleet remains static.
- The additional lease costs of battery EVs include differences in rental payment, maintenance, spending on energy consumption, and other running costs.
- Compared to an equivalent internal combustion engine vehicle, the average additional lease cost of a battery EV would be $142 per month in the first year and diminish at the same rate as the decrease in relative median price difference between these vehicles.
- The transition of the Australian Government fleet would also include one-off capital outlay for charging infrastructure, which can be reused after the lease term for the initial battery EV expires.
  - It would cost, on average, $2,036 to purchase and install essential charging equipment for each additional battery EV added to the fleet until the entire fleet would be transitioned to EVs in 2031-32.
  - The average cost to purchase and install essential charging equipment would remain unchanged over the period to 2031-32.

Component 7: Legislating the COAG Reform Fund Amendment (No Electric Vehicle Taxes) Bill 2020

- If a state or territory imposes a tax on electric vehicles, the Australian Government would deduct an amount equivalent to the amount raised by the tax from a grant of financial assistance to the state or territory within the same financial year.
- The relevant minister would redistribute the deducted amount to the states and territories not charging electric vehicle taxes.

Methodology

Component 1: Rebates for new passenger EVs priced below LCT threshold

Total rebates for eligible purchases each year were calculated by multiplying the expected number of eligible buyers of new passenger EVs priced below the LCT threshold each year by the value of the rebate until, the 2.5 million places are exhausted.

Departmental expenses for this component were estimated based on the 2018-19 Budget measure *Building Better Regions Fund – round three*.

Component 2: Concessional loans to support first-time buyers of eligible vehicles

The total initial loan principal offered by the Australian Government each year was calculated by multiplying the expected number of eligible buyers of new passenger EVs priced below the LCT threshold each year by $50,000, until the 2.5 million places are exhausted.

The detailed accounting treatment of other items under concessional loans is included at Attachment B.

Departmental expenses for this component were estimated based on the departmental costs of providing other concessional loans.

Component 3: Charging infrastructure

As specified, $2 billion in capped funding was spread evenly over two years from 1 July 2022 for charging infrastructure. Departmental expenses for this component were included in the cap and calculated based on the 2018-19 Budget measure *Building Better Regions Fund – round three*.

Component 4: Fleet-wide average emissions standard

Total penalties collected from vehicle manufacturers each year were calculated by multiplying the number of new passenger vehicles sales in Australia each year by the average excess grams per km of carbon dioxide above the standards incurred by all fleets in Australia.

The average excess grams per km of carbon dioxide each year were the difference between the average emission standard as specified and the estimated emission amount, based on the projected annual new passenger EV sales as a proportion of all new passenger vehicle sales in Australia.

- Before the implementation of the emission standard (from 2022-23 to 2024-25): the projected new passenger EV sales was based on the EV sales percentage in the base-case forecasts of the Department of Infrastructure, Transport, Regional Development and Communications' research report *Electric Vehicle Uptake: Modelling a Global Phenomenon*.
- After the implementation of the emission standard (from 2025-26 to 2031-32): the projection was based on the assumed straight-line decrease in the share of internal combustion engine

passenger vehicles sales, as described in *Key assumptions*. From 1 July 2030 all new passenger vehicle sales would be EV sales.

This component results in an increased projected take-up of EVs and interacts with Components 1 and 2.

Component 5: Transitioning entire Australian Government fleet to electric vehicles

The estimated increase in departmental costs each year for transitioning the Australian Government fleet was the sum of the additional lease costs for all battery EVs in the 5-year lease term and charging infrastructure costs for initial battery EVs to be added in the Australian Government fleet each year.

The additional lease costs for new battery EVs were calculated by multiplying the estimated number of new battery EVs to be added in the fleet by the difference of the lease costs between individual battery EVs and equivalent internal combustion engine vehicles.

Component 6: Incentives for EV manufacturing

As specified, $1.2 billion in capped funding was spread evenly over three years from 1 July 2022.

Departmental expenses for this component are included in the cap and calculated based on the 2017-18 Budget measure *Advanced Manufacturing Fund*.

Component 7: Legislating the COAG Reform Fund Amendment (No Electric Vehicle Taxes) Bill 2020

Based on the assumed redistribution decision made by the Minister, this component would have no impact on the fiscal, underlying cash, and underlying cash balances.

The departmental expenses of this component are immaterial because it would not significantly alter the existing funding redistribution arrangements. The Treasury would absorb any costs of implementing the change and as such no additional departmental costs have been included in this component.

Interaction with fuel excise

An increased take-up rate of EVs under the proposal would result in the decreased consumption of fuel, which in turn would lead to a reduction in fuel excise revenue.

The financial implications have been rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Data sources

The Australian Taxation Office provided data on electric and non-electric vehicle sales.

The Department of Finance provided information on the Australian Government fleet as of January 2022.

Australian Bureau of Statistics, 2020. *Survey of Motor Vehicle Use, Australia, 12 months ended 30 June 2020,* accessed 2 May 2022.

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

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Attachment A – More Electric Vehicles – financial implications

Table A1: More Electric Vehicles – 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
Tax revenue													
Administered tax													
CO2 Penalties (Component 4)	-	-	-	*6,390.0*	*5,140.0*	*3,880.0*	*2,600.0*	*1,310.0*	-	-	-	***6,390.0***	***19,320.0***
Interaction with fuel excise	..	*-10.0*	*-20.0*	*-130.0*	*-360.0*	*-670.0*	*-1,100.0*	*-1,640.0*	*-2,340.0*	*-2,960.0*	*-3,600.0*	***-160.0***	***-12,830.0***
Total – tax revenue	**..**	**-10.0**	**-20.0**	**6,260.0**	**4,780.0**	**3,210.0**	**1,500.0**	**-330.0**	**-2,340.0**	**-2,960.0**	**-3,600.0**	**6,230.0**	**6,490.0**
Non – tax revenue													
Administered non-tax													
Income from unwinding concessional loan discounts (Component 2)	*20.0*	*50.0*	*90.0*	*250.0*	*520.0*	*900.0*	*1,370.0*	*1,910.0*	*2,510.0*	*3,040.0*	*2,810.0*	***410.0***	***13,470.0***
Loan interest accrued (Component 2)	*3.0*	*6.0*	*11.0*	*30.0*	*63.0*	*132.0*	*251.0*	*427.0*	*671.0*	*935.0*	*878.0*	***50.0***	***3,407.0***
Total – non-tax revenue	***23.0***	***56.0***	***101.0***	***280.0***	***583.0***	***1,032.0***	***1,621.0***	***2,337.0***	***3,181.0***	***3,975.0***	***3,688.0***	***460.0***	***16,877.0***
Total – revenue	**23.0**	**46.0**	**81.0**	**6,540.0**	**5,363.0**	**4,242.0**	**3,121.0**	**2,007.0**	**841.0**	**1,015.0**	**88.0**	**6,690.0**	**23,367.0**
Expenses													
Administered													
Rebates for new passenger EVs priced below LCT threshold (Component 1)	*-130.0*	*-190.0*	*-270.0*	*-850.0*	*-1,270.0*	*-1,100.0*	*-1,050.0*	*-890.0*	*-610.0*	*-520.0*	*-70.0*	***-1,440.0***	***-6,950.0***
Concessional loan discount expense (Component 2)	*-130.0*	*-190.0*	*-260.0*	*-970.0*	*-1,750.0*	*-2,490.0*	*-3,230.0*	*-3,970.0*	*-4,710.0*	*-4,710.0*	*-640.0*	***-1,550.0***	***-23,050.0***
Bad debt write-offs (Component 2)	*-30.0*	*-50.0*	*-70.0*	*-260.0*	*-470.0*	*-670.0*	*-870.0*	*-1,080.0*	*-1,280.0*	*-1,290.0*	*-180.0*	***-410.0***	***-6,250.0***
Charging infrastructure (Component 3)	*-867.0*	*-992.0*	-	-	-	-	-	-	-	-	-	***-1,859.0***	***-1,859.0***

	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
Incentives for EV manufacturing (Component 6)	*-365.0*	*-393.0*	*-385.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1,143.0***	***-1,143.0***
Total – administered	***-1,522.0***	***-1,815.0***	***-985.0***	***-2,080.0***	***-3,490.0***	***-4,260.0***	***-5,150.0***	***-5,940.0***	***-6,600.0***	***-6,520.0***	***-890.0***	***-6,402.0***	***-39,252.0***
Departmental													
Department of Finance (Component 5)	*-1.9*	*-4.5*	*-7.6*	*-9.4*	*-11.0*	*-11.6*	*-11.2*	*-10.2*	*-9.2*	*-8.3*	*-3.9*	***-23.4***	***-88.8***
Australian Taxation Office (Component 4)	*-*	*-7.7*	*-33.7*	*-37.8*	*-27.3*	*-20.5*	*-13.6*	*-6.8*	*-*	*-*	*-*	***-79.2***	***-147.4***
Department of Infrastructure, Transport, Regional Development and Communications (Components 1, 2 and 3)	*-156.0*	*-10.0*	*-2.0*	*-6.0*	*-9.0*	*-8.0*	*-7.0*	*-6.0*	*-4.0*	*-4.0*	*-1.0*	***-174.0***	***-213.0***
Department of Industry, Science, Energy and Resources (Component 6)	*-34.7*	*-6.9*	*-14.7*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-56.3***	***-56.3***
Total – departmental	***-192.6***	***-29.1***	***-58.0***	***-53.2***	***-47.3***	***-40.1***	***-31.8***	***-23.0***	***-13.2***	***-12.3***	***-4.9***	***-332.9***	***-505.5***
Total – expenses	**-1,714.6**	**-1,844.1**	**-1,043.0**	**-2,133.2**	**-3,537.3**	**-4,300.1**	**-5,181.8**	**-5,963.0**	**-6,613.2**	**-6,532.3**	**-894.9**	**-6,734.9**	**-39,757.5**
Total (excluding PDI)	**-1,691.6**	**-1,798.1**	**-962.0**	**4,406.8**	**1,825.7**	**-58.1**	**-2,060.8**	**-3,956.0**	**-5,772.2**	**-5,517.3**	**-806.9**	**-44.9**	**-16,390.5**
PDI impacts	***-20.0***	***-80.0***	***-130.0***	***-140.0***	***-180.0***	***-350.0***	***-640.0***	***-1,070.0***	***-1,650.0***	***-2,300.0***	***-2,590.0***	***-370.0***	***-9,150.0***
Total (including PDI)	**-1,711.6**	**-1,878.1**	**-1,092.0**	**4,266.8**	**1,645.7**	**-408.1**	**-2,700.8**	**-5,026.0**	**-7,422.2**	**-7,817.3**	**-3,396.9**	**-414.9**	**-25,540.5**

(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: More Electric Vehicles – 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**
Tax receipts													
Administered tax													
CO2 Penalties (Component 4)	-	-	-	6,390.0	5,140.0	3,880.0	2,600.0	1,310.0	-	-	-	***6,390.0***	***19,320.0***
Interaction with fuel excise	..	-10.0	-20.0	-120.0	-340.0	-650.0	-1,070.0	-1,590.0	-2,280.0	-2,900.0	-3,550.0	***-150.0***	***-12,530.0***
Total – tax receipts	**..**	**-10.0**	**-20.0**	**6,270.0**	**4,800.0**	**3,230.0**	**1,530.0**	**-280.0**	**-2,280.0**	**-2,900.0**	**-3,550.0**	**6,240.0**	**6,790.0**
Non-tax receipts													
Administered non-tax													
Loan interest accrued (Component 2)	3.0	6.0	11.0	30.0	63.0	132.0	251.0	427.0	671.0	935.0	878.0	***50.0***	***3,407.0***
Total – non-tax receipts	***3.0***	***6.0***	***11.0***	***30.0***	***63.0***	***132.0***	***251.0***	***427.0***	***671.0***	***935.0***	***878.0***	***50.0***	***3,407.0***
Total – receipts	**3.0**	**-4.0**	**-9.0**	**6,300.0**	**4,863.0**	**3,362.0**	**1,781.0**	**147.0**	**-1,609.0**	**-1,965.0**	**-2,672.0**	**6,290.0**	**10,197.0**
Payments													
Administered													
Rebates for new passenger EVs priced below LCT threshold (Component 1)	-130.0	-190.0	-270.0	-850.0	-1,270.0	-1,100.0	-1,050.0	-890.0	-610.0	-520.0	-70.0	***-1,440.0***	***-6,950.0***
Charging infrastructure (Component 3)	-867.0	-992.0	-	-	-	-	-	-	-	-	-	***-1,859.0***	***-1,859.0***
Incentives for EV manufacturing (Component 6)	-365.0	-393.0	-385.0	-	-	-	-	-	-	-	-	***-1,143.0***	***-1,143.0***
Total – administered	***-1,362.0***	***-1,575.0***	***-655.0***	***-850.0***	***-1,270.0***	***-1,100.0***	***-1,050.0***	***-890.0***	***-610.0***	***-520.0***	***-70.0***	***-4,442.0***	***-9,952.0***
Departmental													
Department of Finance (Component 5)	-1.9	-4.5	-7.6	-9.4	-11.0	-11.6	-11.2	-10.2	-9.2	-8.3	-3.9	***-23.4***	***-88.8***
Australian Taxation Office (Component 4)	-	-7.7	-33.7	-37.8	-27.3	-20.5	-13.6	-6.8	-	-	-	***-79.2***	***-147.4***

	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
Department of Infrastructure, Transport, Regional Development and Communications (Components 1, 2 and 3)	*-156.0*	*-10.0*	*-2.0*	*-6.0*	*-9.0*	*-8.0*	*-7.0*	*-6.0*	*-4.0*	*-4.0*	*-1.0*	***-174.0***	***-213.0***
Department of Industry, Science, Energy and Resources (Component 6)	*-34.7*	*-6.9*	*-14.7*	-	-	-	-	-	-	-	-	***-56.3***	***-56.3***
Total – departmental	***-192.6***	***-29.1***	***-58.0***	***-53.2***	***-47.3***	***-40.1***	***-31.8***	***-23.0***	***-13.2***	***-12.3***	***-4.9***	***-332.9***	***-505.5***
Total – payments	**-1,554.6**	**-1,604.1**	**-713.0**	**-903.2**	**-1,317.3**	**-1,140.1**	**-1,081.8**	**-913.0**	**-623.2**	**-532.3**	**-74.9**	**-4,774.9**	**-10,457.5**
Total (excluding PDI)	**-1,551.6**	**-1,608.1**	**-722.0**	**5,396.8**	**3,545.7**	**2,221.9**	**699.2**	**-766.0**	**-2,232.2**	**-2,497.3**	**-2,746.9**	**1,515.1**	**-260.5**
PDI impacts	***-20.0***	***-70.0***	***-120.0***	***-140.0***	***-180.0***	***-330.0***	***-610.0***	***-1,020.0***	***-1,580.0***	***-2,230.0***	***-2,560.0***	***-350.0***	***-8,860.0***
Total (including PDI)	**-1,571.6**	**-1,678.1**	**-842.0**	**5,256.8**	**3,365.7**	**1,891.9**	**89.2**	**-1,786.0**	**-3,812.2**	**-4,727.3**	**-5,306.9**	**1,165.1**	**-9,120.5**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: More Electric Vehicles – 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
Tax receipts													
Administered tax													
CO2 Penalties (Component 4)	*-*	*-*	*-*	*6,390.0*	*5,140.0*	*3,880.0*	*2,600.0*	*1,310.0*	*-*	*-*	*-*	***6,390.0***	***19,320.0***
Interaction with fuel excise	*..*	*-10.0*	*-20.0*	*-120.0*	*-340.0*	*-650.0*	*-1,070.0*	*-1,590.0*	*-2,280.0*	*-2,900.0*	*-3,550.0*	***-150.0***	***-12,530.0***
Total – tax receipts	**..**	**-10.0**	**-20.0**	**6,270.0**	**4,800.0**	**3,230.0**	**1,530.0**	**-280.0**	**-2,280.0**	**-2,900.0**	**-3,550.0**	6,240.0	6,790.0
Non-tax receipts													
Administered non-tax													
Loan repayments (Component 2)	*100.0*	*200.0*	*300.0*	*800.0*	*1,700.0*	*2,900.0*	*4,600.0*	*6,600.0*	*9,100.0*	*11,500.0*	*11,800.0*	***1,400.0***	***49,600.0***
Loan interest received (Component 2)	*3.0*	*6.0*	*11.0*	*30.0*	*63.0*	*132.0*	*251.0*	*427.0*	*671.0*	*935.0*	*878.0*	***50.0***	***3,407.0***
Total – non-tax receipts	***103.0***	***206.0***	***311.0***	***830.0***	***1,763.0***	***3,032.0***	***4,851.0***	***7,027.0***	***9,771.0***	***12,435.0***	***12,678.0***	***1,450.0***	***53,007.0***
Total – receipts	**103.0**	**196.0**	**291.0**	**7,100.0**	**6,563.0**	**6,262.0**	**6,381.0**	**6,747.0**	**7,491.0**	**9,535.0**	**9,128.0**	7,690.0	59,797.0
Payments													
Administered													
Rebates for new passenger EVs priced below LCT threshold (Component 1)	*-130.0*	*-190.0*	*-270.0*	*-850.0*	*-1,270.0*	*-1,100.0*	*-1,050.0*	*-890.0*	*-610.0*	*-520.0*	*-70.0*	***-1,440.0***	***-6,950.0***
Initial principal of loans (Component 2)	*-700.0*	*-1,000.0*	*-1,400.0*	*-5,200.0*	*-9,400.0*	*-13,400.0*	*-17,400.0*	*-21,500.0*	*-25,700.0*	*-25,800.0*	*-3,500.0*	***-8,300.0***	***-125,000.0***
Charging infrastructure (Component 3)	*-867.0*	*-992.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1,859.0***	***-1,859.0***
Incentives for EV manufacturing (Component 6)	*-365.0*	*-393.0*	*-385.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1,143.0***	***-1,143.0***
Total – administered	***-2,062.0***	***-2,575.0***	***-2,055.0***	***-6,050.0***	***-10,670.0***	***-14,500.0***	***-18,450.0***	***-22,390.0***	***-26,310.0***	***-26,320.0***	***-3,570.0***	***-12,742.0***	***-134,952.0***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Department of Finance (Component 5)	*-1.9*	*-4.5*	*-7.6*	*-9.4*	*-11.0*	*-11.6*	*-11.2*	*-10.2*	*-9.2*	*-8.3*	*-3.9*	***-23.4***	***-88.8***
Australian Taxation Office (Component 4)	*-*	*-7.7*	*-33.7*	*-37.8*	*-27.3*	*-20.5*	*-13.6*	*-6.8*	*-*	*-*	*-*	***-79.2***	***-147.4***
Department of Infrastructure, Transport, Regional Development and Communications (Components 1, 2 and 3)	*-156.0*	*-10.0*	*-2.0*	*-6.0*	*-9.0*	*-8.0*	*-7.0*	*-6.0*	*-4.0*	*-4.0*	*-1.0*	***-174.0***	***-213.0***
Department of Industry, Science, Energy and Resources (Component 6)	*-34.7*	*-6.9*	*-14.7*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-56.3***	***-56.3***
Total – departmental	***-192.6***	***-29.1***	***-58.0***	***-53.2***	***-47.3***	***-40.1***	***-31.8***	***-23.0***	***-13.2***	***-12.3***	***-4.9***	***-332.9***	***-505.5***
Total – payments	**-2,254.6**	**-2,604.1**	**-2,113.0**	**-6,103.2**	**-10,717.3**	**-14,540.1**	**-18,481.8**	**-22,413.0**	**-26,323.2**	**-26,332.3**	**-3,574.9**	**-13,074.9**	**-135,457.5**
Total (excluding PDI)	**-2,151.6**	**-2,408.1**	**-1,822.0**	**996.8**	**-4,154.3**	**-8,278.1**	**-12,100.8**	**-15,666.0**	**-18,832.2**	**-16,797.3**	**5,553.1**	**-5,384.9**	**-75,660.5**
PDI impacts	***-20.0***	***-70.0***	***-120.0***	***-140.0***	***-180.0***	***-330.0***	***-610.0***	***-1,020.0***	***-1,580.0***	***-2,230.0***	***-2,560.0***	***-350.0***	***-8,860.0***
Total (including PDI)	**-2,171.6**	**-2,478.1**	**-1,942.0**	**856.8**	**-4,334.3**	**-8,608.1**	**-12,710.8**	**-16,686.0**	**-20,412.2**	**-19,027.3**	**2,993.1**	**-5,734.9**	**-84,520.5**

(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.

.. 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 impact[2]

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 consider 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.
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.

[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 consider the impact on PDI payments.

Parliamentary
Budget Office

Finally Building High Speed Rail	
Party:	Australian Greens

Summary of proposal:

This proposal would provide equity funding for an east coast high speed rail project, as laid out in the High Speed Rail Study Phase 2 report (the report) released on 11 April 2013, with a revised commencement date. From 2022-23 to 2032-33 the proposal would provide funding for:

- the creation of the High Speed Rail Authority to undertake preliminary works for all five stages of the project from 1 July 2022
- line 1 stage 1 of the high-speed rail project (Sydney to Canberra) from 1 January 2024
- line 1 stage 2 of the high-speed rail project (Canberra to Melbourne) from 1 January 2032.

The Commonwealth Government would be the only investor in the project and enter into contracts with the states, territories and private sector third parties. The project would be funded through off-budget equity investments (totalling around $120 billion) by the Australian Government over the next 30 years.

The High Speed Rail Authority would be responsible for project delivery and eventual operation of the east coast high speed rail network.

The proposal would have effect from 1 July 2022.

Costing overview

This costing only addresses the costs associated with:

- establishing the High Speed Rail Authority and undertaking preliminary works for the high speed rail project, as outlined in Table 7-6 on page 312 of the report, with a revised commencement date of 1 July 2022
- implementing line 1 stage 1 (Sydney to Canberra) and stage 2 (Canberra to Melbourne) of the high-speed rail project as outlined in Table ES-6 on page 17 and Table 7-2 on page 306 of the report, with a five-year delay in commencement relative to the report.

This costing does not address subsequent phases of the project.

This proposal would be expected to decrease the fiscal balance by around $663 million, decrease underlying cash balances by around $613 million and decrease the headline cash balance by around $18,479 million over the 2022-23 Budget forward estimates period.

As specified by the requestor, funding for the high-speed rail project would be provided as equity injections to the newly established High Speed Rail Authority. This administered funding would have a direct and significant impact on the headline cash balance and would only impact the fiscal and underlying cash balances in the form of public debt interest expenses. This is because, for both the fiscal and underlying cash balances, investments in the High Speed Rail Authority would be treated as the Australian Government exchanging one financial asset (cash) for another (equity in the High Speed

Rail Authority). The headline cash balance impact of the proposal shows the full amount of the equity injection into the High Speed Rail Authority as well as the impact of the proposal on the Australian Government borrowing requirement and net debt position. The long-run fiscal impact of the proposal will depend on the returns the High Speed Rail Authority can achieve. This is highly uncertain.

No revenue would be generated by the project over the period 2022-23 to 2032-33.

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

The estimates of the financial implications of this costing have been based on the costs presented in the report, uplifted for inflation since the 2012 report reference date. The Parliamentary Budget Office (PBO) has not independently estimated the costs associated with constructing high speed rail. These costs are extremely sensitive to a number of factors, including Commonwealth, state and territory government funding arrangements for the project, availability of suitable land that could be used for the purposes of the project, and variations to the final construction and operational costs for the project. Further, costs specified by the requestor are based on estimates from a report published in 2013, and cost estimates may have varied considerably since that time, reflecting a range of factors. The timing of expenditure may also vary considerably. The PBO has not undertaken any assessment of whether the funding specified under the proposal would be sufficient for the implementation of the project or whether the project milestones are achievable. Any changes to implementation timeframes, policy design or funding arrangements would significantly alter overall costs and their profile.

As noted in the report (page 37), any investment of the magnitude of the high-speed rail project will have an impact on economic growth and, through that, on the budget. In particular, the project may crowd out alternative investments, reducing productivity growth during the construction phase, with those effects only offset by the progressive productivity benefits of the project as construction of each stage of the project is completed and services commence. These further economic impacts of the project have not been included in this costing but could reduce overall tax revenues over the medium term.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-13.2	-83.3	-213.4	-353.4	**-663.3**
Underlying cash balance	-13.2	-73.3	-193.4	-333.4	**-613.3**
Headline cash balance	-436.2	-5,166.3	-6,289.4	-6,587.4	**-18,479.3**

(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 this proposal.

- 100 per cent of the costs of the proposal would be funded by the Australian Government, without any assistance or cost-sharing with state and territory governments or the private sector
- once it is operational, the project would either be sold or operate as a public non-financial corporation such that a commercial return on the equity invested is delivered.

Methodology

The departmental costs of the High Speed Rail Authority were based on the departmental expenses of the *Inland Rail Project* measure from the 2017-18 Budget and indexed by the net effect of the wage cost index and the efficiency dividend.

The costs of preliminary requirements and implementation of the project were as specified in the report, after indexing to adjust for price changes over the modified project schedule specified by the requestor.

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

Data sources

Department of Infrastructure, Regional Development and Cities, *High Speed Rail Study Phase 2 Report*, 2013 [Accessed 10 June 2022].

Australian Government, *Budget 2022-23*, Australian Government, 2022.

Australian Government, *Budget 2017-18*, Australian Government, 2017.

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

Attachment A – Finally Building High Speed Rail – financial implications

Table A1: Finally Building High Speed Rail – 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													
Preliminary requirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 1 Stage 1 (Canberra to Sydney)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 1 Stage 2 (Canberra to Melbourne)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 2 Stage 3 (Newcastle to Sydney)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 2 Stage 4 (Brisbane to Gold Coast)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 2 Stage 5 (Gold Coast to Newcastle)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – administered	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental													
High Speed Rail Authority	-13.2	-13.3	-13.4	-13.4	-13.5	-13.6	-13.7	-13.8	-13.9	-14.0	-14.1	***-53.3***	***-149.9***
Total – departmental	***-13.2***	***-13.3***	***-13.4***	***-13.4***	***-13.5***	***-13.6***	***-13.7***	***-13.8***	***-13.9***	***-14.0***	***-14.1***	***-53.3***	***-149.9***
Total – expenses	**-13.2**	**-13.3**	**-13.4**	**-13.4**	**-13.5**	**-13.6**	**-13.7**	**-13.8**	**-13.9**	**-14.0**	**-14.1**	**-53.3**	**-149.9**
Total (excluding PDI)	**-13.2**	**-13.3**	**-13.4**	**-13.4**	**-13.5**	**-13.6**	**-13.7**	**-13.8**	**-13.9**	**-14.0**	**-14.1**	**-53.3**	**-149.9**
PDI impacts	***..***	***-70.0***	***-200.0***	***-340.0***	***-450.0***	***-510.0***	***-580.0***	***-650.0***	***-740.0***	***-850.0***	***-1,040.0***	***-610.0***	***-5,430.0***
Total (including PDI)	**-13.2**	**-83.3**	**-213.4**	**-353.4**	**-463.5**	**-523.6**	**-593.7**	**-663.8**	**-753.9**	**-864.0**	**-1,054.1**	**-663.3**	**-5,579.9**

(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.

.. Not zero but rounded to zero.

Table A2: Finally Building High Speed Rail – 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													
Preliminary requirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 1 Stage 1 (Canberra to Sydney)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 1 Stage 2 (Canberra to Melbourne)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 2 Stage 3 (Newcastle to Sydney)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 2 Stage 4 (Brisbane to Gold Coast)	-	-	-	-	-	-	-	-	-	-	-	-	-
Line 2 Stage 5 (Gold Coast to Newcastle)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – administered	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental													
High Speed Rail Authority	*-13.2*	*-13.3*	*-13.4*	*-13.4*	*-13.5*	*-13.6*	*-13.7*	*-13.8*	*-13.9*	*-14.0*	*-14.1*	***-53.3***	***-149.9***
Total – departmental	***-13.2***	***-13.3***	***-13.4***	***-13.4***	***-13.5***	***-13.6***	***-13.7***	***-13.8***	***-13.9***	***-14.0***	***-14.1***	***-53.3***	***-149.9***
Total – payments	**-13.2**	**-13.3**	**-13.4**	**-13.4**	**-13.5**	**-13.6**	**-13.7**	**-13.8**	**-13.9**	**-14.0**	**-14.1**	**-53.3**	**-149.9**
Total (excluding PDI)	**-13.2**	**-13.3**	**-13.4**	**-13.4**	**-13.5**	**-13.6**	**-13.7**	**-13.8**	**-13.9**	**-14.0**	**-14.1**	**-53.3**	**-149.9**
PDI impacts	***..***	***-60.0***	***-180.0***	***-320.0***	***-440.0***	***-510.0***	***-570.0***	***-640.0***	***-730.0***	***-840.0***	***-1,020.0***	***-560.0***	***-5,310.0***
Total (including PDI)	**-13.2**	**-73.3**	**-193.4**	**-333.4**	**-453.5**	**-523.6**	**-583.7**	**-653.8**	**-743.9**	**-854.0**	**-1,034.1**	**-613.3**	**-5,459.9**

(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.

.. Not zero but rounded to zero.

Table A3: Finally Building High Speed Rail – 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**
Payments													
Administered													
Preliminary requirement	*-423.0*	*-436.0*	*-449.0*	*-460.0*	*-471.0*	*-*	*-*	*-*	*-*	*-*	*-*	***-1,768.0***	***-2,239.0***
Line 1 Stage 1 (Canberra to Sydney)	*-*	*-1,650.0*	*-2,550.0*	*-2,620.0*	*-1,780.0*	*-1,820.0*	*-1,870.0*	*-1,920.0*	*-1,960.0*	*-2,010.0*	*-2,060.0*	***-6,820.0***	***-20,240.0***
Line 1 Stage 2 (Canberra to Melbourne)	*-*	*-870.0*	*-900.0*	*-920.0*	*-*	*-*	*-*	*-*	*-*	*-1,480.0*	*-2,960.0*	***-2,690.0***	***-7,130.0***
Line 2 Stage 3 (Newcastle to Sydney)	*-*	*-654.0*	*-673.0*	*-690.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2,017.0***	***-2,017.0***
Line 2 Stage 4 (Brisbane to Gold Coast)	*-*	*-393.0*	*-404.0*	*-414.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1,211.0***	***-1,211.0***
Line 2 Stage 5 (Gold Coast to Newcastle)	*-*	*-1,090.0*	*-1,120.0*	*-1,150.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-3,360.0***	***-3,360.0***
Total – administered	***-423.0***	***-5,093.0***	***-6,096.0***	***-6,254.0***	***-2,251.0***	***-1,820.0***	***-1,870.0***	***-1,920.0***	***-1,960.0***	***-3,490.0***	***-5,020.0***	***-17,866.0***	***-36,197.0***
Departmental													
High Speed Rail Authority	*-13.2*	*-13.3*	*-13.4*	*-13.4*	*-13.5*	*-13.6*	*-13.7*	*-13.8*	*-13.9*	*-14.0*	*-14.1*	***-53.3***	***-149.9***
Total – departmental	***-13.2***	***-13.3***	***-13.4***	***-13.4***	***-13.5***	***-13.6***	***-13.7***	***-13.8***	***-13.9***	***-14.0***	***-14.1***	***-53.3***	***-149.9***
Total – payments	**-436.2**	**-5,106.3**	**-6,109.4**	**-6,267.4**	**-2,264.5**	**-1,833.6**	**-1,883.7**	**-1,933.8**	**-1,973.9**	**-3,504.0**	**-5,034.1**	**-17,919.3**	**-36,346.9**
Total (excluding PDI)	**-436.2**	**-5,106.3**	**-6,109.4**	**-6,267.4**	**-2,264.5**	**-1,833.6**	**-1,883.7**	**-1,933.8**	**-1,973.9**	**-3,504.0**	**-5,034.1**	**-17,919.3**	**-36,346.9**
PDI impacts	**..**	***-60.0***	***-180.0***	***-320.0***	***-440.0***	***-510.0***	***-570.0***	***-640.0***	***-730.0***	***-840.0***	***-1,020.0***	***-560.0***	***-5,310.0***
Total (including PDI)	**-436.2**	**-5,166.3**	**-6,289.4**	**-6,587.4**	**-2,704.5**	**-2,343.6**	**-2,453.7**	**-2,573.8**	**-2,703.9**	**-4,344.0**	**-6,054.1**	**-18,479.3**	**-41,656.9**

(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.

.. Not zero but rounded to zero.

Parliamentary
Budget Office

Helping Homes and Businesses transition off gas	
Party:	Australian Greens

Summary of proposal:

This proposal consists of 5 components.

The proposal would provide financial assistance to households and small businesses (with less than $10 million in turnover in the previous financial year) to disconnect from the gas network, and prevent new residential developments from connecting to the gas grid.

Financial assistance would be available for any of the following upgrades:

- Upgrading from single to 3-phase power.
- Replacing gas space heating with an electric heat pump.
- Replacing gas hot water heating with an electric heat pump or solar hot water.
- Replacing gas stovetop ovens and other gas-based kitchen appliances with induction or other electric alternatives.
- Installing level-2 electric vehicle (EV) chargers, with a limit of one for households and 5 for business, including any existing chargers.
- Replacing gas-reliant industrial technologies (such as boilers, furnaces or other industrial scale energy systems) with electrical alternatives, such as heat pumps (business only).

Component 1 would provide grants of up to $10,000 to households. Grants would be limited to 20% of the total upgrade cost, or 50% if the applicant disconnects from the gas grid within 6 months of completion of all eligible works.

Component 2 would provide loans of up to $20,000 to households. Loans would be offered at the rate of the Reserve Bank of Australia (RBA) overnight cash rate with a maximum 10-year fixed term.

Component 3 would ban the connection of any new residential development to the domestic gas network.

Component 4 would provide grants of up to $25,000 to small business. Grants would be limited to 20% of the total upgrade cost or 50% if the applicant disconnects from the gas grid within 6 months of completion of all eligible works.

Component 5 would provide loans of up to $100,000 to small business at the rate of the RBA overnight cash rate with a maximum 10-year fixed term.

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $3.67 billion, the underlying cash balance by around $3.17 billion and the headline cash balance by $5.83 billion over the 2022-23 Budget forward estimates period.

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

The financial implications of this proposal are uncertain and highly sensitive to assumptions around the number of households and small businesses that would access grants and loans, the composition and cost of upgrades undertaken, and the way in which the grant and loan programs would interact with one another. This includes potential crowding-out effects with other similar schemes. The Parliamentary Budget Office (PBO) has not made any assessments of how this proposal would interact with other subsidies or schemes.

Further uncertainty exists regarding negotiations with the states and territories to ban the connection of new residential developments to the domestic gas grid. The PBO has not undertaken any assessment of the speed at which this would be able to be achieved.

The PBO has not made any assessment of the impact this proposal would have on the Australian gas industry or the solar and electricity industries more broadly, as it is difficult to determine the net impact on industry profits, employment, and the Australian Government budget.

Consistent with *PBO Guidance 02/2015,* public debt interest (PDI) expense impacts have been included in this costing because the concessional loans provided under 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 the concessional loan discount expense, associated unwinding income, and loan write-downs, 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	-443.2	-792.5	-1,201.2	-1,232.7	**-3,669.6**
Underlying cash balance	-366.6	-673.3	-1,037.1	-1,089.7	**-3,166.7**
Headline cash balance	-687.6	-1,292.3	-1,935.1	-1,914.7	**-5,829.7**

(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.

- Uptake of the grant and loan programs in this proposal would be similar to annual uptake by households of the Small-scale Renewable Energy Scheme.
- Around 90% of households and small businesses undertaking upgrades would elect to disconnect from the domestic gas grid within 6 months of works completing, in order to maximise the amount of grant funding received.
- All households and small businesses undertaking upgrades would access the proposal's concessional loan component to fund any costs not covered by the grant program, given the high level of concessionality.

- The number of households and small businesses accessing grants and loans would grow substantially over the first 3 years of the proposal's operation. It would then experience a steady increase in use year-on-year as electric technologies, including solar and battery storage, become more affordable and accessible.
- Installation of level-2 EV chargers would grow proportionally to projections of the number of electric vehicles to be sold in Australia for households.
- A much smaller proportion of small business would uptake the electric vehicle charging upgrades, due to a lack of clear business incentive.
- The uptake of 3-phase power upgrades would follow a similar trend to that of level-2 EV charger installations.
- Under the ban on the connection of any new residential developments to the domestic gas network from 1 July 2022, any residential developments already commenced would remain able to connect to the gas grid. These developments would all be concluded by 30 June 2024.
- The number of disconnections from the gas grid due to demolitions would continue proportionally to the projected number of demolitions of all dwellings in Australia.
- The share of small businesses connected to the gas grid would be similar to the share of households connected to the grid.
- The departmental staffing profile to deliver this proposal would reflect a service delivery profile similar to the structure of Services Australia.
- The proposal would be delivered by the Department of Industry, Science, Energy and Resources, utilising and expanding existing ICT systems and frameworks for grants and service delivery.

Methodology

The financial implications of providing grants and loans to households and businesses were derived by calculating the appliance upgrades that a typical gas-connected household or small business would be expected to undertake in accessing the scheme. The cost of these upgrades was multiplied by the estimated number of households or businesses that would access the scheme in each year.

The cost and number of level-2 EV chargers installed in a given year were estimated based on the current cost of an average level-2 EV charger, and the PBO's projections of the number of EVs purchased in the Australian market over the medium term.[1]

The number of 3-phase power upgrades were based on a subset of total upgrades. Costs were based on the current average cost of an upgrade and grown in line with the consumer price index. Demand was grown similarly to that of the number of level-2 EV chargers installed.

Approximately half of the total upgrade cost was treated as a grant, reflecting the assumption that households would maximise their access to grant funding by electing to disconnect from the gas grid within 6 months of works being completed, therefore qualifying for a grant equal to 50% of the total upgrade cost.

The remaining upgrade cost was then treated as a concessional loan. The impact on the fiscal, underlying cash and headline cash balances of the loan funding provided was calculated using a

[1] Projections of the number of EVs sold in Australia were informed by research from the Department of Infrastructure, Transport, Regional Development and Communications.

concessional loan model, with interest payments at the specified Reserve Bank of Australia cash rate, and repayments spread evenly over the maximum 10-year period.

Departmental impacts were calculated by estimating the workforce required to deliver this proposal, the costs of which were determined using the Department of Finance's standard departmental costing template. Additional funding of double the required departmental cost in 2022-23 was provisioned, reflecting additional establishment costs.

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

Data sources

The Treasury provided indexation parameters, RBA cash rate projections and motor vehicle sales projections as at the *2022-23 Pre-election Economic and Fiscal Outlook*.

The Department of Finance provided the standard departmental costing template as at the *2022-23 Pre-election Economic and Fiscal Outlook*.

The Australian Taxation Office provided data on electric vehicle sales.

Information on electric hot water, electric heating and electric kitchen appliances was sourced from The Good Guys, Harvey Norman and 1st Choice Hot Water as at 28 April 2022.

Information on the cost of electric vehicle chargers was sourced from EVSE as at 28 April 2022.

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

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Attachment A – Helping Homes and Businesses transition off gas – financial implications

Table A1: Helping Homes and Businesses transition off gas – 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													
Component 2 - Income from unwinding concessional loan discounts - household	*10.0*	*26.0*	*49.0*	*72.0*	*93.0*	*115.0*	*136.0*	*156.0*	*175.0*	*193.0*	*208.0*	***157.0***	***1,233.0***
Component 5 - Income from unwinding concessional loan discounts - small business	*4.1*	*10.4*	*19.5*	*27.8*	*35.4*	*42.6*	*49.3*	*55.6*	*61.1*	*65.9*	*69.7*	***61.8***	***441.4***
Component 2 - Loan interest accrued - household	*3.0*	*12.0*	*27.0*	*41.0*	*54.0*	*66.0*	*78.0*	*88.0*	*96.0*	*104.0*	*110.0*	***83.0***	***679.0***
Component 5 - Loan interest accrued - small business	*1.4*	*6.7*	*14.9*	*22.3*	*28.9*	*34.7*	*39.5*	*43.5*	*46.6*	*48.8*	*50.1*	***45.3***	***337.4***
Total – revenue	**18.5**	**55.1**	**110.4**	**163.1**	**211.3**	**258.3**	**302.8**	**343.1**	**378.7**	**411.7**	**437.8**	**347.1**	**2,690.8**
Expenses													
Administered													
Component 1 - Grant payments - household	*-190.0*	*-383.0*	*-587.0*	*-617.0*	*-645.0*	*-675.0*	*-705.0*	*-736.0*	*-767.0*	*-797.0*	*-814.0*	***-1,777.0***	***-6,916.0***
Component 4 - Grant payments - small business	*-101.0*	*-211.0*	*-325.0*	*-328.0*	*-331.0*	*-333.0*	*-335.0*	*-336.0*	*-337.0*	*-338.0*	*-339.0*	***-965.0***	***-3,314.0***
Component 2 - Concessional loan discount expense - household	*-60.0*	*-102.0*	*-153.0*	*-161.0*	*-168.0*	*-182.0*	*-196.0*	*-211.0*	*-226.0*	*-242.0*	*-253.0*	***-476.0***	***-1,954.0***
Component 5 - Concessional loan discount expense - small business	*-24.3*	*-39.7*	*-58.8*	*-59.5*	*-60.0*	*-63.6*	*-67.1*	*-70.5*	*-74.0*	*-77.3*	*-80.4*	***-182.3***	***-675.2***
Component 2 - Other financing costs - household	*-3.5*	*-7.0*	*-10.8*	*-11.3*	*-11.8*	*-12.4*	*-12.9*	*-13.5*	*-14.1*	*-14.6*	*-14.9*	***-32.6***	***-126.8***
Component 5 - Other financing costs - small business	*-1.9*	*-3.9*	*-6.0*	*-6.0*	*-6.1*	*-6.1*	*-6.1*	*-6.2*	*-6.2*	*-6.2*	*-6.2*	***-17.8***	***-60.9***
Total – administered	***-380.7***	***-746.6***	***-1,140.6***	***-1,182.8***	***-1,221.9***	***-1,272.1***	***-1,322.1***	***-1,373.2***	***-1,424.3***	***-1,475.1***	***-1,507.5***	***-3,450.7***	***-13,046.9***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Departmental costs	*-73.0*	*-71.0*	*-105.0*	*-104.0*	*-104.0*	*-103.0*	*-102.0*	*-102.0*	*-101.0*	*-100.0*	*-100.0*	***-353.0***	***-1,065.0***
Total – departmental	***-73.0***	***-71.0***	***-105.0***	***-104.0***	***-104.0***	***-103.0***	***-102.0***	***-102.0***	***-101.0***	***-100.0***	***-100.0***	***-353.0***	***-1,065.0***
Total – expenses	**-453.7**	**-817.6**	**-1,245.6**	**-1,286.8**	**-1,325.9**	**-1,375.1**	**-1,424.1**	**-1,475.2**	**-1,525.3**	**-1,575.1**	**-1,607.5**	**-3,803.7**	**-14,111.9**
Total (excluding PDI)	**-435.2**	**-762.5**	**-1,135.2**	**-1,123.7**	**-1,114.6**	**-1,116.8**	**-1,121.3**	**-1,132.1**	**-1,146.6**	**-1,163.4**	**-1,169.7**	**-3,456.6**	**-11,421.1**
PDI impacts	***-8.0***	***-30.0***	***-66.0***	***-109.0***	***-154.0***	***-202.0***	***-253.0***	***-307.0***	***-364.0***	***-424.0***	***-491.0***	***-213.0***	***-2,408.0***
Total (including PDI)	**-443.2**	**-792.5**	**-1,201.2**	**-1,232.7**	**-1,268.6**	**-1,318.8**	**-1,374.3**	**-1,439.1**	**-1,510.6**	**-1,587.4**	**-1,660.7**	**-3,669.6**	**-13,829.1**

(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.

Table A2: Helping Homes and Businesses transition off gas – 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													
Component 2 - Loan interest accrued - household	*3.0*	*12.0*	*27.0*	*41.0*	*54.0*	*66.0*	*78.0*	*88.0*	*96.0*	*104.0*	*110.0*	***83.0***	***679.0***
Component 5 - Loan interest accrued - small business	*1.4*	*6.7*	*14.9*	*22.3*	*28.9*	*34.7*	*39.5*	*43.5*	*46.6*	*48.8*	*50.1*	***45.3***	***337.4***
Total – receipts	**4.4**	**18.7**	**41.9**	**63.3**	**82.9**	**100.7**	**117.5**	**131.5**	**142.6**	**152.8**	**160.1**	**128.3**	**1,016.4**
Payments													
Administered													
Component 1 - Grant payments - household	*-190.0*	*-383.0*	*-587.0*	*-617.0*	*-645.0*	*-675.0*	*-705.0*	*-736.0*	*-767.0*	*-797.0*	*-814.0*	***-1,777.0***	***-6,916.0***
Component 4 - Grant payments - small business	*-101.0*	*-211.0*	*-325.0*	*-328.0*	*-331.0*	*-333.0*	*-335.0*	*-336.0*	*-337.0*	*-338.0*	*-339.0*	***-965.0***	***-3,314.0***
Total – administered	***-291.0***	***-594.0***	***-912.0***	***-945.0***	***-976.0***	***-1,008.0***	***-1,040.0***	***-1,072.0***	***-1,104.0***	***-1,135.0***	***-1,153.0***	***-2,742.0***	***-10,230.0***
Departmental													
Departmental costs	*-73.0*	*-71.0*	*-105.0*	*-104.0*	*-104.0*	*-103.0*	*-102.0*	*-102.0*	*-101.0*	*-100.0*	*-100.0*	***-353.0***	***-1,065.0***
Total – departmental	***-73.0***	***-71.0***	***-105.0***	***-104.0***	***-104.0***	***-103.0***	***-102.0***	***-102.0***	***-101.0***	***-100.0***	***-100.0***	***-353.0***	***-1,065.0***
Total – payments	**-364.0**	**-665.0**	**-1,017.0**	**-1,049.0**	**-1,080.0**	**-1,111.0**	**-1,142.0**	**-1,174.0**	**-1,205.0**	**-1,235.0**	**-1,253.0**	**-3,095.0**	**-11,295.0**
Total (excluding PDI)	**-359.6**	**-646.3**	**-975.1**	**-985.7**	**-997.1**	**-1,010.3**	**-1,024.5**	**-1,042.5**	**-1,062.4**	**-1,082.2**	**-1,092.9**	**-2,966.7**	**-10,278.6**
PDI impacts	***-7.0***	***-27.0***	***-62.0***	***-104.0***	***-149.0***	***-196.0***	***-247.0***	***-300.0***	***-357.0***	***-416.0***	***-483.0***	***-200.0***	***-2,348.0***
Total (including PDI)	**-366.6**	**-673.3**	**-1,037.1**	**-1,089.7**	**-1,146.1**	**-1,206.3**	**-1,271.5**	**-1,342.5**	**-1,419.4**	**-1,498.2**	**-1,575.9**	**-3,166.7**	**-12,626.6**

(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.

Table A3: Helping Homes and Businesses transition off gas – 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													
Component 2 - Loan interest accrued - household	*3.0*	*12.0*	*27.0*	*41.0*	*54.0*	*66.0*	*78.0*	*88.0*	*96.0*	*104.0*	*110.0*	***83.0***	***679.0***
Component 5 - Loan interest accrued - small business	*1.4*	*6.7*	*14.9*	*22.3*	*28.9*	*34.7*	*39.5*	*43.5*	*46.6*	*48.8*	*50.1*	***45.3***	***337.4***
Component 2 - Loan repayments - household	*23.0*	*69.0*	*140.0*	*214.0*	*292.0*	*373.0*	*458.0*	*546.0*	*639.0*	*735.0*	*810.0*	***446.0***	***4,299.0***
Component 5 - Loan repayments - small business	*12.0*	*38.0*	*77.0*	*116.0*	*156.0*	*196.0*	*237.0*	*277.0*	*318.0*	*358.0*	*387.0*	***243.0***	***2,172.0***
Total – receipts	**39.4**	**125.7**	**258.9**	**393.3**	**530.9**	**669.7**	**812.5**	**954.5**	**1,099.6**	**1,245.8**	**1,357.1**	**817.3**	**7,487.4**
Payments													
Administered													
Component 1 - Grant payments - household	*-190.0*	*-383.0*	*-587.0*	*-617.0*	*-645.0*	*-675.0*	*-705.0*	*-736.0*	*-767.0*	*-797.0*	*-814.0*	***-1,777.0***	***-6,916.0***
Component 4 - Grant payments - small business	*-101.0*	*-211.0*	*-325.0*	*-328.0*	*-331.0*	*-333.0*	*-335.0*	*-336.0*	*-337.0*	*-338.0*	*-339.0*	***-965.0***	***-3,314.0***
Component 2 - Loans made - household	*-232.0*	*-468.0*	*-718.0*	*-754.0*	*-788.0*	*-825.0*	*-862.0*	*-900.0*	*-938.0*	*-974.0*	*-995.0*	***-2,172.0***	***-8,454.0***
Component 5 - Loans made - small business	*-124.0*	*-258.0*	*-397.0*	*-401.0*	*-405.0*	*-407.0*	*-409.0*	*-411.0*	*-412.0*	*-413.0*	*-414.0*	***-1,180.0***	***-4,051.0***
Total – administered	***-647.0***	***-1,320.0***	***-2,027.0***	***-2,100.0***	***-2,169.0***	***-2,240.0***	***-2,311.0***	***-2,383.0***	***-2,454.0***	***-2,522.0***	***-2,562.0***	***-6,094.0***	***-22,735.0***
Departmental													
Departmental costs	*-73.0*	*-71.0*	*-105.0*	*-104.0*	*-104.0*	*-103.0*	*-102.0*	*-102.0*	*-101.0*	*-100.0*	*-100.0*	***-353.0***	***-1,065.0***
Total – departmental	***-73.0***	***-71.0***	***-105.0***	***-104.0***	***-104.0***	***-103.0***	***-102.0***	***-102.0***	***-101.0***	***-100.0***	***-100.0***	***-353.0***	***-1,065.0***
Total – payments	**-720.0**	**-1,391.0**	**-2,132.0**	**-2,204.0**	**-2,273.0**	**-2,343.0**	**-2,413.0**	**-2,485.0**	**-2,555.0**	**-2,622.0**	**-2,662.0**	**-6,447.0**	**-23,800.0**
Total (excluding PDI)	**-680.6**	**-1,265.3**	**-1,873.1**	**-1,810.7**	**-1,742.1**	**-1,673.3**	**-1,600.5**	**-1,530.5**	**-1,455.4**	**-1,376.2**	**-1,304.9**	**-5,629.7**	**-16,312.6**
PDI impacts	***-7.0***	***-27.0***	***-62.0***	***-104.0***	***-149.0***	***-196.0***	***-247.0***	***-300.0***	***-357.0***	***-416.0***	***-483.0***	***-200.0***	***-2,348.0***
Total (including PDI)	**-687.6**	**-1,292.3**	**-1,935.1**	**-1,914.7**	**-1,891.1**	**-1,869.3**	**-1,847.5**	**-1,830.5**	**-1,812.4**	**-1,792.2**	**-1,787.9**	**-5,829.7**	**-18,660.6**

(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.

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 impact[3]

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.[4] 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.

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

[4] 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.

Locally Owned Community Renewables	
Party:	Australian Greens

Summary of proposal:

This proposal would establish a new Commonwealth Agency – Australian Local Power Agency (ALPA) to deliver the following schemes:

- The Local Power Scheme would establish 70 local power hubs to support renewable energy projects in regional communities.
  - Each hub would be provided $500,000 a year for 5 years for establishment and administration costs.
  - These hubs would also receive administered funding each year, for 10 years, to distribute up to:
    - 10 seed grants of up to $10,000 per grant for small-scale renewable energy projects by new or early-stage community groups
    - five enablement grants of up to $50,000 per grant for non-capital costs of new projects
    - two forgivable development loans of up to $150,000 each, at an annual concessional interest rate of 1% for renewable energy projects by communities and eligible organisations. Loans for unsuccessful projects will be written off.
- The Underwriting New Community Investment Scheme (UNCI Scheme) would guarantee a minimum return for eligible community-owned renewable energy generation and storage projects for up to 10,000 gigawatt hours each year for 10 years.
  - Under this scheme, the government would subsidise eligible energy projects to the extent that there is the gap between the average annual wholesale electricity price and the target price of $80 per megawatt hour, when the average wholesale price falls below the target.
  - Eligible energy projects for this scheme are those that:
    - can generate or store from 1 to 10 megawatts of electricity
    - are at least 51% community-owned through local individuals, organisations, or councils, with the remainder funded through private investment
    - are community-driven, have broad local support, and deliver tangible benefits to the region
    - demonstrate technical benefits to the grid consistent with the *Integrated Systems Plan.*
- The Community Renewable Investment Scheme (CRIS) would require any new large-scale renewable development to offer 20% of the project equity to local communities within 30 kilometres of the project. To administer this scheme, the ALPA would be provided on-going funding to:
  - develop guidelines for the scheme
  - assess whether developers meet those guidelines
  - award approvals once developers have completed co-investment funding rounds.

- The Community Battery Storage Scheme would allocate $300 million in funding, evenly distributed over four years, to support 600 community batteries administered by local networks or community renewable groups/hubs.

The proposal would take effect from 1 July 2022. All grants, loan principal amounts and the target price under the UNCI Scheme would be indexed annually to the consumer price index.

Costing overview

This proposal would decrease the fiscal balance by around $676.2 million, the underlying cash balance by around $667.8 million, and the headline cash balance by around $684.5 million over the 2022-23 Budget forward estimates period. The financial implications are predominantly driven by increased administered expenses to provide grants, loans and wholesale electricity price subsidies.

The proposal would have an ongoing 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 uncertain and highly sensitive to assumptions about the uptake of grants and loans, the extent of loan write-offs, loan repayment patterns, expected activities under the proposed schemes and wholesale electricity prices.

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

The impacts on the fiscal, underlying cash and headline cash balances differ primarily due to the treatment of the concessional nature of the loans, and the flow of loans and principal repayments. They also reflect the lag in providing price subsidies to generators for eligible electricity generation in the previous year. Only the fiscal balance captures the estimates of expenses and unwinding income relating to the concessional loan discount, and only the headline cash balance captures changes in loans issued and principal repayments. A note on the accounting treatment of concessional loans is included at Attachment B.[1]

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-160.5	-165.3	-171.9	-178.5	**-676.2**
Underlying cash balance	-157.5	-163.3	-170.1	-176.9	**-667.8**
Headline cash balance	-162.4	-167.8	-174.2	-180.1	**-684.5**

(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.

- Take-up rates for the development loans would grow steadily from 90% in 2022-23, to 100% in 2024-25 and remain constant at that level throughout the medium term. This assumption reflects

[1] In relation to this costing it should be noted that, because of the standards applied to forgivable loans, the concepts and methodology outlined in Attachment B apply only to those loans that are not expected to be forgiven (expected to be 30 per cent of all loans – see *Key assumptions*).

the generous terms under the proposal while accounting for the uncertainties around the economic outlook in the near term due to the impact of the current pandemic.

- Around 70% of loans issued would be forgiven. This is informed by the average failure rate of around 50 to 70% for small businesses discussed in various research publications. It also reflects the heightened uncertainties in the economic outlook and the forgivable feature of the proposed loans.
- Average loan maturity would be around 7 years, consistent with the Clean Energy Finance Corporation's (CEFC's) loan management experience to date.
- There would be 3 new projects eligible each year for the UNCI Scheme, consistent with investment trends reported in the latest *Project Tracker* published by the Clean Energy Council.
  - Annual electricity generation for each of these projects would average around 31,000 megawatt hours, consistent with observed renewable energy capacity factors published by the Australian Energy Council and the CSIRO, as well as the capacity range for medium-scale projects.
  - Only half of the expected electricity generation would be subject to price subsidies, which is based on trends in wholesale electricity prices across states and territories over the previous 13 years.

Methodology

Administered expenses for the Local Power and UNCI Schemes were largely determined by the specifications provided by the requestor, with the estimates subsequently considering:

- the assumed take-up rate for the development loans outlined in *Key assumptions*
- the assumed write-off of 70% of the proposed loans, which were then treated as grants as per the accounting standards provided by *AASB 120 – Accounting for Government Grants and Disclosure of Government Assistance*. The remaining 30% were costed based on the concessional loan model, consistent with the relevant accounting guidelines published by the Department of Finance
- projected wholesale electricity price movements across states, as discussed in *Key assumptions*
- projected electricity generation under the UNCI Scheme, informed by historical data on renewable energy capacity factors and market shares across states.

Departmental expenses for the Local Power Scheme were costed based on the ratio of departmental expenses to funds managed for the CEFC in 2019-20, allowing for a 50% increase in 2022-23 to reflect additional start-up costs.

Departmental expenses for the UNCI Scheme and the CRIS and were estimated based on administration costs observed for similar grants in 2018-19, in the Business Grants Hub model provided by the Department of Industry, Science, Energy and Resources.

Departmental expenses for the Community Battery Storage Scheme were estimated based on the cost to deliver other similar-sized grant programs.

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

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

Data sources

The Department of Industry, Science, Energy and Resources provided a Cost Base Determination Model for the Business Grants Hub as at the 2021-22 Budget, and CEFC departmental expense and finance deployment data as at the 2022-23 Budget.

The Departments of Finance and the Treasury provided indexation parameters as at the 2022-23 Budget.

Information on energy production, investment and prices was taken from the:

- C Tran, *Capacity factors: Understanding the misunderstood*, Australian Energy Council website, 2017, accessed 19 April 2022.
- Australian Energy Regulator, *Annual volume weighted average spot prices – regions*, Australian Energy Regulator website, 2021, accessed 19 April 2022.
- Clean Energy Council, *Project Tracker*, Clean Energy Council website, 2021, accessed 19 April 2022.
- Clean Energy Council, *Clean Energy Australia Report 2021*, Clean Energy Council, 2021, accessed 19 April 2022.
- Commonwealth Scientific and Industrial Research Organisation (CSIRO), *GenCost 2020-21 Final Report*, CSIRO, accessed 19 April 2022.

Small business survival rates were taken from publications by the:

- United States Bureau of Labor Statistics, *Business Employment Dynamics*, United States Bureau of Labor Statistics, 2016, accessed 19 April 2022.
- Small Business Administration Office of Advocacy, *Small Business Facts*, Small Business Administration Office of Advocacy, 2012, accessed 19 April 2022.
- Australian Small Business and Family Enterprise Ombudsman, 2020. *Small Business Counts, December 2020,* accessed 19 April 2022.
- Reserve Bank of Australia (RBA), *The Economic Trends, Challenges and Behaviour of Small Businesses in Australia*, RBA, 2015, accessed 19 April 2022.

Attachment A – Locally Owned Community Renewables – financial implications

Table A1: Locally Owned Community Renewables – 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													
Non – tax revenue													
Administered non-tax													
Development loans - unwinding concessional loan discount	*0.3*	*0.6*	*0.9*	*1.1*	*1.3*	*1.5*	*1.6*	*1.7*	*1.8*	*1.8*	*1.4*	***2.9***	***14.0***
Development loans - interest revenue	*0.1*	*0.1*	*0.2*	*0.2*	*0.2*	*0.3*	*0.3*	*0.3*	*0.3*	*0.3*	*0.2*	***0.6***	***2.5***
Total – revenue	**0.4**	**0.7**	**1.1**	**1.3**	**1.5**	**1.8**	**1.9**	**2.0**	**2.1**	**2.1**	**1.6**	**3.5**	**16.5**
Expenses													
Administered													
Local power hubs	*-35.0*	*-36.0*	*-37.1*	*-38.0*	*-39.0*	*-*	*-*	*-*	*-*	*-*	*-*	***-146.1***	***-185.1***
Seed grants	*-7.0*	*-7.2*	*-7.4*	*-7.6*	*-7.8*	*-8.0*	*-8.2*	*-8.4*	*-8.6*	*-8.8*	*-*	***-29.2***	***-79.0***
Enablement grants	*-17.5*	*-18.0*	*-18.5*	*-19.0*	*-19.5*	*-19.9*	*-20.4*	*-20.9*	*-21.5*	*-22.0*	*-*	***-73.0***	***-197.2***
Development loans - concessional loan discount expense	*-1.3*	*-1.4*	*-1.5*	*-1.6*	*-1.6*	*-1.7*	*-1.8*	*-1.9*	*-2.0*	*-1.6*	*-*	***-5.8***	***-16.4***
Development loans - loans forgiven	*-13.2*	*-14.4*	*-15.6*	*-16.0*	*-16.4*	*-16.7*	*-17.2*	*-17.6*	*-18.0*	*-18.5*	*-*	***-59.2***	***-163.6***
Underwriting new community investment scheme	*-1.8*	*-2.6*	*-3.3*	*-3.9*	*-4.4*	*-4.8*	*-5.3*	*-5.6*	*-6.0*	*-6.3*	*-*	***-11.6***	***-44.0***
Community battery storage scheme	*-75.0*	*-75.0*	*-75.0*	*-75.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-300.0***	***-300.0***
Total – administered	***-150.8***	***-154.6***	***-158.4***	***-161.1***	***-88.7***	***-51.1***	***-52.9***	***-54.4***	***-56.1***	***-57.2***	***-***	***-624.9***	***-985.3***
Departmental													
Departmental costs	*-8.3*	*-5.9*	*-5.2*	*-5.3*	*-5.1*	*-5.2*	*-5.3*	*-5.4*	*-5.5*	*-5.6*	*-1.1*	***-24.7***	***-57.9***
Total – departmental	***-8.3***	***-5.9***	***-5.2***	***-5.3***	***-5.1***	***-5.2***	***-5.3***	***-5.4***	***-5.5***	***-5.6***	***-1.1***	***-24.7***	***-57.9***
Total – expenses	**-159.1**	**-160.5**	**-163.6**	**-166.4**	**-93.8**	**-56.3**	**-58.2**	**-59.8**	**-61.6**	**-62.8**	**-1.1**	**-649.6**	**-1,043.2**
Total (excluding PDI)	**-158.7**	**-159.8**	**-162.5**	**-165.1**	**-92.3**	**-54.5**	**-56.3**	**-57.8**	**-59.5**	**-60.7**	**0.5**	**-646.1**	**-1,026.7**
PDI impacts	***-1.8***	***-5.5***	***-9.4***	***-13.4***	***-16.7***	***-19.1***	***-21.2***	***-23.5***	***-26.1***	***-29.0***	***-32.1***	***-30.1***	***-197.8***
Total (including PDI)	**-160.5**	**-165.3**	**-171.9**	**-178.5**	**-109.0**	**-73.6**	**-77.5**	**-81.3**	**-85.6**	**-89.7**	**-31.6**	**-676.2**	**-1,224.5**

(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: Locally Owned Community Renewables – 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													
Non-tax receipts													
Administered non-tax													
Development loans - interest receipts	*0.1*	*0.1*	*0.2*	*0.2*	*0.2*	*0.3*	*0.3*	*0.3*	*0.3*	*0.3*	*0.2*	***0.6***	***2.5***
Total – receipts	**0.1**	**0.1**	**0.2**	**0.2**	**0.2**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.2**	**0.6**	**2.5**
Payments													
Administered													
Local power hubs	*-35.0*	*-36.0*	*-37.1*	*-38.0*	*-39.0*	*-*	*-*	*-*	*-*	*-*	*-*	***-146.1***	***-185.1***
Seed grants	*-7.0*	*-7.2*	*-7.4*	*-7.6*	*-7.8*	*-8.0*	*-8.2*	*-8.4*	*-8.6*	*-8.8*	*-*	***-29.2***	***-79.0***
Enablement grants	*-17.5*	*-18.0*	*-18.5*	*-19.0*	*-19.5*	*-19.9*	*-20.4*	*-20.9*	*-21.5*	*-22.0*	*-*	***-73.0***	***-197.2***
Development loans - loans forgiven	*-13.2*	*-14.4*	*-15.6*	*-16.0*	*-16.4*	*-16.7*	*-17.2*	*-17.6*	*-18.0*	*-18.5*	*-*	***-59.2***	***-163.6***
Underwriting new community investment scheme	*-*	*-1.8*	*-2.6*	*-3.3*	*-3.9*	*-4.4*	*-4.8*	*-5.3*	*-5.6*	*-6.0*	*-*	***-7.7***	***-37.7***
Community battery storage scheme	*-75.0*	*-75.0*	*-75.0*	*-75.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-300.0***	***-300.0***
Total – administered	***-147.7***	***-152.4***	***-156.2***	***-158.9***	***-86.6***	***-49.0***	***-50.6***	***-52.2***	***-53.7***	***-55.3***	***-***	***-615.2***	***-962.6***
Departmental													
Departmental costs	*-8.3*	*-5.9*	*-5.2*	*-5.3*	*-5.1*	*-5.2*	*-5.3*	*-5.4*	*-5.5*	*-5.6*	*-1.1*	***-24.7***	***-57.9***
Total – departmental	***-8.3***	***-5.9***	***-5.2***	***-5.3***	***-5.1***	***-5.2***	***-5.3***	***-5.4***	***-5.5***	***-5.6***	***-1.1***	***-24.7***	***-57.9***
Total – payments	**-156.0**	**-158.3**	**-161.4**	**-164.2**	**-91.7**	**-54.2**	**-55.9**	**-57.6**	**-59.2**	**-60.9**	**-1.1**	**-639.9**	**-1,020.5**
Total (excluding PDI)	**-155.9**	**-158.2**	**-161.2**	**-164.0**	**-91.5**	**-53.9**	**-55.6**	**-57.3**	**-58.9**	**-60.6**	**-0.9**	**-639.3**	**-1,018.0**
PDI impacts	***-1.6***	***-5.1***	***-8.9***	***-12.9***	***-16.3***	***-18.8***	***-20.9***	***-23.2***	***-25.8***	***-28.7***	***-31.8***	***-28.5***	***-194.0***
Total (including PDI)	**-157.5**	**-163.3**	**-170.1**	**-176.9**	**-107.8**	**-72.7**	**-76.5**	**-80.5**	**-84.7**	**-89.3**	**-32.7**	**-667.8**	**-1,212.0**

(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: Locally Owned Community Renewables – 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													
Non-tax receipts													
Administered non-tax													
Development loans - loan principal repayments	*0.8*	*1.7*	*2.6*	*3.6*	*4.6*	*5.6*	*6.7*	*7.0*	*7.2*	*7.4*	*6.4*	***8.7***	***53.6***
Departmental non-tax													
Total – receipts	**0.9**	**1.8**	**2.8**	**3.8**	**4.8**	**5.9**	**7.0**	**7.3**	**7.5**	**7.7**	**6.6**	**9.3**	**56.1**
Payments													
Administered													
Local power hubs	*-35.0*	*-36.0*	*-37.1*	*-38.0*	*-39.0*	-	-	-	-	-	-	***-146.1***	***-185.1***
Seed grants	*-7.0*	*-7.2*	*-7.4*	*-7.6*	*-7.8*	*-8.0*	*-8.2*	*-8.4*	*-8.6*	*-8.8*	-	***-29.2***	***-79.0***
Enablement grants	*-17.5*	*-18.0*	*-18.5*	*-19.0*	*-19.5*	*-19.9*	*-20.4*	*-20.9*	*-21.5*	*-22.0*	-	***-73.0***	***-197.2***
Development loans - total loans	*-5.7*	*-6.2*	*-6.7*	*-6.8*	*-7.0*	*-7.2*	*-7.4*	*-7.5*	*-7.7*	*-7.9*	-	***-25.4***	***-70.1***
Development loans - loans forgiven	*-13.2*	*-14.4*	*-15.6*	*-16.0*	*-16.4*	*-16.7*	*-17.2*	*-17.6*	*-18.0*	*-18.5*	-	***-59.2***	***-163.6***
Underwriting new community investment scheme	-	*-1.8*	*-2.6*	*-3.3*	*-3.9*	*-4.4*	*-4.8*	*-5.3*	*-5.6*	*-6.0*	-	***-7.7***	***-37.7***
Total – administered	***-153.4***	***-158.6***	***-162.9***	***-165.7***	***-93.6***	***-56.2***	***-58.0***	***-59.7***	***-61.4***	***-63.2***	**-**	***-640.6***	***-1,032.7***
Departmental													
Departmental costs	*-8.3*	*-5.9*	*-5.2*	*-5.3*	*-5.1*	*-5.2*	*-5.3*	*-5.4*	*-5.5*	*-5.6*	*-1.1*	***-24.7***	***-57.9***
Total – departmental	***-8.3***	***-5.9***	***-5.2***	***-5.3***	***-5.1***	***-5.2***	***-5.3***	***-5.4***	***-5.5***	***-5.6***	***-1.1***	***-24.7***	***-57.9***
Total – payments	**-161.7**	**-164.5**	**-168.1**	**-171.0**	**-98.7**	**-61.4**	**-63.3**	**-65.1**	**-66.9**	**-68.8**	**-1.1**	**-665.3**	**-1,090.6**
Total (excluding PDI)	**-160.8**	**-162.7**	**-165.3**	**-167.2**	**-93.9**	**-55.5**	**-56.3**	**-57.8**	**-59.4**	**-61.1**	**5.5**	**-656.0**	**-1,034.5**
PDI impacts	***-1.6***	***-5.1***	***-8.9***	***-12.9***	***-16.3***	***-18.8***	***-20.9***	***-23.2***	***-25.8***	***-28.7***	***-31.8***	***-28.5***	***-194.0***
Total (including PDI)	**-162.4**	**-167.8**	**-174.2**	**-180.1**	**-110.2**	**-74.3**	**-77.2**	**-81.0**	**-85.2**	**-89.8**	**-26.3**	**-684.5**	**-1,228.5**

(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.

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 Commonwealth.

Budget impact[3]

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.[4] 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 Commonwealth 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.

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

[4] 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.

Parliamentary Budget Office

Looking after coal workers	
Party:	Australian Greens

Summary of proposal:

This proposal would develop and finance a plan for the economic and employment transition of coal-dependent communities to ensure that they survive the decline of global trade in this sector. The proposal consists of three components:

Component 1 would establish the National Coal Communities Commission (independent from government) alongside five local Economic and Employment Commissions (see table below for the specified locations) that would develop and facilitate local plans for economic and employment transitions.

- Each local commission would consist of:
  - Twelve local representatives (retained on part-time stipends) who would be drawn from state and local governments, industry, unions, non-government organisations and academia. Three members of each commission would be drawn from local and state governments and would not be eligible for part-time stipends.
  - A local secretariat and executive team to support each commission. There would be 20 full-time secretariat and executive staff in total across the five commissions.

Commission location
Hunter Valley Authority
LaTrobe Valley Authority
Gladstone Authority
Bowen Basin Authority
Collie and South West WA Authority

Component 2 would create a Diversifying Coal Communities Fund (the Fund) that would provide grants to communities in coal-dependent regions to support their economic and employment transition and diversification.

- The Fund would be established outside the General Government Sector and would be credited with $2,800 million with the following funding profile.

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total
$m	-406	-348	-523	-459	-313	-206	-78	-113	-354	**-2,800**

- The National Coal Communities Commission would administer the Fund and would consider grant funding requests submitted by the commissions.

Component 3 would create a job-for-job-guarantee that the Greens have assumed will be required for up to two thirds of the workers in the coal mining and domestic coal sectors in a gradual fashion in light of Greens' policy to phase out the coal industry. The guarantee would be implemented in the following manner:

- Non-fossil fuel employers would receive a wage subsidy equal to 50% of the average wage of a full-time worker in the mining sector if they employ someone who lost their job due to the above-mentioned closures, and pay the employee a wage rate at least equal to the amount the employee received in their prior job.
- If an employee is unable to find a job that attracts the above wage guarantee, then they may claim an amount equivalent to the wage subsidy directly for a period of 10 years, in addition to any other social security entitlement they may be entitled to.
- Workers aged over 55 that choose to retire may claim the wage subsidy directly for a period of up to 12 years, in addition to any other pension, superannuation or social security payments they would otherwise be entitled to.

Component 3 would operate for eligible thermal coal mine workers and domestic coal generation workers from 1 July 2022 to 30 June 2030, and for eligible metallurgical coal workers in the period from 1 July 2030 until 30 June 2040. Up to two thirds of workers within each specified time period would be eligible for the wage subsidy.

The policy proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by around $3,326 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of around $3,280 million and an increase in departmental expenses of around $46 million over this period.

This proposal would be expected to have ongoing financial implications beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate Public Debt Interest (PDI) tables) from 2022-23 to 2032-33 is provided at Attachment A.

For Components 1 and 2, the estimates are sensitive to the actual structure of the proposed commissions, including the number of supporting staff and their remuneration packages.

Financial implications of Component 3 are highly uncertain and sensitive to the timing of business closures in the relevant sectors and their impact on future employment of employees in those sectors. There is also limited information available on the number of workers in different types of coal production and coal-fired power plants, and results would vary in relation to changes in these numbers. We have not quantified the interactions with taxation revenue and welfare payments due to uncertainties around employment outcomes following business closures in specific sectors.

The Parliamentary Budget Office (PBO) has not made an assessment on whether the specified subsidy would be sufficient to achieve the objectives of the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-191.4	-815.7	-956.9	-1,362.0	**-3,326.0**
Underlying cash balance	-191.4	-815.7	-956.9	-1,362.0	**-3,326.0**

(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 this proposal.

Component 1

- Each commission would be supported by a local secretariat and executive team comprising one Australian Public Service Level (APS)5, one APS6, one Executive Level (EL)1 and one EL2 employee. In total, there would be 20 full-time staff across the five local secretariat and executive teams.

Component 3

- The age distribution of the affected workforce would be similar to that of the general population.
- The proportions of people working in the thermal and metallurgical coal workforces have been assumed based on the production volumes of each type of coal in Australia. It is assumed the intensity of labour for each type of coal employment is the same. However, there is uncertainty with this assumption as it is not guaranteed that production volumes represent the distribution of the underlying workforce. Additionally, some mines produce both thermal and metallurgical coal, creating the possibility of some overlap in workers represented by these numbers. This would result in a more conservative estimate of the workforce.
- Total employment for the coal mining and domestic coal sectors is estimated to be 53,000 in 2022-23, consistent with the analysis of data published in the detailed Labour Force Survey by the Australian Bureau of Statistics (ABS) and the *Renewable Energy Jobs in Australia: Stage One* report. This number is expected to remain static over the medium-term.
  - Due to the projected flatlining of thermal coal production in Australia from 2021-22, and only a forecast slight increase to the export of metallurgical coal from this period (see Attachment B), the estimated baseline number of employees in the coal mining sector would likely be expected to remain stable or fall over the medium term.
- There is a degree of overlap assumed between the stock of workers from the ABS and Renewable Energy Jobs data sources.
- All eligible employees aged over 55 and up to the Age Pension age (i.e. aged between 56 and the retirement age of 67) would opt to retire and claim the wage subsidy.
- The wage subsidy would be around $1,175 per week in 2021-22, informed by recent mining sector earnings data from the ABS.
  - The subsidy would grow at the same pace as the annualised average weekly earnings over the medium term as projected by the Treasury.

Methodology

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

Component 1

The PBO has used a standard departmental staff costing model and published information on the establishment costs and the remuneration of part-time public office holders of the Regional Investment Corporation Board to estimate the financial implications of this proposal.

Consistent with the specifications of the proposal, only nine of the proposed 12 representatives in each of the five commissions would be paid a part-time stipend. The three state and local government representatives would not receive a stipend.

Establishment costs for the National Coal Communities Commission have been based on the establishment costs of the Regional Investment Corporation Board, spread over two years.

Component 2

Administered funding of the proposed $2,800 million under the Fund is distributed from 2023-24 to 2031-32 according to the funding profile specified by the requestor.

Costs for the National Coal Communities Commission to administer the fund were estimated based on the departmental to administered expenses ratio for the *Regional Growth Fund*. Any additional departmental expenses to the Australian Government would be negligible and met by existing resources.

Component 3

The administered expenses were estimated by multiplying the assumed number of subsidy recipients as per *Key assumptions*, taking into account differences in payment periods for different age cohorts, policy options and differing worker cohort eligibility for the subsidy over the two specified time periods (thermal and domestic coal generation workers from 2022-23 to 2029-30, and metallurgical workers from 2030-31 to 2039-40), by the assumed subsidy amount per recipient.

Departmental expenses were estimated based on the departmental to administered expenses ratio for *Job Services Australia – changed payment arrangements for volunteer job seekers*.

Data sources

The Treasury provided medium-term economic and policy parameter projections as at *Pre-election Economic and Fiscal Outlook (PEFO) 2022.*

ABS, 2021. *Employee Earnings: Median weekly earnings, by industry*, ABS, accessed 27 April 2022.

ABS, 2022. *Labour Force, Australia, Detailed*, ABS, accessed 5 May 2022.

Department of Education, Skills and Employment (DESE), 2022. *Mining*, DESE, accessed 29 April 2022.

Department of Industry, Science, Energy and Resources (DISER), 2022. *Resources and Energy Quarterly: March 2022*, DISER, accessed 9 May 2022.

Regional Investment Corporation (RIC) Board. 2020. *Annual Report 2017-18*, RIC, accessed 27 April 2022.

Remuneration Tribunal, 2021. *Remuneration and Allowances for Holders of Part-Time Public Office*, Office of Parliamentary Counsel, accessed 27 April 2022.

RMIT Australian Broadcasting Corporation (ABC) Fact Check, 2019. *Are there really 54,000 people employed in thermal coal mining?*, ABC, accessed 27 February 2022.

University of Technology Sydney (UTS) Institute for Sustainable Futures, 2020. *Renewable Energy Jobs in Australia: Stage One*, UTS, accessed 27 April 2022.

Attachment A – Looking after coal workers – financial implications

Table A1: Looking after coal workers – 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													
Component 1	*-2.2*	*-2.3*	*-2.4*	*-2.4*	*-2.5*	*-2.6*	*-2.7*	*-2.8*	*-2.9*	*-3.1*	*-3.2*	***-9.3***	***-29.1***
Component 2 - The Fund	*-*	*-406.0*	*-348.0*	*-523.0*	*-459.0*	*-313.0*	*-206.0*	*-78.0*	*-113.0*	*-354.0*	*-*	***-1,277.0***	***-2,800.0***
Component 2 - Administering the Fund	*-*	*-15.6*	*-5.5*	*-2.6*	*-2.3*	*-1.6*	*-1.0*	*-0.4*	*-0.6*	*-1.8*	*-*	***-23.7***	***-31.4***
Component 3	*-180.0*	*-380.0*	*-590.0*	*-820.0*	*-1,060.0*	*-1,320.0*	*-1,590.0*	*-1,890.0*	*-2,080.0*	*-2,290.0*	*-2,380.0*	***-1,970.0***	***-14,580.0***
Total – administered	***-182.2***	***-803.9***	***-945.9***	***-1,348.0***	***-1,523.8***	***-1,637.2***	***-1,799.7***	***-1,971.2***	***-2,196.5***	***-2,648.9***	***-2,383.2***	***-3,280.0***	***-17,440.5***
Departmental													
Component 1	*-6.8*	*-6.8*	*-3.3*	*-3.3*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.4*	*-3.5*	*-3.5*	***-20.2***	***-44.2***
Component 3	*-2.4*	*-5.0*	*-7.7*	*-10.7*	*-13.8*	*-17.1*	*-20.7*	*-24.6*	*-27.2*	*-29.9*	*-31.1*	***-25.8***	***-190.2***
Total – departmental	***-9.2***	***-11.8***	***-11.0***	***-14.0***	***-17.2***	***-20.5***	***-24.1***	***-28.0***	***-30.6***	***-33.4***	***-34.6***	***-46.0***	***-234.4***
Total – expenses	**-191.4**	**-815.7**	**-956.9**	**-1,362.0**	**-1,541.0**	**-1,657.7**	**-1,823.8**	**-1,999.2**	**-2,227.1**	**-2,682.3**	**-2,417.8**	**-3,326.0**	**-17,674.9**
Total (excluding PDI)	**-191.4**	**-815.7**	**-956.9**	**-1,362.0**	**-1,541.0**	**-1,657.7**	**-1,823.8**	**-1,999.2**	**-2,227.1**	**-2,682.3**	**-2,417.8**	**-3,326.0**	**-17,674.9**

(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. 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: Looking after coal workers – 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	*-2.0*	*-14.0*	*-34.0*	*-61.0*	*-97.0*	*-141.0*	*-193.0*	*-255.0*	*-330.0*	*-424.0*	*-531.0*	***-111.0***	***-2,082.0***
Underlying cash balance	*-2.0*	*-12.0*	*-32.0*	*-58.0*	*-93.0*	*-135.0*	*-186.0*	*-248.0*	*-321.0*	*-413.0*	*-518.0*	***-104.0***	***-2,018.0***

(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 glossary[2].

(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.

Attachment B – Looking after coal workers – forecast thermal coal production and metallurgical coal exports

Table B1: Looking after coal workers – Thermal coal production to 2026-27[(a)]

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Production (Mt)	*256*	*256*	*257*	*257*	*254*	*256*

(a) Sourced from DISER report *Resources and Energy Quarterly: March 2022*.

Table B2: Looking after coal workers – Metallurgical coal exports to 2027[(a)]

	2021	2022	2023	2024	2025	2026	2027
Australian exports (Mt)	*167*	*179*	*179*	*181*	*181*	*183*	*185*

(a) Sourced from DISER *Resources and Energy Quarterly: March 2022*. Export values are presented as no production values were available.

Parliamentary
Budget Office

Preparing for Climate Impacts	
Party:	Australian Greens

Summary of proposal:

The proposal includes four components which would provide funding to prepare and respond to natural disasters.

- **Component 1:** Provide $5 billion, divided evenly over ten years, to be used as funding to support fire and emergency services across state and territories. Funding would be administered through grants to address difficulties in upgrading equipment, bushfire prevention and land management programs, as well as supporting the hiring and training of new personnel. Additional funding would be provided to meet departmental expenses.
- **Component 2:** Provide one-off grants of up to $20,000 to all single dwelling households in high-risk areas for flood or cyclone to subsidise the costs of proofing the house against cyclones and floods.
  - Existing dwellings, and dwellings built after 1 July 2023 would be eligible for the grant.
  - Where a household is seeking a grant more than $3,000 – itemised quotes of the work to be undertaken would be provided with the application.
  - Payments would be made available when cyclone and/or flood proofing contracts are entered into.
  - Applicants would be required to make a 50% co-contribution towards the approved works.
- **Component 3:** Provide $600 million per year until 2026-27, to fund mitigation works across the nation, to be drawn from the Emergency Response Fund (ERF) in addition to what is already drawn. From 2027-28, an additional $300 million per annum would be provided. This money must be spent each year on mitigation works.
- **Component 4:** Provide $25 million a year, indexed at consumer price index (CPI), to establish a new research institute to examine and propose measures to help draw down carbon from the atmosphere and prevent climate change. It would be co-located within existing public service premises.

The proposal would be ongoing from 1 July 2023.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $6,510 million and decrease the underlying cash and headline cash balance by around $6,490 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 include the impact on public debt interest because Component 3 of the proposal involves changes in financial assets held by the Australian Government through the ERF.

The financial implications of Component 2 are sensitive to assumptions around the program uptake, which is driven by behavioural responses from eligible households and the building construction industry. Payments would be made available once contracts are entered into rather than as work is done. This means there would be a delay between contracting work and the work being performed.

The financial implications of Component 3 are sensitive to estimates around the rate of return that would be achieved by the fund. It is assumed that the fund's benchmark would be representative of the performance of the fund over the medium term.

The current estimated earnings of the ERF are sufficient to cover the funds for existing commitments, but not the additional specified payment amounts. This means ERF's balance would decrease over time under the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-2,071.7	-2,165.3	-2,271.2	**-6,508.2**
Underlying cash balance	-	-2,068.7	-2,159.3	-2,265.2	**-6,493.2**
Headline cash balance	-	-2,068.7	-2,159.3	-2,265.2	**-6,493.2**

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

Component 2

- On average, around 48,000 eligible households would apply for the grant per year over the medium term. Of the eligible households, around 30,000 grants would be for new dwellings and around 18,000 would be for existing dwellings.
  - Program uptake for new households would be driven by the rate of new dwelling construction. Program uptake for the existing dwellings cohort would be higher in the first half of the medium-term.
  - Owners of all eligible new dwellings would apply for the full $20,000 grant due to the financial incentives and relative ease to incorporate enhancements during the construction process.
  - Exiting homeowner uptake is informed by the take-up rate of the Household Resilience Program in 2019-20 administered by the Queensland Government and adjusting for the value of co-contribution.
  - The behavioural impact of co-contribution is based on the price elasticity of demand for house insurance of -0.1 (in line with a 2008 Australian National University research paper *Insurance Law and Economics: An Analysis of the Demand for House and Contents Insurance in Australia*).
- Eligible existing homeowners would access on average $15,000 to retrofit their dwelling.

- Grants would be administered by the states and territories, leveraging existing resources. As such, Commonwealth departmental expenses would be absorbed by existing resources and are therefore not significant.

Component 3

- The annual rate of forgone return from the ERF would be equivalent to the benchmark rate of return of 2.5% above the CPI over the medium term.
- Associated departmental expenses would be minimal and absorbed by existing resources.
- In the absence of this proposal, $50 million would be drawn from the ERF each year.

Methodology

Component 1

Administered expenses were distributed evenly over 10 years as specified in the costing request. Departmental expenses were based on a program of similar nature.

Component 2

Financial implications were calculated by multiplying the specified payment amount by the estimated number of new eligible new dwellings and a proportion of existing dwellings as described above.

The estimates of the number of eligible households were informed by:

- The cyclone and floods risk analysis published by the Insurance Australia Group (IAG) and SGS Economics and Planning
- Actual uptake of the Household Resilience Program adjusted for the expended geographical coverage and a greater scope of eligibility of the proposed scheme, as well as the assumed lower take-up in response to the higher co-contribution percentage.

Component 3

Financial implications were the impact of the specified payments and net of the forgone earnings. The financial impact of the proposal would be partially offset by a reduction in fund management costs associated with the decreasing value of the ERF.

Component 4

Financial implications for the institute by CPI as specified in the costing request.

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

Data sources

Data for the number of eligible dwellings located in Local Government Areas (LGAs) at high risk of cyclone and flood damage was taken from the sum of dwellings categorised as a 'separate house' in

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

the dataset, Australian Bureau of Statistics (ABS), *LGA 2011 based data for Dwelling Structure Basic Community Profile Table B31*, 2011, accessed 9 November 2021.

Details of the Household Resilience Program was taken from the Department of Housing and Public Works, *2019-2020 Annual Report*, page 10, Australian Government, 2020, accessed 9 November 2021.

Estimates of tropical cyclone risk and flood risk by LGA was taken from the dataset, Insurance Australia Group (IAG) and SGS Economics and Planning, *SGS Economics and Planning and IAG - Natural Perils Risks*, 2016, accessed 9 November 2021.

Information on the benchmark return and risk of capital loss of the Emergency Response Fund was taken from the, Future Fund Board of Guardians, *Statement of Investment Policies*, February 2021, accessed 9 November 2021.

The annual limit on amounts debited from the ERF Special Account was taken from the Emergency Response Fund Act 2019, section 34, accessed 9 November 2021.

The Department of Finance provided estimates of the Emergency Response Fund net assets under management and management costs over the medium term.

The Department of the Treasury provided CPI projections as at the 2022-23 Budget.

The estimate for the price of demand of elasticity for house insurance is from, G Barker and R Tooth, 'Insurance Law and Economics: An Analysis of the Demand for House and Contents Insurance in Australia', *ANU Centre for Law and Economics*, Working Paper No.1, 2008, accessed 14 February 2022.

The rate of change in the number of dwellings located in LGAs at high risk of cyclone and flood damage was calculated from the sum of dwellings categorised as 'separate house' between 2006 and 2016, taken from the dataset, Australian Bureau of Statistics (ABS), *Census Time Series 2016, 2011, 2006: T24 Dwelling Structure by Dwelling Type (LGA)*, accessed 9 November 2021.

Tropical cyclone risk and flood risk by LGA was informed by the report, Insurance Australia Group (IAG) and SGS Economics and Planning, *At what cost? Mapping where natural perils impact on economic growth and communities*, accessed 9 November 2021.

Attachment A – Preparing for Climate Impacts – financial implications

Table A1: Preparing for Climate Impacts – 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													
Component 3: Investment earnings	-	-36.0	-71.0	-106.0	-138.0	-160.0	-186.0	-214.0	-243.0	-269.0	-299.0	**-213.0**	**-1,722.0**
Total – administered non-tax	-	**-36.0**	**-71.0**	**-106.0**	**-138.0**	**-160.0**	**-186.0**	**-214.0**	**-243.0**	**-269.0**	**-299.0**	**-213.0**	**-1,722.0**
Expenses													
Administered													
Component 1: Grants to support fire and emergency services	-	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	**-1,500.0**	**-5,000.0**
Component 2: Grants to retrofit for cyclones and floods	-	-871.0	-895.0	-919.0	-926.0	-916.0	-905.0	-861.0	-783.0	-704.0	-711.0	**-2,685.0**	**-8,491.0**
Component 3: Grant payments	-	-600.0	-600.0	-600.0	-600.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	**-1,800.0**	**-4,200.0**
Component 3: Reduction in management fees	-	2.6	5.3	8.1	11.1	12.9	14.8	16.9	19.0	21.2	23.6	**16.0**	**135.5**
Total – administered	-	**-1,968.4**	**-1,989.7**	**-2,010.9**	**-2,014.9**	**-1,703.1**	**-1,690.2**	**-1,644.1**	**-1,564.0**	**-1,482.8**	**-1,487.4**	**-5,969.0**	**-17,555.5**
Departmental													
Component 1: Grants to support fire and emergency services	-	-19.3	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	**-35.1**	**-90.4**
Component 4: New research institute	-	-25.0	-25.7	-26.4	-27.0	-27.7	-28.3	-29.0	-29.8	-30.5	-31.3	**-77.1**	**-280.7**
Total – departmental	-	**-44.3**	**-33.6**	**-34.3**	**-34.9**	**-35.6**	**-36.2**	**-36.9**	**-37.7**	**-38.4**	**-39.2**	**-112.2**	**-371.1**
Total – expenses	-	**-2,012.7**	**-2,023.3**	**-2,045.2**	**-2,049.8**	**-1,738.7**	**-1,726.4**	**-1,681.0**	**-1,601.7**	**-1,521.2**	**-1,526.6**	**-6,081.2**	**-17,926.6**
Total (excluding PDI)	-	**-2,048.7**	**-2,094.3**	**-2,151.2**	**-2,187.8**	**-1,898.7**	**-1,912.4**	**-1,895.0**	**-1,844.7**	**-1,790.2**	**-1,825.6**	**-6,294.2**	**-19,648.6**
PDI impacts	-	**-23.0**	**-71.0**	**-120.0**	**-175.0**	**-232.0**	**-291.0**	**-356.0**	**-426.0**	**-502.0**	**-584.0**	**-214.0**	**-2,780.0**
Total (including PDI)	-	**-2,071.7**	**-2,165.3**	**-2,271.2**	**-2,362.8**	**-2,130.7**	**-2,203.4**	**-2,251.0**	**-2,270.7**	**-2,292.2**	**-2,409.6**	**-6,508.2**	**-22,428.6**

(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: Preparing for Climate Impacts – Underlying and 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
Non-tax receipts													
Component 3: Investment earnings	-	-36.0	-71.0	-106.0	-138.0	-160.0	-186.0	-214.0	-243.0	-269.0	-299.0	***-213.0***	***-1,722.0***
Total - administered non-tax	-	***-36.0***	***-71.0***	***-106.0***	***-138.0***	***-160.0***	***-186.0***	***-214.0***	***-243.0***	***-269.0***	***-299.0***	***-213.0***	***-1,722.0***
Payments													
Administered													
Component 1: Grants to support fire and emergency services	-	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	***-1,500.0***	***-5,000.0***
Component 2: Grants to retrofit for cyclones and floods	-	-871.0	-895.0	-919.0	-926.0	-916.0	-905.0	-861.0	-783.0	-704.0	-711.0	***-2,685.0***	***-8,491.0***
Component 3: Grant payments	-	-600.0	-600.0	-600.0	-600.0	-300.0	-300.0	-300.0	-300.0	-300.0	-300.0	***-1,800.0***	***-4,200.0***
Component 3: Reduction in management fees	-	2.6	5.3	8.1	11.1	12.9	14.8	16.9	19.0	21.2	23.6	***16.0***	***135.5***
Total – administered	-	***-1,968.4***	***-1,989.7***	***-2,010.9***	***-2,014.9***	***-1,703.1***	***-1,690.2***	***-1,644.1***	***-1,564.0***	***-1,482.8***	***-1,487.4***	***-5,969.0***	***-17,555.5***
Departmental													
Component 1: Grants to support fire and emergency services	-	-19.3	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	-7.9	***-35.1***	***-90.4***
Component 4: New research institute	-	-25.0	-25.7	-26.4	-27.0	-27.7	-28.3	-29.0	-29.8	-30.5	-31.3	***-77.1***	***-280.7***
Total – departmental	-	***-44.3***	***-33.6***	***-34.3***	***-34.9***	***-35.6***	***-36.2***	***-36.9***	***-37.7***	***-38.4***	***-39.2***	***-112.2***	***-371.1***
Total – payments	-	**-2,012.7**	**-2,023.3**	**-2,045.2**	**-2,049.8**	**-1,738.7**	**-1,726.4**	**-1,681.0**	**-1,601.7**	**-1,521.2**	**-1,526.6**	**-6,081.2**	**-17,926.6**
Total (excluding PDI)	-	**-2,048.7**	**-2,094.3**	**-2,151.2**	**-2,187.8**	**-1,898.7**	**-1,912.4**	**-1,895.0**	**-1,844.7**	**-1,790.2**	**-1,825.6**	**-6,294.2**	**-19,648.6**
PDI impacts	-	***-20.0***	***-65.0***	***-114.0***	***-168.0***	***-225.0***	***-284.0***	***-348.0***	***-418.0***	***-493.0***	***-574.0***	***-199.0***	***-2,709.0***
Total (including PDI)	-	**-2,068.7**	**-2,159.3**	**-2,265.2**	**-2,355.8**	**-2,123.7**	**-2,196.4**	**-2,243.0**	**-2,262.7**	**-2,283.2**	**-2,399.6**	**-6,493.2**	**-22,357.6**

(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.

Parliamentary Budget Office

Climate Change Authority	
Party:	Australian Greens
Summary of proposal: The proposal consists of 4 components and would have effect from 1 July 2022. Component 1: Establish a national climate emergency National Climate Action Taskforce, which includes the Prime Minister, Leader of the Opposition, Greens Leader and State Premiers to oversee a whole of government response to the climate and environmental emergency. The National Climate Action Taskforce would implement a plan to achieve Australia's climate and environment 2030 and 2035 targets and post net-zero negative emission drawdown programs. Component 2: Allocate $27 million a year to a revamped Climate Change Authority to advise the National Climate Action Taskforce on the impacts of the climate crisis (particularly in the Asia-Pacific region) and to develop sectoral net zero plans for each sector of the economy to guide the decisions of the National Climate Action Taskforce (ongoing funding). Component 3: Allocate $30 million of funding over two years to the Climate Change Authority to conduct a national security assessment of the impacts of the climate crisis on Australia's economy and society. Component 4: Allocate $24 million of funding in 2022-23 to the Climate Change Authority to develop 8 sectoral net zero plans for each sector of the economy and to develop a post net-zero negative emission drawdown program.	

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by around $162 million over the 2022-23 Budget forward estimates period, which is entirely driven by an increase in departmental expenses.

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) over the period to 2032-33 is provided at Attachment A.

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

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-66.0	-42.0	-27.0	-27.0	**-162.0**
Underlying cash balance	-66.0	-42.0	-27.0	-27.0	**-162.0**

(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 this proposal.

- The full capped funding amounts would be allocated.
- All specified funding amounts would be departmental expenses.

Methodology

Financial impacts were as specified under the proposal.

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

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

Attachment A – Climate Change Authority – financial implications

Table A1: Climate Change Authority – 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													
Departmental													
Component 1 & 2: National Climate Emergency "National Climate Action Taskforce" – secretariat support and advice	*-27.0*	*-27.0*	*-27.0*	*-27.0*	*-27.0*	*-27.0*	*-27.0*	*-27.0*	*-27.0*	*-27.0*	*-27.0*	***-108.0***	***-297.0***
Component 3: National security assessment	*-15.0*	*-15.0*	-	-	-	-	-	-	-	-	-	***-30.0***	***-30.0***
Component 4: Net zero plans	*-24.0*	-	-	-	-	-	-	-	-	-	-	***-24.0***	***-24.0***
Total – expenses	**-66.0**	**-42.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	-162.0	-351.0
Total (excluding PDI)	**-66.0**	**-42.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-27.0**	**-162.0**	**-351.0**

(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.

\- Indicates nil.

Table A2: Climate Change Authority – 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	*-0.7*	*-2.0*	*-2.8*	*-3.5*	*-4.2*	*-5.0*	*-5.9*	*-6.9*	*-8.0*	*-9.1*	*-10.9*	***-9.0***	***-59.0***
Underlying cash balance	*-0.7*	*-1.8*	*-2.7*	*-3.4*	*-4.1*	*-4.9*	*-5.8*	*-6.8*	*-7.8*	*-9.0*	*-10.7*	***-8.6***	***-57.7***

(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 glossary[2].

(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)

Parliamentary
Budget Office

Carbon Drawdown: Income for land managers	
Party:	Australian Greens
Summary of proposal: The proposal has 6 components that would have effect from 1 July 2022. • Component 1 would invest $250 million across 3 years to establish the Green Agriculture Australia research and development centre. • Component 2 would invest $10 million across 3 years to create an organic advisory service for famers in each state and territory. • Component 3 would require the Clean Energy Regulator (the Regulator) to purchase Australian Carbon Credit Units (ACCUs) at $50/tonne. – This would replace the Regulator's current purchasing arrangements from the proposal start date. • Component 4 would restore the Carbon Farming Futures Program at $25 million per annum. • Component 5 would invest $20 million across 3 years to fund projects to support the hemp industry. • Component 6 would invest $50 million across 3 years to create a research and development centre for seaweed farming.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by $3,870.6 million across the 2022-23 Budget forward estimates. The decrease in the budget balances reflects an increase in administered expenses of $3,854.5 million and an increase in departmental expenses of $16.1 million.

Components 3 and 4 of 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 3 are highly uncertain and particularly sensitive to assumptions about the supply and demand for ACCUs. Demand for ACCUs from market participants other than the Australian Government (the Government) increased in recent months, but whether the increase will continue is difficult to determine. If the increase continues, ACCUs could be diverted away from the Government to other sources of demand in the market. Alternatively, the Government could remain as the predominant source of demand, but expenditure on ACCUs would be likely to increase substantially. Furthermore, the 2022-23 Budget included the measure *Energy and Emissions Reduction*, which allows holders of fixed-delivery contracts with the Government to exit these contracts on payments of an exit-fee. The rate at which fixed-delivery contracts are cancelled is an additional source of uncertainty.

In addition, the supply of ACCUs from 2022-23 onwards is assumed to increase at the rate observed between 2019-20 and 2020-21, but the Regulator's most recent report notes that the increase in demand for ACCUs in recent months means that supply to the secondary market is likely to increase beyond expectations. Aside from this possible behavioural response, novel technologies that decrease the costs associated with carbon abatement activities could increase ACCU supply beyond that attributed to market forces, compounding the existing uncertainty.

The above does not consider the interactions between supply and demand, but both factors could result in the financial implications of the proposal being significantly different than estimated. In any case, caution should be exercised when interpreting the financial implications in this response.

The PBO has not made an assessment as to whether the specified funds for the remaining components are sufficient to meet the objectives of the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*-865.1*	*-945.2*	*-1,035.2*	*-1,025.1*	**-3,870.6**
Underlying cash balance	*-865.1*	*-945.2*	*-1,035.2*	*-1,025.1*	**-3,870.6**

(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.
\- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing Component 3 of the proposal.

- The auction and spot prices for ACCUs would increase by 5% per annum from 2022-23.
- In the absence of policy change:
  - the Government would fulfill 50% of its contracted volume of ACCUs purchases as at September 2021.
    - The 2022-23 Budget included the measure *Energy and Emissions Reduction* (Budget Paper No. 2, page 125), which allows holders of fixed-delivery contracts to exit their contract with the Government on payment of an exit fee.
    - Combined with an increase in demand for ACCUs from private entities, the PBO considers it unlikely that the current volume of contracts will be fulfilled, which is supported by commentary in the Regulator's December 2021 Quarterly Carbon Market Report.
- If the proposal was implemented:
  - the Government would fulfill its current volume of contracted ACCUs purchases as at September 2021 and remain as the dominant source of demand in the market.
    - This assumption was informed by the assumed increases in the auction and spot prices for ACCUs relative to the proposed price, which is much higher than both.
  - the supply of ACCUs would increase by 9% per annum from 2022-23.
    - This assumption was informed by the observed increase in ACCUs supply between 2019-20 and 2020-21 and includes a provision for the expected behavioural response due to the Government purchasing above the assumed auction and spot prices.

  - demand for ACCUs from corporations and state and territory governments would remain at around 5% of total supply from 2022-23.
- Current funds for the Emissions Reduction Fund (ERF) and the Climate Solutions Fund (CSF) would be re-allocated to implement the proposal.
- Departmental expenses to implement this component would be nil.

Methodology

Components 1, 2, 4, 5, and 6

- The financial implications of these components were as specified in the proposal, disaggregated into administered and departmental expenses based on similar budget measures.

Component 3

The financial implications of Component 3 were estimated as the total of 3 elements.

- The costs to the Government to fulfill its contracted volume of ACCUs purchases as at September 2021, based on the assumptions detailed above.
  - These were estimated as the difference between the Regulator's contracted purchases at the proposed price and the estimated purchases at the assumed auction price.
- The costs to the Government for future purchases at the proposed price of $50/tonne.
  - These were estimated by multiplying the projected supply of ACCUs from 2022-23 by the proposed price.
  - The estimated volume of ACCUs purchased by the Government was adjusted to provide for demand from corporations and state and territory governments.
- The re-allocation of funds from the ERF and CSF to implement the proposal.
  - Current funds for the ERF and CSF were subtracted from the 2 elements above to estimate the costs of the proposal above the budget baseline

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

Data sources

Australian Government, 2022. *2022-23 Budget*, accessed 28 April 2022.

Clean Energy Regulator, 2022. *Quarterly Carbon Market Report – December 2021*, accessed 28 April 2022.

Clean Energy Regulator, 2021. *Quarterly Carbon Market Report – September 2021*, accessed 28 April 2022.

Clean Energy Regulator, 2021. *Auction Results: October 2021*, accessed 28 April 2022.

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

Attachment A – Carbon Drawdown: Income for land managers – financial implications

Table A1: Carbon Drawdown: Income for land managers – 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													
Component 1	*-79.2*	*-81.3*	*-81.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-241.8***	***-241.8***
Component 2	*-3.1*	*-3.2*	*-3.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-9.5***	***-9.5***
Component 3	*-730.0*	*-810.0*	*-900.0*	*-1,000.0*	*-1,100.0*	*-1,220.0*	*-1,370.0*	*-1,530.0*	*-1,690.0*	*-1,870.0*	*-2,100.0*	***-3,440.0***	***-14,320.0***
Component 4	*-23.5*	*-24.3*	*-24.3*	*-24.3*	*-24.3*	*-24.3*	*-24.3*	*-24.3*	*-24.3*	*-24.3*	*-24.3*	***-96.4***	***-266.5***
Component 5	*-6.1*	*-6.3*	*-6.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-18.7***	***-18.7***
Component 6	*-15.7*	*-16.2*	*-16.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-48.1***	***-48.1***
Total – administered	***-857.6***	***-941.3***	***-1,031.3***	***-1,024.3***	***-1,124.3***	***-1,244.3***	***-1,394.3***	***-1,554.3***	***-1,714.3***	***-1,894.3***	***-2,124.3***	***-3,854.5***	***-14,904.6***
Departmental													
Component 1	*-4.2*	*-2.1*	*-2.1*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-8.4***	***-8.4***
Component 2	*-0.3*	*-0.2*	*-0.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.7***	***-0.7***
Component 3	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 4	*-1.5*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	***-3.9***	***-9.5***
Component 5	*-0.5*	*-0.3*	*-0.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.1***	***-1.1***
Component 6	*-1.0*	*-0.5*	*-0.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.0***	***-2.0***
Total – departmental	***-7.5***	***-3.9***	***-3.9***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-16.1***	***-21.7***
Total (excluding PDI)	**-865.1**	**-945.2**	**-1,035.2**	**-1,025.1**	**-1,125.1**	**-1,245.1**	**-1,395.1**	**-1,555.1**	**-1,715.1**	**-1,895.1**	**-2,125.1**	**-3,870.6**	**-14,926.3**

(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: Carbon Drawdown: Income for land managers – 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	*-10.0*	*-31.0*	*-54.0*	*-78.0*	*-106.0*	*-139.0*	*-179.0*	*-228.0*	*-288.0*	*-358.0*	*-448.0*	***-173.0***	***-1,919.0***
Underlying cash balance	*-9.0*	*-28.0*	*-51.0*	*-75.0*	*-102.0*	*-135.0*	*-174.0*	*-223.0*	*-280.0*	*-349.0*	*-437.0*	***-163.0***	***-1,863.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

Green Australia	
Party:	Australian Greens

Summary of proposal:

The proposal consists of 30 components and would start from 1 July 2022. Departmental expenses would be included in the capped amounts, unless otherwise specified.

Component 1 – Department of Agriculture, Water and the Environment (DAWE)

- Element 1 would provide $1,088 million, with the following profile from 2022-23 to 2031-32 to the DAWE to employ additional staff.

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
$m	39	71	96	111	116	120	126	131	136	142

- Element 2 would provide $40 million per year for 5 years to the DAWE to produce and update threatened species recovery plans.
- Element 3 would provide $20 million in grants funding per year towards conservation covenant monitoring.
- Element 4 would provide $1.5 million per year to the Long-term Ecological Research Network.
- Element 5 would commit $3 million per year to the National Climate Change Adaptation Research Facility.

Component 2 – National Reserve System Program

- Element 1 would allocate $71 million over a decade, with the following profile and funding ceasing in 2031-32, to establish land parcels that are free of invasive species.

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
$m	3.83	5.06	6.29	7.52	8.75	9.98	7.38	7.38	7.38	7.38

- Element 2 would provide $2.4 million over 3 years to the Australia Seed Bank Partnership.
- Element 3 would provide funding to the National Reserve System program to take total funding for Component 2 to $200 million per year.

Component 3 would provide funding to train and employ land managers.

- Land manager average salaries would be comparable to Australian Public Service (APS) salaries.
- Land managers would need to complete 2 years of Vocational Education and Training (VET) training (without cost), with 2,000 scholarships per year being made available to successful applicants.

Component 4 – Landscape restoration

- Element 1 would provide $83.5 million per year to Landcare.
- Element 2 would provide $5.3 million per year to fund the Whole of Paddock Program.

- Element 3 would provide $72.5 million per year for 5 years to establish a grants funding program for local councils, the Local Greening Program.
- Element 4 would establish a capped $25 million per year grant program with funds allocated for approved conservation works at the beginning of each financial year. It would provide $25,000 packages that are indexed to the wage price index to landowners to fund conservation works beginning 1 July 2022.
- Element 5 would provide funding to further landscape restoration projects to take total funding for Component 4 to $500 million per year.

Component 5 would provide $140 million per year to the development of invasive species threat abatement plans and a National Invasive Species Action plan.

Component 6 would negotiate with state and territory governments to end native clearing and would provide $20 million for forestry research over 4 years. The Australian Government would not fund compensation payments to affected landholders.

Component 7 would provide $455 million per year to the implement the Threatened Species Recovery Plans.

Component 8 would provide $80 million per year in grant funding for agricultural purchases of non-synthetic farming input and runoff reducing infrastructure.

Component 9 would reinstate the National Bushfire Mitigation Program and provide funding of $9.5 million per year from 2022-23 to 2024-25.

Component 10 would provide additional funding of $520 million to the Director of National Parks from 2022-23 to 2031-32, with the following profile.

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
$m	44	48	50	51	52	53	54	55	56	57

Component 11 would provide $247 million from 2022-23 to 2025-26 to make compensation payments to commercial fisheries.

Component 12 would provide $150 million to the rehabilitation of major rivers and lakes in Australian cities to be clean enough to swim in within the next decade, ceasing in 2031-32. This funding would go towards investing in water treatment, environmental clean-up and storm water harvesting.

Component 13 would provide ongoing funding to Environmental Defenders' Offices and Conservation Councils, which would be indexed to the consumer price index (CPI).

For 2022-23, administered funding for Environmental Defenders' Offices would be $3.8 million and for Conservation Councils $5.8 million.

Departmental expenses for Component 13 would be in addition to the capped amounts.

Component 14 would provide an additional $6 million per year for 5 years to the Wet Tropics Management Authority, with $4 million per year to the Authority and $2 million for the Townsville eradication efforts.

Component 15 would create a new independent statutory national environmental protection agency (EPA), which would administer and enforce national environmental laws. Ongoing funding would be $150 million per year, indexed to the CPI. This would include the existing funding from the Department of Agriculture, Water and the Environment's Program 1.5: Environmental Regulation.

Component 16 would fund a $60 million Federal Royal Commission over 2 years into the administration of the Murray-Darling Basin Plan.

Component 17 would suspend all payments for 'water-saving measures' relating to the Murray-Darling Basin Plan. These would include 'supply and constraint measures' and 'efficiency measures' from the Murray-Darling Basin Plan sustainable diversion limit adjustment projects.

Component 18 would use water buybacks to fill the shortfall from the 450 gigalitre (GL) per year target currently set for the efficiency measures, to complete the Murray-Darling Basin Plan in full and on time.

Component 19 would conduct a full audit of water licences and storage throughout the Murray-Darling Basin including both domestic and internationally held licenses.

Component 20 would establish a $2 billion grant fund, administered through the Department of Agriculture, Water and the Environment, with profits to be dispersed as grants to support improved farming practices and restoration projects.

Component 21 would recoup the balance of the $443.4 million funding previously given to the Great Barrier Reef Foundation and increase funding to the Great Barrier Reef Marine Park Authority and the Australian Institute of Marine Science by $90 million per year over 3 years.

Component 22 would fund negotiations with the states and territories to end native forestry logging. The Australian Government would not fund compensation payments to affected landholders.

Component 23 – Farm forestry

- Element 1 would provide $10 million in 2022-23 to research and plan a strategy on how the forestry sector could sustainably support Australia's transition to net zero emissions.
- Element 2 would provide $20 million over 4 years to fund the research and development of sustainable wood products.
- Element 3 would provide $40 million over 4 years to provide support for farm forestry through the regional farm forestry hubs.

Component 24 would provide $20 million in 2022-23 to prioritise a recovery plan for giant kelp. Departmental expenses would be in addition to the capped amounts.

Component 25 would provide $40 million funding in 2022-23 to establish an Invasive Marine Species Unit within the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Component 26 would provide $0.5 million in 2022-23 for a Great Southern Reef Special Envoy.

Component 27 would provide $50 million funding evenly spread over 10 years towards research and development of non-lethal shark control measures, ceasing in 2031-32. Departmental expenses would be in addition to capped amounts.

Component 28 would provide $20 million, evenly spread over 5 years, to create new locations and support existing areas to strengthen the conservation and protection of the marine environment.

Component 29 would provide $50 million evenly spread over 5 years, towards wetlands and coastal restoration projects, including tidal marshes, mangroves and seagrasses.

Component 30 would reverse the $128.5 million environmental law reform (terminating in 2025-26) measure in the 2022-23 Budget.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $9,850 million, the underlying cash balance by around $9,820 million and the headline cash balance by around $11,820 million over the 2022-23 Budget forward estimates period.

There would be no savings from Component 17 to offset these amounts as there are no uncommitted funds available. There would be departmental savings from Component 30 as part of reversing the measure.

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) over the period to 2032-33 is provided at Attachment A.

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

The financial implications of the split between departmental and administered expenses within the capped components are uncertain, particularly as several components involve implementing new programs. In addition, the PBO has not assessed whether the capped funding amounts would be sufficient to achieve the stated outcomes.

In addition, the financial implications of the following components are sensitive to certain assumptions.

- **Component 3** is sensitive to assumptions around training completion rates and employee turnover.
- **Component 15** is sensitive to the availability and size of the specified budget offset.
- **Component 18** is highly uncertain and sensitive to a range of factors, including:
  - the amount of water that would be recovered through efficiency measures by 2023-24, which in turn would be affected by 'social views, government policies and political positions; and the current program's attractiveness to potential participants' according to the *First Review of the Water for the Environment Special Account*
  - the water market prices at the time of water buybacks.
- **Component 20** is uncertain and sensitive to the speed at which capital would be deployed and the rate of return of the fund. The net earnings from investments are highly sensitive to capital losses.
- **Components 22 and 23** are sensitive to the assumed costs of facilitating inter-governmental negotiations and implementing agreed regulations to end native forestry logging.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-1,844.1	-3,246.1	-2,301.0	-2,454.9	**-9,846.1**
Underlying cash balance	-1,841.1	-3,237.1	-2,292.0	-2,447.9	**-9,818.1**
Headline cash balance	-2,341.1	-4,237.1	-2,792.0	-2,447.9	**-11,818.1**

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

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1

- Consistent with PBO general election guidance, in the absence of a public statement to the contrary the PBO has assumed that Element 1 is ongoing[1].

Component 3

- All land management scholarship recipients who successfully complete their studies would subsequently be employed by the Australian Government.
  - This is the cause of the sudden jump in departmental expenses for this component in 2024-25.
- The salary range of land managers would be structured where they are graduates for 2 years, APS 5 for 3 years, then reaching the APS 6 level.
- The annual student attrition rate for the scholarships would be 16.3% per year, which is comparable to attrition rates for university degrees and lower than VET programs.
- Employed land managers would have an attrition rate of 15% per year.

Component 6

- Consistent with PBO general election guidance, in the absence of a public statement to the contrary the PBO has assumed that this component is ongoing[1].
- There would be no associated negotiating costs with state and territory governments to end native clearing.

Component 10

- Consistent with PBO general election guidance, in the absence of a public statement to the contrary the PBO has assumed that this component is ongoing[1].
- There would be no additional departmental costs as funding is directed to an existing program or function.

Component 12

- The expenditure would be spread evenly over the decade.

[1] *PBO general election guidance 2 of 4, 2021 The election commitments report: overview*

Component 14

- There would be no additional departmental costs for this component.

Component 15

- Initial start-up costs would be incurred in early 2022-23 to secure and fit out the required office space and are based on similar budget measures.
- 50% of uncommitted funding from *Program 1.5: Environmental Regulation* for 2022-23 and all the uncommitted funding for 2023-24 to 2031-32 would be available as a budget offset.

Component 16

- The departmental expenses for the royal commission into the administration of the Murray-Darling Basin Plan would be 5% of total funding, consistent with the funding profile of similar royal commissions.

Component 18

- There would be sufficient supply at the estimated price to achieve the water buybacks required to fill the estimated 390GL shortfall from the 450GL target set for the efficiency measures.
  - The potential volume that would be recovered through the current program by 2023-24 would be 60GL, in line with assessments by the independent panel which undertook the *First Review of the Water for the Environment Special Account*.
  - The average water purchase price would be around $3.1 million per GL. This is informed by recent water buyback experience. Surface water purchasing prices to date have been highly volatile, ranging from $0.3 million per GL to $8.5 million per GL for tenders since May 2016.

Component 19

- The independent audit into water licences and storage would result in departmental expenses of $500,000 in 2022-23.
  - This is in line with the average cost for independent audits recently conducted by the Australian National Audit Office.

Component 20

- Investments would be committed evenly over 2 years with funds deployed in 2 tranches. This is consistent with the need to assess the appropriateness of investment, the average length of investment projects and provides staged funding to the investment projects.
- The fund’s annual rate of return would be 2.5% above the CPI. The assumed rate of return is broadly consistent with other Australian Government funds’ investment performance and target performance.
- The proportion of non-performing investments over the medium term would be 10% of the total capital fund. This considers the risk of capital loss over the next 3 years and the long-term period.
- The fund management fee would be approximately 0.4% of the balance under management.
- Departmental costs (including management fees) would be broadly consistent with the departmental costs of the Medical Research Future Fund relative to the amount of funding administered.

- The amount of funding available for distribution of grants would lag the fund earnings by one year and would all be spent in the year in which it becomes available.

Component 21

- The Australian Government would be able to pass legislation that instructs the Great Barrier Reef Foundation (GBRF) to return all funds that are not contractually committed as at 1 July 2022, including earned interest.
- The DAWE has advised that all funds provided to the GBRF are notionally committed to various activities, but these funds are not contractually committed.
  - The PBO has treated these uncommitted funds as able to be returned to the Australian Government.
- The GBRF would expend or contractually commit all funds budgeted in 2021-22 in accordance with the Reef Trust Partnership Annual Work Plan 2021-22.
- Interest earnings would follow historical observations.
- The ratio of funds expensed to those committed would remain consistent with the ratio as at 31 December 2021 across the period to 1 July 2022.
- No additional departmental funding would be required to implement the proposal.

Component 22

- Negotiations with the states and territories to end native-forestry logging would occur over 4 years starting from 2022-23 and encompass similar departmental expenses as the *Budget 2021-22* measure *Murray-Darling Basin – managing water resources*.
  - The Australian Government would provide some funding to each state or territory to enable negotiations; such as outreach, facilitation and agreed activities.

Component 23

- Consistent with PBO general election guidance, in the absence of a public statement to the contrary the PBO has assumed that this component is ongoing[2].

Methodology

Component 3

The administered costs of the scholarships were estimated using the number and cost of each scholarship, as well at the retention rate of students in the course.

The departmental costs were estimated with the cost of a selection panel and employment costs of land managers based on equivalent APS renumeration levels, as well as the attrition rate.

Component 15

The financial implications were estimated by calculating the difference between the specified capped funding and funding redirected from the DAWE's *Program 1.5: Environmental Regulation*.

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[2] *PBO general election guidance 2 of 4, 2021 The election commitments report: overview*

Component 18

The financial implications of buybacks to reach the efficiency target were estimated as required volume of water buybacks multiplied by the estimated water price. Both elements are discussed above under *Key assumptions*.

- Departmental costs were estimated based on the current departmental share of total spending, excluding infrastructure, of the current program.

Component 19

The financial implications were estimated based on the average cost for independent audits recently conducted by the Australian National Audit Office.

Component 20

The equity deployment profile, investment gains, grants and departmental costs were modelled as discussed in *Key assumptions* above.

- Grants were estimated by net earnings less fund management fees and estimated capital losses.

Component 21

The increase in the budget balance represents the funds estimated to not be contractually committed as at 1 July 2022, inclusive of interest earnings.

The PBO used information provided by the DAWE as well as public information to estimate the amount that could be recouped. Projected expenditure and interest revenue in 2021-22 were based on the GBRF's budgeted commitments.

The additional funding for the 2 agencies was divided proportionally between the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science.

Component 22

The departmental expenses were based on the *Budget 2021-22* measure *Murray-Darling Basin – managing water resources* and adjusted for the larger consultation amongst state and territories, by including cost estimates for Western Australia, Tasmania and the Northern Territory.

Component 30

The departmental expenses were based on the DAWE's *2022-23 Portfolio Budget Statement*.

Capped components (remaining components)

The administered and departmental expenses for these components were as specified in the proposal. Associated departmental expenses for specified administered expenses were estimated based on the cost of similar programs.

All components

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[3]

[3] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Data sources

The Department of Agriculture and Water Resources provided funding data on contracted and uncontracted funds for the sustainable diversion limit adjustment projects as at 31 October 2021.

The DAWE provided financial information on:

- its *Program 1.5: Environmental Regulation*, as at *Budget 2022-23*
- the amount of grant funding committed and uncommitted by the Great Barrier Reef Foundation as at 30 June 2021 and 31 December 2021
- historical data as at 30 June 2021, 31 December 2021, and 31 December 2018.

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

The Department of Agriculture, Water and the Environment (2022) *Portfolio Budget Statements 2022-23*, DAWE, accessed 12 May 2022.

Australian National Audit Office (2021) *Annual report 2020–21*, ANAO, accessed 12 May 2022.

Great Barrier Reef Foundation (2021) *Reef Trust Partnership Annual Work Plan 2021-22*, GBRF, accessed 12 May 2022.

Great Barrier Reef Foundation (2021) *2021-22 Annual Work Plan for the Reef Trust Partnership*, GBRF, accessed 19 January 2022.

Department of Agriculture and Water Resources (n.d.) *First Review of the Water for the Environment Special Account*, DAWR, accessed 12 May 2022.

Department of Agriculture and Water Resources (n.d.) *Surface water purchasing – limited tender*, DAWR, accessed 12 May 2022.

Murray-Darling Basin Authority (2021) *July 2021 Report Card*, MDBA, accessed 12 May 2022.

National Careers Institute (n.d.) *My Skills, Certificate III in Conservation and Ecosystem Management*, NCI, accessed 11 May 2022.

NCI (n.d.) *My Skills, Diploma of Conservation and Ecosystem Management*, NCI, accessed 11 May 2022.

Attachment A – Green Australia – financial implications

Table A1: Green Australia – 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													
Component 20 - Investment earnings	*24.7*	*67.3*	*86.7*	*82.7*	*77.8*	*77.1*	*78.7*	*80.1*	*80.7*	*80.1*	*80.2*	***261.4***	***816.1***
Component 21 - Returning funding from the Great Barrier Reef Foundation	*88.5*	-	-	-	-	-	-	-	-	-	-	***88.5***	***88.5***
Total – revenue	**113.2**	**67.3**	**86.7**	**82.7**	**77.8**	**77.1**	**78.7**	**80.1**	**80.7**	**80.1**	**80.2**	**349.9**	**904.6**
Expenses													
Administered													
Component 1 - Department of Agriculture, Water and Environment	*-22.9*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	***-94.0***	***-259.9***
Component 2 - National Reserve System Program	*-190.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	-	***-775.0***	***-1,945.0***
Component 3 - Land managers	*-45.9*	*-47.2*	*-48.6*	*-49.8*	*-51.0*	*-52.2*	*-53.5*	*-54.9*	*-56.2*	*-57.7*	*-59.1*	***-191.5***	***-576.1***
Component 4 - Landscape restoration	*-475.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	***-1,936.0***	***-5,345.0***
Component 5 - Invasive species	*-133.0*	*-137.0*	*-137.0*	*-137.0*	*-140.0*	*-143.0*	*-147.0*	*-150.0*	*-154.0*	*-158.0*	*-162.0*	***-544.0***	***-1,598.0***
Component 6 - End native clearing	*-4.6*	*-4.8*	*-4.8*	*-4.8*	*-4.9*	*-5.0*	*-5.1*	*-5.2*	*-5.4*	*-5.5*	*-5.6*	***-19.0***	***-55.7***
Component 7 - Threatened Species Recovery	*-432.0*	*-444.0*	*-444.0*	*-444.0*	*-454.0*	*-465.0*	*-476.0*	*-488.0*	*-501.0*	*-513.0*	*-526.0*	***-1,764.0***	***-5,187.0***
Component 8 - Farming subsidies	*-76.0*	*-78.0*	*-78.0*	*-78.0*	*-79.9*	*-81.7*	*-83.7*	*-85.8*	*-88.0*	*-90.2*	*-92.5*	***-310.0***	***-911.8***
Component 9 - National Bushfire Mitigation	*-8.7*	*-9.0*	*-9.0*	-	-	-	-	-	-	-	-	***-26.7***	***-26.7***
Component 10 - Director of National Parks	*-44.0*	*-48.0*	*-50.0*	*-51.0*	*-52.0*	*-53.0*	*-54.0*	*-55.0*	*-56.0*	*-57.0*	*-58.4*	***-193.0***	***-578.4***
Component 11 – Commercial fisheries compensation	*-58.7*	*-60.2*	*-60.2*	*-60.2*	-	-	-	-	-	-	-	***-239.3***	***-239.3***
Component 12 – Water investment	*-14.0*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	-	***-57.2***	***-143.6***
Component 13 – Environmental Defenders' Offices and Conservation Councils	*-9.6*	*-9.9*	*-10.2*	*-10.4*	*-10.7*	*-10.9*	*-11.2*	*-11.5*	*-11.8*	*-12.1*	*-12.4*	***-40.1***	***-120.7***
Component 14 – Eradicating Yellow Crazy Ants in the wet tropics	*-6.0*	*-6.0*	*-6.0*	*-6.0*	*-6.0*	-	-	-	-	-	-	***-24.0***	***-30.0***
Component 15 - Environmental Protection Authority	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**

	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**
Component 16 - Murray Darling Basin	*-28.5*	*-29.3*	-	-	-	-	-	-	-	-	-	***-57.8***	***-57.8***
Component 17 - Suspend all payments for water-saving measures	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Component 18 - Water buybacks to fill shortfall from the 450GL per year target	-	*-1,210.0*	-	-	-	-	-	-	-	-	-	***-1,210.0***	***-1,210.0***
Component 19 - Audit of water licences and storage	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Component 20 - Grants to support improved farming practices	*-2.2*	*-29.0*	*-69.5*	*-86.7*	*-82.7*	*-77.8*	*-77.1*	*-78.7*	*-80.1*	*-80.7*	*-80.1*	***-187.4***	***-744.6***
Component 20 - Investment funded by initial capital	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Component 21 - Funding to the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Component 22 - Negotiations with states and territories	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Component 23 - Farm forestry	*-23.0*	*-14.3*	*-14.3*	*-14.3*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	***-65.9***	***-168.1***
Component 24 - Giant kelp	*-20.0*	-	-	-	-	-	-	-	-	-	-	***-20.0***	***-20.0***
Component 25 - Invasive Marine Species Unit	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Component 26 - Great Southern Reef Special Envoy	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Component 27 - Non-lethal shark control measures	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	-	***-20.0***	***-50.0***
Component 28 - Protection of marine environment	*-4.0*	*-4.0*	*-4.0*	*-4.0*	*-4.0*	-	-	-	-	-	-	***-16.0***	***-20.0***
Component 29 - Coastal restoration projects	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	-	-	-	-	-	-	***-40.0***	***-50.0***
Component 30 - Reversal of environmental law reform measure	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Total – administered	***-1,613.1***	***-2,865.8***	***-1,670.7***	***-1,681.3***	***-1,634.9***	***-1,628.3***	***-1,647.3***	***-1,668.8***	***-1,692.2***	***-1,713.9***	***-1,521.4***	***-7,830.9***	***-19,337.7***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
Component 1 - Department of Agriculture, Water and Environment	*-81.0*	*-112.0*	*-137.0*	*-152.0*	*-157.0*	*-121.0*	*-127.0*	*-132.0*	*-137.0*	*-143.0*	*-146.0*	***-482.0***	***-1,445.0***
Component 2 - National Reserve System Program	*-10.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-*	***-25.0***	***-55.0***
Component 3 - Land managers	*..*	*..*	*-158.0*	*-293.0*	*-426.0*	*-541.0*	*-640.0*	*-737.0*	*-821.0*	*-893.0*	*-954.0*	***-451.0***	***-5,463.0***
Component 4 - Landscape restoration	*-25.4*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	***-63.8***	***-153.4***
Component 5 - Invasive species	*-7.0*	*-3.5*	*-3.5*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-3.9*	*-4.0*	*-4.2*	***-17.5***	***-44.6***
Component 6 - End native clearing	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	***-1.3***	***-3.4***
Component 7 - Threatened Species Recovery	*-22.8*	*-11.4*	*-11.4*	*-11.4*	*-11.6*	*-11.9*	*-12.2*	*-12.5*	*-12.8*	*-13.2*	*-13.5*	***-57.0***	***-144.7***
Component 8 - Farming subsidies	*-4.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	***-10.0***	***-25.4***
Component 9 - National Bushfire Mitigation	*-0.8*	*-0.5*	*-0.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.8***	***-1.8***
Component 10 - Director of National Parks	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 11 – Commercial fisheries compensation	*-3.1*	*-1.5*	*-1.5*	*-1.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-7.6***	***-7.6***
Component 12 – Water investment	*-1.0*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-*	***-2.8***	***-6.4***
Component 13 – Environmental Defenders' Offices and Conservation Councils	*-0.8*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-2.3***	***-6.3***
Component 14 – Eradicating Yellow Crazy Ants in the wet tropics	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 15 - Environmental Protection Authority	*-101.0*	*-84.0*	*-104.0*	*-118.0*	*-131.0*	*-135.0*	*-139.0*	*-143.0*	*-148.0*	*-152.0*	*-148.0*	***-407.0***	***-1,403.0***
Component 16 - Murray Darling Basin	*-1.5*	*-0.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.3***	***-2.3***
Component 17 - Suspend all payments for water-saving measures	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 18 - Water buybacks to fill shortfall from the 450GL per year target	*-*	*-18.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-18.8***	***-18.8***
Component 19 - Audit of water licences and storage	*-0.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.5***	***-0.5***

	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**
Component 20 - Grants to support improved farming practices	-	*-0.9*	*-1.0*	*-0.4*	*-0.4*	*-0.4*	*-0.3*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	***-2.3***	***-5.0***
Component 20 - Investment funded by initial capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 21 - Funding to the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science	*-90.0*	*-90.0*	*-90.0*	-	-	-	-	-	-	-	-	***-270.0***	***-270.0***
Component 22 - Negotiations with states and territories	*-6.0*	*-24.0*	*-24.0*	*-24.0*	-	-	-	-	-	-	-	***-78.0***	***-78.0***
Component 23 - Farm forestry	*-2.0*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	***-4.4***	***-10.0***
Component 24 - Giant kelp	*-1.2*	-	-	-	-	-	-	-	-	-	-	***-1.2***	***-1.2***
Component 25 - Invasive Marine Species Unit	*-40.0*	-	-	-	-	-	-	-	-	-	-	***-40.0***	***-40.0***
Component 26 - Great Southern Reef Special Envoy	*-0.5*	-	-	-	-	-	-	-	-	-	-	***-0.5***	***-0.5***
Component 27 - Non-lethal shark control measures	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	-	***-1.3***	***-3.1***
Component 28 - Protection of marine environment	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	-	-	-	-	-	-	***-1.3***	***-1.6***
Component 29 - Coastal restoration projects	*-0.3*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	-	-	-	-	-	-	***-0.9***	***-1.1***
Component 30 - Reversal of environmental law reform measure	*81.9*	*22.6*	*15.7*	*8.3*	-	-	-	-	-	-	-	***128.5***	***128.5***
Total – departmental	***-318.2***	***-347.6***	***-538.0***	***-618.3***	***-752.4***	***-835.4***	***-944.8***	***-1,051.4***	***-1,145.8***	***-1,228.3***	***-1,283.0***	***-1,822.1***	***-9,063.2***
Total – expenses	**-1,931.3**	**-3,213.4**	**-2,208.7**	**-2,299.6**	**-2,387.3**	**-2,463.7**	**-2,592.1**	**-2,720.2**	**-2,838.0**	**-2,942.2**	**-2,804.4**	**-9,653.0**	**-28,400.9**
Total (excluding PDI)	**-1,818.1**	**-3,146.1**	**-2,122.0**	**-2,216.9**	**-2,309.5**	**-2,386.6**	**-2,513.4**	**-2,640.1**	**-2,757.3**	**-2,862.1**	**-2,724.2**	**-9,303.1**	**-27,496.3**
PDI impacts	***-26.0***	***-100.0***	***-179.0***	***-238.0***	***-297.0***	***-365.0***	***-443.0***	***-533.0***	***-635.0***	***-751.0***	***-893.0***	***-543.0***	***-4,460.0***
Total (including PDI)	**-1,844.1**	**-3,246.1**	**-2,301.0**	**-2,454.9**	**-2,606.5**	**-2,751.6**	**-2,956.4**	**-3,173.1**	**-3,392.3**	**-3,613.1**	**-3,617.2**	**-9,846.1**	**-31,956.3**

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 A1: Green Australia – 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													
Component 20 - Investment earnings	*24.7*	*67.3*	*86.7*	*82.7*	*77.8*	*77.1*	*78.7*	*80.1*	*80.7*	*80.1*	*80.2*	***261.4***	***816.1***
Component 21 - Returning funding from the Great Barrier Reef Foundation	*88.5*	-	-	-	-	-	-	-	-	-	-	***88.5***	***88.5***
Total – receipts	**113.2**	**67.3**	**86.7**	**82.7**	**77.8**	**77.1**	**78.7**	**80.1**	**80.7**	**80.1**	**80.2**	**349.9**	**904.6**
Payments													
Administered													
Component 1 - Department of Agriculture, Water and Environment	*-22.9*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	***-94.0***	***-259.9***
Component 2 - National Reserve System Program	*-190.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	-	***-775.0***	***-1,945.0***
Component 3 - Land managers	*-45.9*	*-47.2*	*-48.6*	*-49.8*	*-51.0*	*-52.2*	*-53.5*	*-54.9*	*-56.2*	*-57.7*	*-59.1*	***-191.5***	***-576.1***
Component 4 - Landscape restoration	*-475.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	***-1,936.0***	***-5,345.0***
Component 5 - Invasive species	*-133.0*	*-137.0*	*-137.0*	*-137.0*	*-140.0*	*-143.0*	*-147.0*	*-150.0*	*-154.0*	*-158.0*	*-162.0*	***-544.0***	***-1,598.0***
Component 6 - End native clearing	*-4.6*	*-4.8*	*-4.8*	*-4.8*	*-4.9*	*-5.0*	*-5.1*	*-5.2*	*-5.4*	*-5.5*	*-5.6*	***-19.0***	***-55.7***
Component 7 - Threatened Species Recovery	*-432.0*	*-444.0*	*-444.0*	*-444.0*	*-454.0*	*-465.0*	*-476.0*	*-488.0*	*-501.0*	*-513.0*	*-526.0*	***-1,764.0***	***-5,187.0***
Component 8 - Farming subsidies	*-76.0*	*-78.0*	*-78.0*	*-78.0*	*-79.9*	*-81.7*	*-83.7*	*-85.8*	*-88.0*	*-90.2*	*-92.5*	***-310.0***	***-911.8***
Component 9 - National Bushfire Mitigation	*-8.7*	*-9.0*	*-9.0*	-	-	-	-	-	-	-	-	***-26.7***	***-26.7***
Component 10 - Director of National Parks	*-44.0*	*-48.0*	*-50.0*	*-51.0*	*-52.0*	*-53.0*	*-54.0*	*-55.0*	*-56.0*	*-57.0*	*-58.4*	***-193.0***	***-578.4***
Component 11 – Commercial fisheries compensation	*-58.7*	*-60.2*	*-60.2*	*-60.2*	-	-	-	-	-	-	-	***-239.3***	***-239.3***
Component 12 – Water investment	*-14.0*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	-	***-57.2***	***-143.6***
Component 13 – Environmental Defenders' Offices and Conservation Councils	*-9.6*	*-9.9*	*-10.2*	*-10.4*	*-10.7*	*-10.9*	*-11.2*	*-11.5*	*-11.8*	*-12.1*	*-12.4*	***-40.1***	***-120.7***
Component 14 – Eradicating Yellow Crazy Ants in the wet tropics	*-6.0*	*-6.0*	*-6.0*	*-6.0*	*-6.0*	-	-	-	-	-	-	***-24.0***	***-30.0***
Component 15 - Environmental Protection Authority	-	-	-	-	-	-	-	-	-	-	-	-	-

	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**
Component 16 - Murray Darling Basin	*-28.5*	*-29.3*	-	-	-	-	-	-	-	-	-	***-57.8***	***-57.8***
Component 17 - Suspend all payments for water-saving measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 18 - Water buybacks to fill shortfall from the 450GL per year target	-	*-1,210.0*	-	-	-	-	-	-	-	-	-	***-1,210.0***	***-1,210.0***
Component 19 - Audit of water licences and storage	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 20 - Grants to support improved farming practices	*-2.2*	*-29.0*	*-69.5*	*-86.7*	*-82.7*	*-77.8*	*-77.1*	*-78.7*	*-80.1*	*-80.7*	*-80.1*	***-187.4***	***-744.6***
Component 20 - Investment funded by initial capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 21 - Funding to the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 22 - Negotiations with states and territories	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 23 - Farm forestry	*-23.0*	*-14.3*	*-14.3*	*-14.3*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	***-65.9***	***-168.1***
Component 24 - Giant kelp	*-20.0*	-	-	-	-	-	-	-	-	-	-	***-20.0***	***-20.0***
Component 25 - Invasive Marine Species Unit	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 26 - Great Southern Reef Special Envoy	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 27 - Non-lethal shark control measures	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	-	***-20.0***	***-50.0***
Component 28 - Protection of marine environment	*-4.0*	*-4.0*	*-4.0*	*-4.0*	*-4.0*	-	-	-	-	-	-	***-16.0***	***-20.0***
Component 29 - Coastal restoration projects	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	-	-	-	-	-	-	***-40.0***	***-50.0***
Component 30 - Reversal of environmental law reform measure	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – administered	***-1,613.1***	***-2,865.8***	***-1,670.7***	***-1,681.3***	***-1,634.9***	***-1,628.3***	***-1,647.3***	***-1,668.8***	***-1,692.2***	***-1,713.9***	***-1,521.4***	***-7,830.9***	***-19,337.7***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Component 1 - Department of Agriculture, Water and Environment	*-81.0*	*-112.0*	*-137.0*	*-152.0*	*-157.0*	*-121.0*	*-127.0*	*-132.0*	*-137.0*	*-143.0*	*-146.0*	***-482.0***	***-1,445.0***
Component 2 - National Reserve System Program	*-10.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	-	***-25.0***	***-55.0***
Component 3 - Land managers	..	..	*-158.0*	*-293.0*	*-426.0*	*-541.0*	*-640.0*	*-737.0*	*-821.0*	*-893.0*	*-954.0*	***-451.0***	***-5,463.0***
Component 4 - Landscape restoration	*-25.4*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	***-63.8***	***-153.4***
Component 5 - Invasive species	*-7.0*	*-3.5*	*-3.5*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-3.9*	*-4.0*	*-4.2*	***-17.5***	***-44.6***
Component 6 - End native clearing	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	***-1.3***	***-3.4***
Component 7 - Threatened Species Recovery	*-22.8*	*-11.4*	*-11.4*	*-11.4*	*-11.6*	*-11.9*	*-12.2*	*-12.5*	*-12.8*	*-13.2*	*-13.5*	***-57.0***	***-144.7***
Component 8 - Farming subsidies	*-4.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	***-10.0***	***-25.4***
Component 9 - National Bushfire Mitigation	*-0.8*	*-0.5*	*-0.5*	-	-	-	-	-	-	-	-	***-1.8***	***-1.8***
Component 10 - Director of National Parks	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 11 – Commercial fisheries compensation	*-3.1*	*-1.5*	*-1.5*	*-1.5*	-	-	-	-	-	-	-	***-7.6***	***-7.6***
Component 12 – Water investment	*-1.0*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	-	***-2.8***	***-6.4***
Component 13 – Environmental Defenders' Offices and Conservation Councils	*-0.8*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-2.3***	***-6.3***
Component 14 – Eradicating Yellow Crazy Ants in the wet tropics	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 15 - Environmental Protection Authority	*-101.0*	*-84.0*	*-104.0*	*-118.0*	*-131.0*	*-135.0*	*-139.0*	*-143.0*	*-148.0*	*-152.0*	*-148.0*	***-407.0***	***-1,403.0***
Component 16 - Murray Darling Basin	*-1.5*	*-0.8*	-	-	-	-	-	-	-	-	-	***-2.3***	***-2.3***
Component 17 - Suspend all payments for water-saving measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 18 - Water buybacks to fill shortfall from the 450GL per year target	-	*-18.8*	-	-	-	-	-	-	-	-	-	***-18.8***	***-18.8***
Component 19 - Audit of water licences and storage	*-0.5*	-	-	-	-	-	-	-	-	-	-	***-0.5***	***-0.5***

	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**
Component 20 - Grants to support improved farming practices	*-*	*-0.9*	*-1.0*	*-0.4*	*-0.4*	*-0.4*	*-0.3*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	***-2.3***	***-5.0***
Component 20 - Investment funded by initial capital	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 21 - Funding to the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science	*-90.0*	*-90.0*	*-90.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-270.0***	***-270.0***
Component 22 - Negotiations with states and territories	*-6.0*	*-24.0*	*-24.0*	*-24.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-78.0***	***-78.0***
Component 23 - Farm forestry	*-2.0*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	***-4.4***	***-10.0***
Component 24 - Giant kelp	*-1.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.2***	***-1.2***
Component 25 - Invasive Marine Species Unit	*-40.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-40.0***	***-40.0***
Component 26 - Great Southern Reef Special Envoy	*-0.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.5***	***-0.5***
Component 27 - Non-lethal shark control measures	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-*	***-1.3***	***-3.1***
Component 28 - Protection of marine environment	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.3***	***-1.6***
Component 29 - Coastal restoration projects	*-0.3*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.9***	***-1.1***
Component 30 - Reversal of environmental law reform measure	*81.9*	*22.6*	*15.7*	*8.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***128.5***	***128.5***
Total – departmental	***-318.2***	***-347.6***	***-538.0***	***-618.3***	***-752.4***	***-835.4***	***-944.8***	***-1,051.4***	***-1,145.8***	***-1,228.3***	***-1,283.0***	***-1,822.1***	***-9,063.2***
Total – payments	**-1,931.3**	**-3,213.4**	**-2,208.7**	**-2,299.6**	**-2,387.3**	**-2,463.7**	**-2,592.1**	**-2,720.2**	**-2,838.0**	**-2,942.2**	**-2,804.4**	**-9,653.0**	**-28,400.9**
Total (excluding PDI)	**-1,818.1**	**-3,146.1**	**-2,122.0**	**-2,216.9**	**-2,309.5**	**-2,386.6**	**-2,513.4**	**-2,640.1**	**-2,757.3**	**-2,862.1**	**-2,724.2**	**-9,303.1**	**-27,496.3**
PDI impacts	***-23.0***	***-91.0***	***-170.0***	***-231.0***	***-290.0***	***-357.0***	***-434.0***	***-522.0***	***-623.0***	***-737.0***	***-876.0***	***-515.0***	***-4,354.0***
Total (including PDI)	**-1,841.1**	**-3,237.1**	**-2,292.0**	**-2,447.9**	**-2,599.5**	**-2,743.6**	**-2,947.4**	**-3,162.1**	**-3,380.3**	**-3,599.1**	**-3,600.2**	**-9,818.1**	**-31,850.3**

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: Green Australia – 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													
Component 20 - Investment earnings	*24.7*	*67.3*	*86.7*	*82.7*	*77.8*	*77.1*	*78.7*	*80.1*	*80.7*	*80.1*	*80.2*	***261.4***	***816.1***
Component 21 - Returning funding from the Great Barrier Reef Foundation	*88.5*	-	-	-	-	-	-	-	-	-	-	***88.5***	***88.5***
Total – receipts	**113.2**	**67.3**	**86.7**	**82.7**	**77.8**	**77.1**	**78.7**	**80.1**	**80.7**	**80.1**	**80.2**	**349.9**	**904.6**
Payments													
Administered													
Component 1 - Department of Agriculture, Water and Environment	*-22.9*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	*-23.7*	***-94.0***	***-259.9***
Component 2 - National Reserve System Program	*-190.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	*-195.0*	-	***-775.0***	***-1,945.0***
Component 3 - Land managers	*-45.9*	*-47.2*	*-48.6*	*-49.8*	*-51.0*	*-52.2*	*-53.5*	*-54.9*	*-56.2*	*-57.7*	*-59.1*	***-191.5***	***-576.1***
Component 4 - Landscape restoration	*-475.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	*-487.0*	***-1,936.0***	***-5,345.0***
Component 5 - Invasive species	*-133.0*	*-137.0*	*-137.0*	*-137.0*	*-140.0*	*-143.0*	*-147.0*	*-150.0*	*-154.0*	*-158.0*	*-162.0*	***-544.0***	***-1,598.0***
Component 6 - End native clearing	*-4.6*	*-4.8*	*-4.8*	*-4.8*	*-4.9*	*-5.0*	*-5.1*	*-5.2*	*-5.4*	*-5.5*	*-5.6*	***-19.0***	***-55.7***
Component 7 - Threatened Species Recovery	*-432.0*	*-444.0*	*-444.0*	*-444.0*	*-454.0*	*-465.0*	*-476.0*	*-488.0*	*-501.0*	*-513.0*	*-526.0*	***-1,764.0***	***-5,187.0***
Component 8 - Farming subsidies	*-76.0*	*-78.0*	*-78.0*	*-78.0*	*-79.9*	*-81.7*	*-83.7*	*-85.8*	*-88.0*	*-90.2*	*-92.5*	***-310.0***	***-911.8***
Component 9 - National Bushfire Mitigation	*-8.7*	*-9.0*	*-9.0*	-	-	-	-	-	-	-	-	***-26.7***	***-26.7***
Component 10 - Director of National Parks	*-44.0*	*-48.0*	*-50.0*	*-51.0*	*-52.0*	*-53.0*	*-54.0*	*-55.0*	*-56.0*	*-57.0*	*-58.4*	***-193.0***	***-578.4***
Component 11 – Commercial fisheries compensation	*-58.7*	*-60.2*	*-60.2*	*-60.2*	-	-	-	-	-	-	-	***-239.3***	***-239.3***
Component 12 – Water investment	*-14.0*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	*-14.4*	-	***-57.2***	***-143.6***
Component 13 – Environmental Defenders' Offices and Conservation Councils	*-9.6*	*-9.9*	*-10.2*	*-10.4*	*-10.7*	*-10.9*	*-11.2*	*-11.5*	*-11.8*	*-12.1*	*-12.4*	***-40.1***	***-120.7***
Component 14 – Eradicating Yellow Crazy Ants in the wet tropics	*-6.0*	*-6.0*	*-6.0*	*-6.0*	*-6.0*	-	-	-	-	-	-	***-24.0***	***-30.0***
Component 15 - Environmental Protection Authority	-	-	-	-	-	-	-	-	-	-	-	-	-

	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
Component 16 - Murray Darling Basin	*-28.5*	*-29.3*	-	-	-	-	-	-	-	-	-	***-57.8***	***-57.8***
Component 17 - Suspend all payments for water-saving measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 18 - Water buybacks to fill shortfall from the 450GL per year target	-	*-1,210.0*	-	-	-	-	-	-	-	-	-	***-1,210.0***	***-1,210.0***
Component 19 - Audit of water licences and storage	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 20 - Grants to support improved farming practices	*-2.2*	*-29.0*	*-69.5*	*-86.7*	*-82.7*	*-77.8*	*-77.1*	*-78.7*	*-80.1*	*-80.7*	*-80.1*	***-187.4***	***-744.6***
Component 20 - Investment funded by initial capital	*-500.0*	*-1,000.0*	*-500.0*	-	-	-	-	-	-	-	-	***-2,000.0***	***-2,000.0***
Component 21 - Funding to the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 22 - Negotiations with states and territories	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 23 - Farm forestry	*-23.0*	*-14.3*	*-14.3*	*-14.3*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	*-14.6*	***-65.9***	***-168.1***
Component 24 - Giant kelp	*-20.0*	-	-	-	-	-	-	-	-	-	-	***-20.0***	***-20.0***
Component 25 - Invasive Marine Species Unit	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 26 - Great Southern Reef Special Envoy	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 27 - Non-lethal shark control measures	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	-	***-20.0***	***-50.0***
Component 28 - Protection of marine environment	*-4.0*	*-4.0*	*-4.0*	*-4.0*	*-4.0*	-	-	-	-	-	-	***-16.0***	***-20.0***
Component 29 - Coastal restoration projects	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	-	-	-	-	-	-	***-40.0***	***-50.0***
Component 30 - Reversal of environmental law reform measure	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – administered	***-2,113.1***	***-3,865.8***	***-2,170.7***	***-1,681.3***	***-1,634.9***	***-1,628.3***	***-1,647.3***	***-1,668.8***	***-1,692.2***	***-1,713.9***	***-1,521.4***	***-9,830.9***	***-21,337.7***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Component 1 - Department of Agriculture, Water and Environment	*-81.0*	*-112.0*	*-137.0*	*-152.0*	*-157.0*	*-121.0*	*-127.0*	*-132.0*	*-137.0*	*-143.0*	*-146.0*	***-482.0***	***-1,445.0***
Component 2 - National Reserve System Program	*-10.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-5.0*	*-*	***-25.0***	***-55.0***
Component 3 - Land managers	*..*	*..*	*-158.0*	*-293.0*	*-426.0*	*-541.0*	*-640.0*	*-737.0*	*-821.0*	*-893.0*	*-954.0*	***-451.0***	***-5,463.0***
Component 4 - Landscape restoration	*-25.4*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	*-12.8*	***-63.8***	***-153.4***
Component 5 - Invasive species	*-7.0*	*-3.5*	*-3.5*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-3.9*	*-4.0*	*-4.2*	***-17.5***	***-44.6***
Component 6 - End native clearing	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	***-1.3***	***-3.4***
Component 7 - Threatened Species Recovery	*-22.8*	*-11.4*	*-11.4*	*-11.4*	*-11.6*	*-11.9*	*-12.2*	*-12.5*	*-12.8*	*-13.2*	*-13.5*	***-57.0***	***-144.7***
Component 8 - Farming subsidies	*-4.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	***-10.0***	***-25.4***
Component 9 - National Bushfire Mitigation	*-0.8*	*-0.5*	*-0.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.8***	***-1.8***
Component 10 - Director of National Parks	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 11 – Commercial fisheries compensation	*-3.1*	*-1.5*	*-1.5*	*-1.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-7.6***	***-7.6***
Component 12 – Water investment	*-1.0*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-*	***-2.8***	***-6.4***
Component 13 – Environmental Defenders' Offices and Conservation Councils	*-0.8*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	*-0.6*	***-2.3***	***-6.3***
Component 14 – Eradicating Yellow Crazy Ants in the wet tropics	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 15 - Environmental Protection Authority	*-101.0*	*-84.0*	*-104.0*	*-118.0*	*-131.0*	*-135.0*	*-139.0*	*-143.0*	*-148.0*	*-152.0*	*-148.0*	***-407.0***	***-1,403.0***
Component 16 - Murray Darling Basin	*-1.5*	*-0.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.3***	***-2.3***
Component 17 - Suspend all payments for water-saving measures	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 18 - Water buybacks to fill shortfall from the 450GL per year target	*-*	*-18.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-18.8***	***-18.8***
Component 19 - Audit of water licences and storage	*-0.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.5***	***-0.5***

	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**
Component 20 - Grants to support improved farming practices	*-*	*-0.9*	*-1.0*	*-0.4*	*-0.4*	*-0.4*	*-0.3*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	***-2.3***	***-5.0***
Component 20 - Investment funded by initial capital	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 21 - Funding to the Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science	*-90.0*	*-90.0*	*-90.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-270.0***	***-270.0***
Component 22 - Negotiations with states and territories	*-6.0*	*-24.0*	*-24.0*	*-24.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-78.0***	***-78.0***
Component 23 - Farm forestry	*-2.0*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	***-4.4***	***-10.0***
Component 24 - Giant kelp	*-1.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.2***	***-1.2***
Component 25 - Invasive Marine Species Unit	*-40.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-40.0***	***-40.0***
Component 26 - Great Southern Reef Special Envoy	*-0.5*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.5***	***-0.5***
Component 27 - Non-lethal shark control measures	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-*	***-1.3***	***-3.1***
Component 28 - Protection of marine environment	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.3***	***-1.6***
Component 29 - Coastal restoration projects	*-0.3*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-*	*-*	*-*	*-*	*-*	*-*	***-0.9***	***-1.1***
Component 30 - Reversal of environmental law reform measure	*81.9*	*22.6*	*15.7*	*8.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***128.5***	***128.5***
Total – departmental	***-318.2***	***-347.6***	***-538.0***	***-618.3***	***-752.4***	***-835.4***	***-944.8***	***-1,051.4***	***-1,145.8***	***-1,228.3***	***-1,283.0***	***-1,822.1***	***-9,063.2***
Total – payments	**-2,431.3**	**-4,213.4**	**-2,708.7**	**-2,299.6**	**-2,387.3**	**-2,463.7**	**-2,592.1**	**-2,720.2**	**-2,838.0**	**-2,942.2**	**-2,804.4**	**-11,653.0**	**-30,400.9**
Total (excluding PDI)	**-2,318.1**	**-4,146.1**	**-2,622.0**	**-2,216.9**	**-2,309.5**	**-2,386.6**	**-2,513.4**	**-2,640.1**	**-2,757.3**	**-2,862.1**	**-2,724.2**	**-11,303.1**	**-29,496.3**
PDI impacts	***-23.0***	***-91.0***	***-170.0***	***-231.0***	***-290.0***	***-357.0***	***-434.0***	***-522.0***	***-623.0***	***-737.0***	***-876.0***	***-515.0***	***-4,354.0***
Total (including PDI)	**-2,341.1**	**-4,237.1**	**-2,792.0**	**-2,447.9**	**-2,599.5**	**-2,743.6**	**-2,947.4**	**-3,162.1**	**-3,380.3**	**-3,599.1**	**-3,600.2**	**-11,818.1**	**-33,850.3**

(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.

Parliamentary
Budget Office

Caring for Country	
Party:	Australian Greens

Summary of proposal:

The proposal involves three components:

First Nations ranger programs

Reverse the Indigenous Ranger Program Expansion measure announced in the 2022-23 Budget. Funding for the existing Indigenous Ranger Program Extension would be made ongoing and tripled. The current program would be separated into three categories of rangers, each receiving the full allocation of existing funding. The three categories are:

- ocean and sea rangers
- river and lakes rangers
- bush and land rangers.

Indigenous Protected Areas

$30 million in funding would be allocated to consultation on new Indigenous Protected Areas and the revival of the Competitive Grant Round on New Indigenous Protected Areas Program (program ceased 30 April 2019). The funding would be distributed equally between Northern Australia and Southern Australia.

Fire and land management practices

Funding for the existing Indigenous Fire and Land Workshops program would be made ongoing and doubled.

All three components in this costing would be indexed to the Consumer Price Index.
The proposal would start on 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $734 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of $712.8 million and an increase in departmental expenses of $21.4 million.

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

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-249.3	-195.6	-167.9	-121.4	**-734.2**
Underlying cash balance	-249.3	-195.6	-167.9	-121.4	**-734.2**

(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.
- Indicates nil.

Key assumptions

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

- Additional departmental expenses for the National Indigenous Australians Agency would be required to administer the First Nations Rangers Programs and Indigenous Protected Areas components of the proposal.
- Additional departmental expenses for the Department of Agriculture, Water and the Environment would be required to administer the Fire and Land Management Practices components of the proposal.
- Indigenous ranger funding in place before the 2022-23 Budget is assumed to finish after 2027-28.

Methodology

- Administered funding was allocated as specified in the policy.
- Departmental expenses were calculated using data on ratios between employee expenses and grant levels sourced from a 2017 Australian National Audit Office performance audit report.

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

Data sources

Funding Announcement for Indigenous Ranger Program [Online] available at: https://ministers.pmc.gov.au/wyatt/2020/funding-certainty-indigenous-rangers [Accessed 11.04.2022]

Information on Indigenous Protected Areas (IPAs) [Online] available at: https://www.environment.gov.au/land/indigenous-protected-areas [Accessed 11.04.2022]

Grants for Fire and Land Management Workshops [Online] available at: https://business.gov.au/grants-and-programs/indigenous-fire-and-land-management-workshops [Accessed 11.04.2022]

Australian National Audit Office 2017. *Efficiency of the Australia Council's administration of grants* [Online] available at: https://www.anao.gov.au/sites/default/files/ANAO_Report_2017-2018_7.pdf [Accessed 11.04.2022]

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

Attachment A – Caring for Country – financial implications

Table A1: Caring for Country – 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													
Indigenous Rangers Program - ocean and sea	*-109.0*	*-105.0*	*-107.0*	*-109.0*	*-111.0*	*-112.0*	*-115.0*	*-118.0*	*-121.0*	*-124.0*	*-127.0*	***-430.0***	***-1,258.0***
Indigenous Rangers Program - rivers and lakes	*-109.0*	*-105.0*	*-107.0*	*-109.0*	*-111.0*	*-112.0*	*-115.0*	*-118.0*	*-121.0*	*-124.0*	*-127.0*	***-430.0***	***-1,258.0***
Indigenous Rangers Program - bush and land	*-109.0*	*-105.0*	*-107.0*	*-109.0*	*-111.0*	*-112.0*	*-115.0*	*-118.0*	*-121.0*	*-124.0*	*-127.0*	***-430.0***	***-1,258.0***
Indigenous Ranger Program - offset from existing funding	*109.0*	*105.0*	*107.0*	*109.0*	*111.0*	*112.0*	-	-	-	-	-	***430.0***	***653.0***
Reversal of Indigenous Ranger Program Expansion	*10.0*	*55.0*	*87.0*	*137.0*	*148.0*	*144.0*	-	-	-	-	-	***289.0***	***581.0***
Northern Australia Indigenous Protected Areas	*-15.0*	*-15.4*	*-15.9*	*-16.3*	*-16.7*	*-17.1*	*-17.5*	*-17.9*	*-18.4*	*-18.9*	*-19.3*	***-62.6***	***-188.4***
Southern Australia Indigenous Protected Areas	*-15.0*	*-15.4*	*-15.9*	*-16.3*	*-16.7*	*-17.1*	*-17.5*	*-17.9*	*-18.4*	*-18.9*	*-19.3*	***-62.6***	***-188.4***
Indigenous Fire and Land Management Workshops	*-4.0*	*-4.1*	*-4.2*	*-4.3*	*-4.5*	*-4.6*	*-4.7*	*-4.8*	*-4.9*	*-5.0*	*-5.2*	***-16.6***	***-50.3***
Total – administered	***-242.0***	***-189.9***	***-163.0***	***-117.9***	***-111.9***	***-118.8***	***-384.7***	***-394.6***	***-404.7***	***-414.8***	***-424.8***	***-712.8***	***-2,967.1***
Departmental													
National Indigenous Australians Agency	*-7.2*	*-5.6*	*-4.8*	*-3.4*	*-3.2*	*-3.4*	*-11.4*	*-11.7*	*-12.0*	*-12.3*	*-12.6*	***-21.0***	***-87.6***
Department of Agriculture, Water and the Environment	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.2*	*-0.2*	***-0.4***	***-1.3***
Total – departmental	***-7.3***	***-5.7***	***-4.9***	***-3.5***	***-3.3***	***-3.5***	***-11.5***	***-11.8***	***-12.1***	***-12.5***	***-12.8***	***-21.4***	***-88.9***
Total – expenses	**-249.3**	**-195.6**	**-167.9**	**-121.4**	**-115.2**	**-122.3**	**-396.2**	**-406.4**	**-416.8**	**-427.3**	**-437.6**	**-734.2**	**-3,056.0**
Total (excluding PDI)	**-249.3**	**-195.6**	**-167.9**	**-121.4**	**-115.2**	**-122.3**	**-396.2**	**-406.4**	**-416.8**	**-427.3**	**-437.6**	**-734.2**	**-3,056.0**

(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.

\- Indicates nil.

Table A2: Caring for Country – 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	*-2.8*	*-8.0*	*-12.3*	*-15.9*	*-19.0*	*-22.6*	*-30.5*	*-43.3*	*-57.7*	*-73.8*	*-93.5*	***-39.0***	***-379.4***
Underlying cash balance	*-2.5*	*-7.4*	*-11.8*	*-15.4*	*-18.7*	*-22.2*	*-29.6*	*-41.8*	*-55.9*	*-71.8*	*-91.1*	***-37.1***	***-368.2***

(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 glossary[2].

(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.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Rivers not Dams	
Party:	Australian Greens
Summary of proposal: The proposal would abolish the Hells Gates Dam, Urannah Dam and Emu Swamp Dam and Pipeline projects, and reinstate the National Water Grid Advisory Body from 1 July 2022. All uncommitted funding would be returned to the Consolidated Revenue Fund.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $777 million over the 2022-23 Budget forward estimates period. This is primarily due to a decrease in administered expenses from not proceeding with the Hells Gates Dam, Urannah Dam and Emu Swamp Dam and Pipeline projects, offset by a small increase in departmental expenses from the reinstatement of the National Water Grid Advisory Body.

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

There is uncertainty around the funding profile of the Hells Gates Dam, Urannah Dam and Emu Swamp Dam and Pipeline projects. While the total funding allocated is consistent with the 2022-23 Budget, the funding profiles for each year are only determined on the signing of agreements. As such, the funding in each year to 2032-33 is an estimate only.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-0.7	73.3	164.8	539.3	**776.7**
Underlying cash balance	-0.7	73.3	164.8	539.3	**776.7**

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

- All existing contractual commitments would be honoured and would not be recoverable. This includes the $42 million already contracted for the Emu Swamp Dam project to 2022-23 inclusive.
- Departmental funding is not allocated to the individual Hells Gate Dam, Urannah Dam and Emu Swamp Dam and Pipeline projects. The projects are managed by the National Water Grid Authority.

- The PBO estimated the funding profile of the Hells Gates Dam, Urannah Dam and Emu Swamp Dam and Pipeline projects over the medium term to 2023-33 in consultation with the Department of Infrastructure, Transport, Regional Development and Communications.
- The full Budget commitment for the Urannah Dam and Hells Gates Dam will be distributed over the medium-term to 2032-33.

Methodology

All uncommitted funding allocated to the Hells Gates Dam, Urannah Dam and Emu Swamp Dam and Pipeline projects was reversed from 1 July 2022.

Funding previously allocated for the National Water Grid Advisory Body to 2023-24 was reinstated from 1 July 2022.

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

Data sources

Australian Government (2022), *Budget 2022-23*, Australian Government.

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

Attachment A – Rivers not Dams – financial implications

Table A1: Rivers not Dams – 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													
Administered													
Abolish Hells Gates Dam	-	*50.0*	*100.0*	*450.0*	*700.0*	*725.0*	*725.0*	*750.0*	*750.0*	*650.0*	*500.0*	***600.0***	***5,400.0***
Abolish Urannah Dam	-	*4.0*	*9.0*	*40.0*	*63.0*	*65.0*	*65.0*	*67.0*	*67.0*	*58.0*	*45.0*	***53.0***	***483.0***
Abolish Emu Swamp Dam and Pipeline	-	*20.0*	*56.5*	*50.0*	-	-	-	-	-	-	-	***126.5***	***126.5***
Total – administered	**-**	***74.0***	***165.5***	***540.0***	***763.0***	***790.0***	***790.0***	***817.0***	***817.0***	***708.0***	***545.0***	***779.5***	***6,009.5***
Departmental													
Reinstate the National Water Grid Advisory Body	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.8*	*-0.9*	*-0.9*	***-2.8***	***-8.6***
Total – departmental	***-0.7***	***-0.7***	***-0.7***	***-0.7***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.8***	***-0.9***	***-0.9***	***-2.8***	***-8.6***
Total – expenses	**-0.7**	**73.3**	**164.8**	**539.3**	**762.2**	**789.2**	**789.2**	**816.2**	**816.2**	**707.1**	**544.1**	**776.7**	**6,000.9**
Total (excluding PDI)	**-0.7**	**73.3**	**164.8**	**539.3**	**762.2**	**789.2**	**789.2**	**816.2**	**816.2**	**707.1**	**544.1**	**776.7**	**6,000.9**

(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. 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) The PBO estimated the funding profile of the Hells Gates Dam, Urannah Dam and Emu Swamp Dam and Pipeline projects over the medium term to 2023-33 in consultation with the Department of Infrastructure, Transport, Regional Development and Communications. These figures should not be interpreted as the actual funding profiles for these projects.

\- Indicates nil.

Table A2: Rivers not Dams –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	..	*1.0*	*4.0*	*12.0*	*27.0*	*48.0*	*71.0*	*97.0*	*126.0*	*156.0*	*183.0*	***17.0***	***725.0***
Underlying cash balance	..	*1.0*	*3.0*	*11.0*	*25.0*	*46.0*	*68.0*	*94.0*	*122.0*	*152.0*	*180.0*	***15.0***	***702.0***

(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 glossary[2].

(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.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

No More Animal Cruelty	
Party:	Australian Greens

Summary of proposal:

This proposal has 3 components.

Component 1 would place a temporary levy of 1% on all betting turnover related to commercial horse racing with effect from 1 July 2022 to 30 June 2024.

Component 2 would establish a taskforce within the Department of Agriculture, Water and the Environment over a period of four years from 1 July 2022.

The taskforce would be responsible for:

- designing and implementing a national ban on commercial horse racing, including the shutdown of all commercial horse racing activities
- developing a plan to transition commercial horse racing facilities to open green spaces
- developing a transition plan for workers currently employed in the industry to transition out of the industry and find new work
- assisting in the rehabilitation and rehoming of horses
- designing and implementing a levy on all wagering related to horse racing.

Component 3 would commence from 1 July 2022 and would:

- end intensive factory farming in Australia by:
  - banning cage egg production and sow stalls
  - enforcing free range standards for all animals
  - improving food labelling laws to help identify free range and cruelty free products.
- provide transitional funding to assist workers impacted by the end of intensive factory farming.

The total amount of transitional funding provided would be equivalent to the net impact from Components 1 and 2.

Costing overview

This proposal would be expected to have nil impact on the fiscal and underlying cash balance over the 2022-23 Budget forward estimates period. This impact reflects an increase in revenue of $523 million and a corresponding increase in expenses of $523 million.

The departmental expenses associated with this proposal reflect the cost of implementing the temporary levy and the cost of establishing the taskforce.

The proposal would not have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-	2.6	-2.6	-
Underlying cash balance	-	-	2.6	-2.6	-

(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.
- Indicates nil.

Key assumptions

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

- The levy would be passed through to consumers in full.
- The levy would not have a material impact on the total value of thoroughbred wagering turnover.
- The total value of thoroughbred wagering turnover would grow at 4% per annum.
- Affected businesses would report and pay the levy monthly via the business activity statement.
- The levy would be deductable for the purpose of calculating gambling sales margins for GST.
- Any behavioural responses arising from Component 3 would not have a material impact on the budget.

Methodology

The levy revenue is calculated by multiplying the estimated total value of thoroughbred wagering turnover by the proposed levy rate. The estimates consider the timing of receipts.

Departmental expenses were estimated using the departmental cost calculator provided by the Department of Finance and were within the range of budget estimates for taskforces of similar scope and size announced in recent years.

The transitional funding amount to assist workers impacted by the end of intensive factory farming was based on the net financial impact of Components 1 and 2.

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

Data sources

Australian Government, *2022-23 Budget*, Australian Government, 2022.

Australian Government, *2021-22 Budget*, Australian Government, 2021.

Australian Government, *2020-21 Budget*, Australian Government 2020.

Racing Australia, *Fact Book 2021 – Racing Season Ended 31 July 2021*, Racing Australia, 2021.

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

Attachment A – No More Animal Cruelty – financial implications

Table A1: No More Animal Cruelty – 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													
Wagering levy	*235.0*	*266.0*	*22.0*	-	-	-	-	-	-	-	-	***523.0***	***523.0***
Total – revenue	**235.0**	**266.0**	**22.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**523.0**	**523.0**
Expenses													
Administered													
Transitional funding for factory farm workers	*-226.4*	*-262.4*	*-16.8*	-	-	-	-	-	-	-	-	***-505.6***	***-505.6***
Total – administered	***-226.4***	***-262.4***	***-16.8***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***-505.6***	***-505.6***
Departmental													
Australian Taxation Office	*-6.0*	*-1.0*	-	-	-	-	-	-	-	-	-	***-7.0***	***-7.0***
Department of Agriculture, Water and the Environment	*-2.6*	*-2.6*	*-2.6*	*-2.6*	-	-	-	-	-	-	-	***-10.4***	***-10.4***
Total – departmental	***-8.6***	***-3.6***	***-2.6***	***-2.6***	-	-	-	-	-	-	-	***-17.4***	***-17.4***
Total – expenses	**-235.0**	**-266.0**	**-19.4**	**-2.6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-523.0**	**-523.0**
Total (excluding PDI)	**-**	**-**	**2.6**	**-2.6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(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: No More Animal Cruelty – 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	-	-	*0.03*	*0.03*	..	..	..	..	..	..	..	***0.1***	***0.1***
Underlying cash balance	-	-	*0.03*	*0.03*	*0.01*	..	..	..	..	..	..	***0.1***	***0.1***

(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 glossary[2].

(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.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

A Circular Economy	
Party:	Australian Greens
Summary of proposal: The proposal would commence from 1 July 2022 and consists of 6 components. These would be ongoing, unless specified otherwise below. **Component 1** would increase the credit facility of the Clean Energy Finance Corporation (CEFC) by an additional $500 million to invest in waste avoidance and resource recovery initiatives. The additional funds would be rolled out in line with previous CEFC lending arrangements. **Component 2** would provide $50 million of funding over 10 years to establish a plastics research centre in Hobart, with operational costs indexed in line with changes in the consumer price index (CPI). Departmental expenses would be included in this amount. **Component 3** would introduce a ban on single-use plastic items by 2025. There would be exceptions for medical uses such as condoms, hospital goods, and plastic straws for people who have a genuine need. **Component 4** would develop a "Made with Australian Recycled Content" label. This label would allow for producers to place a label on products that have been made with Australian recycled content. **Component 5** would provide funding for every council to have ready access to commercial composting facilities. Funding would be limited to the up-front capital costs of establishing the facilities. **Component 6** would introduce a ban on solid waste incineration by 2025. The ban would exclude waste-to-energy through methane capture at landfill or composting facilities, and for heat purposes alone (such as the burning of tyres in a cement kiln).	

Costing overview

This proposal would be expected to decrease the fiscal balance by around $1,144 million, the underlying cash balance by around $1,126 million, and the headline cash balance by around $1,300 million over the 2022-23 Budget forward estimates period. This is predominantly due to an increase in administered expenses.

This proposal would have an ongoing 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 highly uncertain. In particular:

- Component 1 is sensitive to assumptions on the speed that capital is deployed, interest rates, share of debt not repaid and the average maturity period of investments.
  - This costing does not include the proposal's potential impact on company tax revenue and business profits, which could be affected by:

  - crowding-out effects, where:
    1. companies switch their financing arrangements to the concessional loans provided under this proposal, thus impacting the profits of their lenders
    2. reductions in the returns of competing investment projects result in fewer investments by firms that do not borrow from the CEFC, which would impact company tax revenue collected from competing firms.
  - crowding-in effects, where there would be an increase in the level of investment following a reduction in the cost of capital from this proposal.
  - It is unclear whether the crowding out or crowding in effect would dominate and to what magnitude. Additionally, this impact could vary from period to period.
- Components 3 and 6 are sensitive to the assumption that any direct implementation costs would be incurred by industry.
- Component 5 is sensitive to assumptions around the number of commercial composting facilities that would need to be built and the average cost of each facility.
  - This reflects the large dispersion of regional and rural councils, which also increases uncertainty around up-front and on-going operational costs, and impact on council participation.
  - There could be further complications from ongoing policy developments in the sector including the *National Waste Policy Action Plan 2019,* under which the 3 levels of government have agreed to support certain organic waste measures over the next few years, including halving organic wastes sent to landfill by 2030.

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

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest and dividend payments and the flow of loan principal and equity amounts. In particular:

- only the fiscal balance reflects the concessional loan discount expense, associated unwinding income and loan write-downs
- only the headline cash balance includes transactions related to loan principal amounts and equity investments.

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	-187.2	-361.6	-380.6	-214.8	**-1,144.2**
Underlying cash balance	-185.5	-357.9	-375.1	-207.7	**-1,126.2**
Headline cash balance	-203.2	-393.3	-427.4	-275.9	**-1,299.8**

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

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1

- Committed funding would not impact consolidated revenue until funding is deployed or drawn down for investment or operational purposes.
- The CEFC would commit $100 million each year for 5 years with funding deployed evenly.
  - Each tranche of funding would also be deployed evenly over 5 years after it is made available. This is consistent with the time needed to assess eligibility, the average length of investment projects, and provides staged funding to projects.
- Average investment maturity would be around 7 years, consistent with the CEFC's investment management experience to date.
- Market interest rates would move in line with the 5-year government bond rate projections.
- Interest payments and dividend earnings on investments would be returned to consolidated revenue and repaid capital would be reinvested, consistent with the operation of the CEFC.
- Debt not expected to be repaid is assumed to be 5% of loans issued, as this proposal would involve high-risk early-stage enterprises and innovations.
- Any invested equity returned to the CEFC would be reinvested in the same financial year.
- Departmental costs would be broadly consistent with the costs of the CEFC relative to the amount of funding administered.

Component 3

- This component would have no material financial implications, as it would be implemented through regulatory change with any related costs incurred by industry.

Component 4

- Costs to the Australian Government would only relate to the development and general governance of the labelling, as well as the information campaign to educate relevant parties on the new labelling requirements.
  - This is consistent with the 2016-17 Budget measure *Country of Origin Labelling — information and compliance*.
  - All other costs would be met by industry, manufacturers and consumers.

Component 5

- Most councils that currently do not offer green waste collection services would be provided funding for a commercial composting facility.
- All councils that receive up-front capital-cost funding would commit to funding the necessary ongoing costs, such as operating and maintenance.
- The average cost per facility would be similar to a comparable project in the United States, after considering adjustments to account for higher costs for regional areas.
- The majority of the costs would be incurred in the first 4 years, with the remainder tapering off over the medium term. This accounts for the necessary time to secure sites, acquire required

licences, commence and complete construction, and source plant and equipment. Some councils would take longer than others to access the funding.

- There would be no departmental costs, as funding would be provided directly to local councils.

Component 6

- This component would have no material financial impact, as it would be implemented through regulatory change with any related costs incurred by industry.

Methodology

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

Component 1

Estimates for the equity commitment were developed using information on the CEFC provided by the Department of Industry, Science, Energy and Resources, including funding commitments, drawdowns, interest payments and dividends.

- Around 90% of committed funds would be provided as concessional loans and the remainder as invested equity, consistent with the current commitment and investment schedule of the CEFC.
  - Repaid capital would be reinvested and deployed to additional projects.
  - Interest payments and dividend earnings on investments would be returned to the consolidated revenue fund.
- Departmental costs were calculated as a share of total loan and equity amounts, consistent with the current operational expenses of the CEFC.

Component 2

The financial implications were based on the specified amount over the specified period.

- The annual profile of the administered expenses was determined by distributing the total expenses evenly across 10 years, after adjusting for annual increases in line with the consumer price index.
- Departmental expense estimates were based on similar-sized programs.

Component 4

The financial implications were informed by the funding profile of the 2016-17 Budget measure, *Country of Origin Labelling — information and compliance* in which a similar administered and departmental funding profile was calculated and grown by the CPI.

Component 5

The financial implications were calculated by multiplying the estimated number of councils (Local Government Areas) without ready access to a commercial composting facility by the estimated cost of constructing and fitting out each facility.

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

Data sources

Information on the CEFC's funding commitments, equity investments, concessional loans, and operational expenses over the 2022-23 Budget forward estimates period was provided by the Department of Industry, Science, Energy and Resources as at the *Budget 2022-23*.

The Department of Industry, Science, Energy and Resources also provided information on future funding and loan commitments for waste-to-energy projects.

The Department of Finance and the Treasury provided the economic parameters as at the *Budget 2022-23*.

Reserve Bank of Australia, 2022. *Indicator lending rates – F5*, accessed 4 May 2022.

Department of Industry, Innovation and Science, 2016. *Country of origin labelling, Decision Regulation Impact Statement, Consumer Affairs Australia New Zealand*, accessed 4 May 2022.

The Commonwealth of Australia, 2016. *Budget Paper No. 2 - 2016-17*, accessed 4 May 2022.

Australian Bureau of Statistics, 2022. *Consumer Price Index, Australia*, accessed 4 May 2022.

Athens-Clark County Unified Government, n.d. *Commercial Composting*, accessed 4 May 2022.

Department of Agriculture, Water and the Environment, 2021. *Interactive Map – Food Organics and Garden Organics Pickup*. accessed 4 May 2022.

Department of Agriculture, Water and the Environment, 2019. *National Waste Policy Action Plan*, accessed 4 May 2022.

Attachment A – A Circular Economy – financial implications

Table A1: A Circular Economy – 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													
Component 1 - Unwinding concessional loan discounts	*0.2*	*0.5*	*1.1*	*1.8*	*2.9*	*3.9*	*4.6*	*5.1*	*5.4*	*5.4*	*5.3*	***3.6***	***36.2***
Component 1 - Loan interest	*0.6*	*1.7*	*3.3*	*5.6*	*8.6*	*11.3*	*13.5*	*15.2*	*16.3*	*16.8*	*17.4*	***11.2***	***110.3***
Component 1 - Dividend income	*0.1*	*0.2*	*0.3*	*0.6*	*0.9*	*1.1*	*1.2*	*1.3*	*1.3*	*1.3*	*1.3*	***1.2***	***9.6***
Total – revenue	**0.9**	**2.4**	**4.7**	**8.0**	**12.4**	**16.3**	**19.3**	**21.6**	**23.0**	**23.5**	**24.0**	**16.0**	**156.1**
Expenses													
Administered													
Component 1 - Concessional loan discount	*-0.7*	*-1.6*	*-2.5*	*-3.6*	*-6.0*	*-5.9*	*-5.8*	*-5.6*	*-5.3*	*-4.9*	*-5.1*	***-8.4***	***-47.0***
Component 1 - Other financing costs	*-0.9*	*-1.8*	*-3.0*	*-4.3*	*-5.8*	*-5.7*	*-5.6*	*-5.5*	*-5.2*	*-4.7*	*-5.0*	***-10.0***	***-47.5***
Component 2 - Plastics research centre	*-3.9*	*-4.0*	*-4.1*	*-4.2*	*-4.3*	*-4.4*	*-4.5*	*-4.6*	*-4.7*	*-4.8*	*-5.0*	***-16.2***	***-48.5***
Component 4 - New label	*-11.9*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	***-14.9***	***-22.7***
Component 5 - Supporting commercial composting facilities	*-167.0*	*-345.0*	*-355.0*	*-182.0*	*-37.0*	*-25.0*	*-20.0*	*-13.0*	*-7.0*	*-4.0*	*-3.0*	***-1,049.0***	***-1,158.0***
Total – administered	***-184.4***	***-353.4***	***-365.6***	***-195.1***	***-54.1***	***-42.1***	***-37.0***	***-29.8***	***-23.3***	***-19.6***	***-19.3***	***-1,098.5***	***-1,323.7***
Departmental payments	*-1.4*	*-1.6*	*-1.5*	*-1.6*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.8*	*-1.7*	*-1.8*	***-6.1***	***-19.0***
Total – expenses	**-185.8**	**-355.0**	**-367.1**	**-196.7**	**-56.0**	**-44.0**	**-38.9**	**-31.7**	**-25.1**	**-21.3**	**-21.1**	**-1,104.6**	**-1,342.7**
Total (excluding PDI)	**-184.9**	**-352.6**	**-362.4**	**-188.7**	**-43.6**	**-27.7**	**-19.6**	**-10.1**	**-2.1**	**2.2**	**2.9**	**-1,088.6**	**-1,186.6**
PDI impacts	*-2.3*	*-9.0*	*-18.2*	*-26.1*	*-31.0*	*-34.5*	*-37.4*	*-39.9*	*-41.8*	*-43.1*	*-45.7*	***-55.6***	***-329.0***
Total (including PDI)	**-187.2**	**-361.6**	**-380.6**	**-214.8**	**-74.6**	**-62.2**	**-57.0**	**-50.0**	**-43.9**	**-40.9**	**-42.8**	**-1,144.2**	**-1,515.6**

(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.

Table A2: A Circular Economy – 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													
Component 1 - Loan interest	*0.6*	*1.7*	*3.3*	*5.6*	*8.6*	*11.3*	*13.5*	*15.2*	*16.3*	*16.8*	*17.4*	***11.2***	***110.3***
Component 1 - Dividend income	*0.1*	*0.2*	*0.3*	*0.6*	*0.9*	*1.1*	*1.2*	*1.3*	*1.3*	*1.3*	*1.3*	***1.2***	***9.6***
Total – receipts	**0.7**	**1.9**	**3.6**	**6.2**	**9.5**	**12.4**	**14.7**	**16.5**	**17.6**	**18.1**	**18.7**	**12.4**	**119.9**
Payments													
Administered													
Component 2 - Plastics research centre	*-3.9*	*-4.0*	*-4.1*	*-4.2*	*-4.3*	*-4.4*	*-4.5*	*-4.6*	*-4.7*	*-4.8*	*-5.0*	***-16.2***	***-48.5***
Component 4 - New label	*-11.9*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	***-14.9***	***-22.7***
Component 5 - Supporting commercial composting facilities	*-167.0*	*-345.0*	*-355.0*	*-182.0*	*-37.0*	*-25.0*	*-20.0*	*-13.0*	*-7.0*	*-4.0*	*-3.0*	***-1,049.0***	***-1,158.0***
Total – administered	***-182.8***	***-350.0***	***-360.1***	***-187.2***	***-42.3***	***-30.5***	***-25.6***	***-18.7***	***-12.8***	***-10.0***	***-9.2***	***-1,080.1***	***-1,229.2***
Departmental payments	*-1.4*	*-1.6*	*-1.5*	*-1.6*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.8*	*-1.7*	*-1.8*	***-6.1***	***-19.0***
Total – payments	**-184.2**	**-351.6**	**-361.6**	**-188.8**	**-44.2**	**-32.4**	**-27.5**	**-20.6**	**-14.6**	**-11.7**	**-11.0**	**-1,086.2**	**-1,248.2**
Total (excluding PDI)	**-183.5**	**-349.7**	**-358.0**	**-182.6**	**-34.7**	**-20.0**	**-12.8**	**-4.1**	**3.0**	**6.4**	**7.7**	**-1,073.8**	**-1,128.3**
PDI impacts	*-2.0*	*-8.2*	*-17.1*	*-25.1*	*-30.5*	*-34.1*	*-37.1*	*-39.6*	*-41.5*	*-43.0*	*-45.4*	***-52.4***	***-323.6***
Total (including PDI)	**-185.5**	**-357.9**	**-375.1**	**-207.7**	**-65.2**	**-54.1**	**-49.9**	**-43.7**	**-38.5**	**-36.6**	**-37.7**	**-1,126.2**	**-1,451.9**

(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.

Table A3: A Circular Economy – 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													
Component 1 - Loan principal repayments	*2.0*	*7.0*	*15.0*	*27.0*	*43.0*	*58.0*	*73.0*	*86.0*	*95.0*	*100.0*	*101.0*	***51.0***	***607.0***
Component 1 - Loan interest	*0.6*	*1.7*	*3.3*	*5.6*	*8.6*	*11.3*	*13.5*	*15.2*	*16.3*	*16.8*	*17.4*	***11.2***	***110.3***
Component 1 - Dividend income	*0.1*	*0.2*	*0.3*	*0.6*	*0.9*	*1.1*	*1.2*	*1.3*	*1.3*	*1.3*	*1.3*	***1.2***	***9.6***
Total – receipts	**2.7**	**8.9**	**18.6**	**33.2**	**52.5**	**70.4**	**87.7**	**102.5**	**112.6**	**118.1**	**119.7**	**63.4**	**726.9**
Payments													
Administered													
Component 1 - Loans made	*-17.0*	*-37.0*	*-59.0*	*-85.0*	*-115.0*	*-114.0*	*-112.0*	*-109.0*	*-104.0*	*-95.0*	*-100.0*	***-198.0***	***-947.0***
Component 1 - Equity investments	*-2.7*	*-5.4*	*-8.3*	*-10.2*	*-11.9*	*-8.9*	*-6.3*	*-4.0*	*-1.9*	*-*	*-*	***-26.6***	***-59.6***
Component 2 - Plastics research centre	*-3.9*	*-4.0*	*-4.1*	*-4.2*	*-4.3*	*-4.4*	*-4.5*	*-4.6*	*-4.7*	*-4.8*	*-5.0*	***-16.2***	***-48.5***
Component 4 - New label	*-11.9*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	***-14.9***	***-22.7***
Component 5 - Supporting commercial composting facilities	*-167.0*	*-345.0*	*-355.0*	*-182.0*	*-37.0*	*-25.0*	*-20.0*	*-13.0*	*-7.0*	*-4.0*	*-3.0*	***-1,049.0***	***-1,158.0***
Total – administered	***-202.5***	***-392.4***	***-427.4***	***-282.4***	***-169.2***	***-153.4***	***-143.9***	***-131.7***	***-118.7***	***-105.0***	***-109.2***	***-1,304.7***	***-2,235.8***
Departmental payments	*-1.4*	*-1.6*	*-1.5*	*-1.6*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.8*	*-1.7*	*-1.8*	***-6.1***	***-19.0***
Total – payments	**-203.9**	**-394.0**	**-428.9**	**-284.0**	**-171.1**	**-155.3**	**-145.8**	**-133.6**	**-120.5**	**-106.7**	**-111.0**	**-1,310.8**	**-2,254.8**
Total (excluding PDI)	**-201.2**	**-385.1**	**-410.3**	**-250.8**	**-118.6**	**-84.9**	**-58.1**	**-31.1**	**-7.9**	**11.4**	**8.7**	**-1,247.4**	**-1,527.9**
PDI impacts	*-2.0*	*-8.2*	*-17.1*	*-25.1*	*-30.5*	*-34.1*	*-37.1*	*-39.6*	*-41.5*	*-43.0*	*-45.4*	***-52.4***	***-323.6***
Total (including PDI)	**-203.2**	**-393.3**	**-427.4**	**-275.9**	**-149.1**	**-119.0**	**-95.2**	**-70.7**	**-49.4**	**-31.6**	**-36.7**	**-1,299.8**	**-1,851.5**

(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.

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 Commonwealth.

Budget impact[2]

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 Commonwealth Government's net worth if the liabilities issued (the value of Commonwealth 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.

Parliamentary Budget Office

Building One Million Homes	
Party:	Australian Greens

Summary of proposal:

Component 1 would establish a federal housing trust (the trust) to construct and manage dwellings in partnership with states, territories and community housing providers.

The trust would be established outside the general government sector and would be allowed to make a profit. All funding from the Australian Government would be provided in the form of equity.

- Over 20 years, the trust would construct 1,000,000 new environmentally sustainable residential dwellings which adhere to universal design principles to be operated by the Australian Government, partner states, territories and housing providers.
  - The trust would be required to construct dwellings at an average cost of $300,000 each in 2022-23, indexed in line with growth in land and construction costs.
- 875,000 of the dwellings would be residential tenancies.
  - 750,000 dwellings constructed by the trust would be allocated for rent by low-income households.
  - The remaining 125,000 rentals would be universal access rentals.
  - Tenants in trust homes pay the lower of 25% of their income or market rent.
  - Rental income from trust homes would first go to the operator to cover operating costs.
  - Anything in excess of operating costs would be split 2:1 between the Australian Government and the states and territories.
- 125,000 dwellings would be part of a shared equity ownership scheme (the scheme).
  - The occupant would buy 50% to 75% of the equity in each of these dwellings.
  - With a 10% deposit, participants in the scheme can access a loan from the Australian Government at the government bond rate.
  - The states and territories would waive the stamp duty, if applicable.
  - Each homeowner in the scheme would pay a share of the operating costs proportionate to their equity stake.
  - Sales of the equity stake by owners would be limited to the trust as sole purchaser. The purchase price would be set at a fair rate based on the national average dwelling price rise during the life of the share equity arrangement, capped at 7.5% per annum price increase on a cumulative basis.
  - Tenants in the trust's rental tenancies would have the option of purchasing their dwelling through the scheme.

- The Australian Government would provide two-thirds of the required funding per dwelling. State and territory governments would provide the remaining third. Contributions from state and territory governments could include provisions of land, either as free title or leasehold.

Component 2 would establish a capital grants fund to provide state and territory governments with $1.5 billion each year for 3 years and then $2.5 billion divided evenly over the next 7 years for public housing improvements and construction, and investment in high quality Specialist Disability Accommodation and transitional housing options.

Both components would start from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal balance by $8,870 million, the underlying cash balance by $6,330 million and the headline cash balance by $42,910 million over the 2022-23 Budget forward estimates period.

The proposal would have an ongoing 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 the proposal are uncertain and highly sensitive to assumptions around the speed of construction, capacity within the construction industry, the cost of land and dwelling construction, the number of households that would access residential tenancies and the scheme, annual operating costs and changes in the 10-year government bond rate.

It is uncertain whether the trust would be able to achieve an average cost per dwelling of $300,000, taking into account the requirement that dwellings be environmentally sustainable and adhere to universal design principles. There is potential the trust would not be able to meet the specified average cost per dwelling for such a large scheme. To the extent that cost overruns increase the average cost per dwelling, the cost of this proposal would increase or the scheme would fall short of other objectives such as the number of dwellings constructed or intended construction standards.

The impact of this proposal on property markets is highly uncertain and the Parliamentary Budget Office (PBO) has not made any assessment of flow-on impacts on property prices, rents or on the supply and demand of residential properties in this costing. Additionally, the PBO has not undertaken any analysis on how and if state and territory governments would contribute to the scheme. Past experience has shown that the Australian Government often has to make adjustments to their policy to ensure state and territory governments agree to participate. Furthermore, the location and types of housing provided under this proposal would be limited by the requirement to keep the average cost per dwelling at $300,000.

It is uncertain whether the provision of funding to the trust would be able to be classified as equity, as the trust would not be expected to generate a capital return within its first 10 years of operation.

Consistent with *PBO Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the equity injections and concessional loans provided under this proposal involve financial asset transactions.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest and dividend payments, and the flow of loan principal and equity amounts. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan write-downs, 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	-2,009.1	-2,461.5	-2,669.8	-1,730.2	**-8,870.6**
Underlying cash balance	-1,649.0	-1,727.0	-1,939.0	-1,011.0	**-6,326.0**
Headline cash balance	-6,819.0	-12,217.0	-12,409.0	-11,461.0	**-42,906.0**

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

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The trust would be able to be established outside the general government sector as a public non-financial corporation.
- The construction of residential dwellings would occur evenly over the 20-year period.
  - Fewer dwellings would be constructed in the first year than following years with the difference being made up over the life of the proposal.
- While the trust remains unprofitable, dividends would not be required to be paid out and all revenues would contribute towards building and operating costs.
  - When the trust begins to generate a profit, it would be expected to pay corporate taxation and return a dividend to the Australian Government and the states and territories.
  - This is consistent with the requirements for the Australian Government investment in the trust to be treated as equity funding.
- There would be sufficient capacity within the building industry to construct the specified number of dwellings over the 20-year timeframe.
  - Known and unforeseen factors, such as the 2032 Olympic games, may affect this assumption.
- The cost of construction and land acquisition would increase at a rate consistent with historical growth in construction costs, as provided by the Australian Bureau of Statistics.
- Residential tenancies and participants in the scheme would begin in 2022-23, the first year of the proposal.
  - All residential tenancies and scheme places would be filled each year over the span of the policy.
  - The transfer of equity from the Australian Government to scheme participants would occur in the same year.
- Household income for low-income households would be similar to the bottom quintile of average household income.
  - Rent for low-income tenancies would be set to 25% of household income.
  - Household income would grow in line with projections for average weekly earnings.

- Rent for universal access residential tenancies would be set to the median national market rent for houses.
  - Market rent would increase at a rate consistent with historical growth in the national rent index, as provided by the Australian Bureau of Statistics.
- Around 20% of tenants in the trust's rental tenancies would convert to the scheme and purchase their dwelling.
  - This would occur uniformly over the 20-year period and conversions would be distributed evenly between low-income household tenancies and universal access rentals.
- The scheme would sell an equity stake of around 63% for each dwelling.
- The sale of an equity stake by a scheme member would be re-sold by the trust in the same financial year.
- The costs associated with waiving stamp duty taxes have not been factored into this response as costs are assumed to impact state and territory governments as opposed to the Australian Government.
  - There could be possible impacts of this to the Australian Government which have not been assessed by the PBO.
- Annual operating costs of the scheme would be around 1% of the estimated dwelling price.
- The Australian Government loan interest rate would be in line with the government 10-year bond rate.
- Market interest rates would move in line with the Reserve Bank of Australia's current housing loan lending rates.
- The maturity of the scheme loans would be 30 years.
- Debt not expected to be repaid would be 1.5% of debt issued.
- State and territory governments would contribute to the scheme as specified in the proposal.
- All income from rents paid and sales of housing equity would go towards operating costs, and no income would be redistributed to the Australian Government or states and territories.
  - Any imbalances between Australian Government and state or territory expenditure would be reconciled at the conclusion of the construction program.
- The departmental staffing profile to deliver this proposal would reflect a service delivery profile similar to Services Australia and other large programs, adjusted for the level of effort required.

Methodology

The financial implications of this proposal were derived by estimating the net amount of funding required to be provided by the Australian Government to the trust, taking into account the cost of constructing the specified number of dwellings, rental incomes, revenue from the sale of housing equity under the scheme and the proportion of costs that would be met by the states and territories.

Housing construction costs were based on the specified maximum average cost of $300,000 per dwelling in 2022-23 and grown in line with historical growth in housing construction costs.

Rental income from residential tenancies was calculated by estimating average yearly rental income multiplied by the number of households. Rental income for tenancies reserved for low-income households was around 25% of household income based on household income for the bottom quintile of households. For the universal access tenancies rental income was based on national market rent for houses.

The financial impact of the equity sold to occupants as part of the scheme was calculated as a percentage of the estimated dwelling price in each year of the scheme. The remaining equity share would be retained by the Australian Government. The deposit to be paid by participants was calculated as 10% of the dwelling price for the relevant year.

The loan amount was calculated by subtracting the deposit paid from the equity stake and was treated as a concessional loan.

Operating costs for the scheme were based on a percentage of the total value of dwellings in the scheme. The costs were split between the occupant and the Australian Government based on the average equity stake of each party.

The departmental expenses were estimated based on the workforce required to deliver other significant service delivery programs.

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 standard departmental costing template as at the *Pre-election Economic and Fiscal Outlook 2022-23*.

Economic parameters used in the model were provided by the Department of Finance and the Treasury as at the *Pre-election Economic and Fiscal Outlook 2022-23*.

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

Attachment A – Building One Million Homes – financial implications

Table A1: Building One Million Homes – 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													
Income from unwinding of discounts	*18.0*	*56.0*	*94.0*	*132.0*	*172.0*	*211.0*	*250.0*	*288.0*	*327.0*	*365.0*	*402.0*	***300.0***	***2,315.0***
Interest accrued from loans	*29.0*	*87.0*	*146.0*	*204.0*	*263.0*	*327.0*	*397.0*	*474.0*	*557.0*	*647.0*	*744.0*	***466.0***	***3,875.0***
Total – revenue	**47.0**	**143.0**	**240.0**	**336.0**	**435.0**	**538.0**	**647.0**	**762.0**	**884.0**	**1,012.0**	**1,146.0**	**766.0**	**6,190.0**
Expenses													
Administered													
Concessional loan discount expense	*-349.0*	*-721.0*	*-744.0*	*-769.0*	*-794.0*	*-808.0*	*-823.0*	*-838.0*	*-853.0*	*-869.0*	*-885.0*	***-2,583.0***	***-8,453.0***
Write downs	*-19.1*	*-39.5*	*-40.8*	*-42.2*	*-43.5*	*-45.0*	*-46.4*	*-48.0*	*-49.5*	*-51.1*	*-52.8*	***-141.6***	***-477.9***
Grant payments	*-1,500.0*	*-1,500.0*	*-1,500.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-*	***-4,860.0***	***-7,020.0***
Total – administered	***-1,868.1***	***-2,260.5***	***-2,284.8***	***-1,171.2***	***-1,197.5***	***-1,213.0***	***-1,229.4***	***-1,246.0***	***-1,262.5***	***-1,280.1***	***-937.8***	***-7,584.6***	***-15,950.9***
Departmental													
Departmental costs	*-108.0*	*-54.0*	*-55.0*	*-55.0*	*-55.0*	*-56.0*	*-56.0*	*-56.0*	*-57.0*	*-57.0*	*-57.0*	***-272.0***	***-666.0***
Total – departmental	***-108.0***	***-54.0***	***-55.0***	***-55.0***	***-55.0***	***-56.0***	***-56.0***	***-56.0***	***-57.0***	***-57.0***	***-57.0***	***-272.0***	***-666.0***
Total – expenses	**-1,976.1**	**-2,314.5**	**-2,339.8**	**-1,226.2**	**-1,252.5**	**-1,269.0**	**-1,285.4**	**-1,302.0**	**-1,319.5**	**-1,337.1**	**-994.8**	**-7,856.6**	**-16,616.9**
Total (excluding PDI)	**-1,929.1**	**-2,171.5**	**-2,099.8**	**-890.2**	**-817.5**	**-731.0**	**-638.4**	**-540.0**	**-435.5**	**-325.1**	**151.2**	**-7,090.6**	**-10,426.9**
PDI impacts	***-80.0***	***-290.0***	***-570.0***	***-840.0***	***-1,110.0***	***-1,410.0***	***-1,730.0***	***-2,090.0***	***-2,470.0***	***-2,890.0***	***-3,380.0***	***-1,780.0***	***-16,860.0***
Total (including PDI)	**-2,009.1**	**-2,461.5**	**-2,669.8**	**-1,730.2**	**-1,927.5**	**-2,141.0**	**-2,368.4**	**-2,630.0**	**-2,905.5**	**-3,215.1**	**-3,228.8**	**-8,870.6**	**-27,286.9**

(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: Building One Million Homes – 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													
Loan interest received	*29.0*	*87.0*	*146.0*	*204.0*	*263.0*	*327.0*	*397.0*	*474.0*	*557.0*	*647.0*	*744.0*	***466.0***	***3,875.0***
Total – receipts	**29.0**	**87.0**	**146.0**	**204.0**	**263.0**	**327.0**	**397.0**	**474.0**	**557.0**	**647.0**	**744.0**	**466.0**	**3,875.0**
Payments													
Administered													
Grant payments	*-1,500.0*	*-1,500.0*	*-1,500.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-*	***-4,860.0***	***-7,020.0***
Total – administered	***-1,500.0***	***-1,500.0***	***-1,500.0***	***-360.0***	***-360.0***	***-360.0***	***-360.0***	***-360.0***	***-360.0***	***-360.0***	***-***	***-4,860.0***	***-7,020.0***
Departmental													
Departmental costs	*-108.0*	*-54.0*	*-55.0*	*-55.0*	*-55.0*	*-56.0*	*-56.0*	*-56.0*	*-57.0*	*-57.0*	*-57.0*	***-272.0***	***-666.0***
Total – departmental	***-108.0***	***-54.0***	***-55.0***	***-55.0***	***-55.0***	***-56.0***	***-56.0***	***-56.0***	***-57.0***	***-57.0***	***-57.0***	***-272.0***	***-666.0***
Total – payments	**-1,608.0**	**-1,554.0**	**-1,555.0**	**-415.0**	**-415.0**	**-416.0**	**-416.0**	**-416.0**	**-417.0**	**-417.0**	**-57.0**	**-5,132.0**	**-7,686.0**
Total (excluding PDI)	**-1,579.0**	**-1,467.0**	**-1,409.0**	**-211.0**	**-152.0**	**-89.0**	**-19.0**	**58.0**	**140.0**	**230.0**	**687.0**	**-4,666.0**	**-3,811.0**
PDI impacts	***-70.0***	***-260.0***	***-530.0***	***-800.0***	***-1,070.0***	***-1,370.0***	***-1,690.0***	***-2,050.0***	***-2,430.0***	***-2,840.0***	***-3,320.0***	***-1,660.0***	***-16,430.0***
Total (including PDI)	**-1,649.0**	**-1,727.0**	**-1,939.0**	**-1,011.0**	**-1,222.0**	**-1,459.0**	**-1,709.0**	**-1,992.0**	**-2,290.0**	**-2,610.0**	**-2,633.0**	**-6,326.0**	**-20,241.0**

(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: Building One Million Homes – 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													
Loan interest received	*29.0*	*87.0*	*146.0*	*204.0*	*263.0*	*327.0*	*397.0*	*474.0*	*557.0*	*647.0*	*744.0*	***466.0***	***3,875.0***
Loan principal repayments	*40.0*	*130.0*	*220.0*	*310.0*	*410.0*	*500.0*	*610.0*	*710.0*	*820.0*	*930.0*	*1,050.0*	***700.0***	***5,730.0***
Total – receipts	**69.0**	**217.0**	**366.0**	**514.0**	**673.0**	**827.0**	**1,007.0**	**1,184.0**	**1,377.0**	**1,577.0**	**1,794.0**	**1,166.0**	**9,605.0**
Payments													
Administered													
Housing trust - Equity injection	*-3,930.0*	*-7,980.0*	*-7,970.0*	*-7,950.0*	*-7,920.0*	*-7,880.0*	*-7,830.0*	*-7,760.0*	*-7,670.0*	*-7,560.0*	*-7,430.0*	***-27,830.0***	***-81,880.0***
Loans made	*-1,280.0*	*-2,640.0*	*-2,720.0*	*-2,810.0*	*-2,900.0*	*-3,000.0*	*-3,100.0*	*-3,200.0*	*-3,300.0*	*-3,410.0*	*-3,520.0*	***-9,450.0***	***-31,880.0***
Grant payments	*-1,500.0*	*-1,500.0*	*-1,500.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-360.0*	*-*	***-4,860.0***	***-7,020.0***
Total – administered	***-6,710.0***	***-12,120.0***	***-12,190.0***	***-11,120.0***	***-11,180.0***	***-11,240.0***	***-11,290.0***	***-11,320.0***	***-11,330.0***	***-11,330.0***	***-10,950.0***	***-42,140.0***	***-120,780.0***
Departmental													
Departmental costs	*-108.0*	*-54.0*	*-55.0*	*-55.0*	*-55.0*	*-56.0*	*-56.0*	*-56.0*	*-57.0*	*-57.0*	*-57.0*	***-272.0***	***-666.0***
Total – departmental	***-108.0***	***-54.0***	***-55.0***	***-55.0***	***-55.0***	***-56.0***	***-56.0***	***-56.0***	***-57.0***	***-57.0***	***-57.0***	***-272.0***	***-666.0***
Total – payments	**-6,818.0**	**-12,174.0**	**-12,245.0**	**-11,175.0**	**-11,235.0**	**-11,296.0**	**-11,346.0**	**-11,376.0**	**-11,387.0**	**-11,387.0**	**-11,007.0**	**-42,412.0**	**-121,446.0**
Total (excluding PDI)	**-6,749.0**	**-11,957.0**	**-11,879.0**	**-10,661.0**	**-10,562.0**	**-10,469.0**	**-10,339.0**	**-10,192.0**	**-10,010.0**	**-9,810.0**	**-9,213.0**	**-41,246.0**	**-111,841.0**
PDI impacts	***-70.0***	***-260.0***	***-530.0***	***-800.0***	***-1,070.0***	***-1,370.0***	***-1,690.0***	***-2,050.0***	***-2,430.0***	***-2,840.0***	***-3,320.0***	***-1,660.0***	***-16,430.0***
Total (including PDI)	**-6,819.0**	**-12,217.0**	**-12,409.0**	**-11,461.0**	**-11,632.0**	**-11,839.0**	**-12,029.0**	**-12,242.0**	**-12,440.0**	**-12,650.0**	**-12,533.0**	**-42,906.0**	**-128,271.0**

(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.

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 Commonwealth.

Budget impact[2]

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 Commonwealth Government's net worth if the liabilities issued (the value of Commonwealth 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.

Parliamentary Budget Office

End Tax Breaks for Property Investors	
Party:	Australian Greens

Summary of proposal:

The proposal has 3 components that would modify the capital gains tax (CGT) discount and negative gearing arrangements.

Component 1 – Replace the CGT discount with an indexation method.

- This component would remove the 50% discount on capital gains realised by individuals on assets held for 12 months or more. Instead, an asset's cost base would be indexed by changes in the consumer price index (CPI) as part of calculating the capital gain at the time of sale.

Component 2 – End negative gearing for prospective investment properties.

- This component would remove negative gearing arrangements (which allow deductions for investment losses to be made against non-investment income) for all non-business investment properties purchased by individuals, funds, trusts and companies, with assets purchased prior to the start date of this policy either grandfathered or subject to Component 3 below.
  - Deductions would be restricted to the same class of asset in which the losses were incurred. The value of investment property related losses could not be used to reduce income earned through other means such as wage and salary.
  - Those affected would not be able to carry forward within-year losses to offset future rental gains, nor to offset the ultimate capital gain when the asset is sold.

Component 3 – Phase out negative gearing for existing investment properties.

- This component would phase out negative gearing deductions for individuals, funds, trusts and companies with more than one investment property purchased before 1 July 2022. In 2022-23 the proportion of negative gearing deductions allowed for an investor's second (or more) investment property would be 80%. This percentage would decrease by 20% each year until it reaches zero in 2026-27.

All components would have effect from 1 July 2022.

Costing overview

This proposal would be expected to increase the fiscal and underlying cash balances by around $12.7 billion over the 2022-23 Budget forward estimates period. This impact primarily reflects an increase in revenue and also includes an increase in departmental expenses of $26 million over this period.

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

These estimates are particularly sensitive to the following uncertainties:

- Projections for rental incomes, interest rates and asset prices. These factors are highly volatile across years and even relatively small changes can significantly change the financial implications.
- The impact of behavioural responses. For instance, some investors may aim to take advantage of the grandfathering provisions or the availability of the CGT discount. These behavioural responses could have a material impact on the revenue raised from the proposal in the years around its implementation and in future years.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	787.0	1,977.0	4,523.0	5,380.0	**12,667.0**
Underlying cash balance	787.0	1,977.0	4,523.0	5,380.0	**12,667.0**

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

- Assets affected by the CGT policy changes would be sold over a maximum period of 20 years.[1]
- The sale of 20% of affected assets that would have otherwise been sold in the first year following the start date would be brought forward to prior to the start date to avoid additional CGT.
- The purchase of 20% of affected assets that would have been purchased in the first year following the implementation date and 10% of affected assets that would have been purchased in the second year following the start date would be brought forward to prior to the implementation date.
  - This would allow those taxpayers to take advantage of the grandfathering provisions that would apply to assets purchased before the implementation date.
- Individuals would adjust their investment strategies in response to this component, such as investing in assets with higher yields and lower capital gains, or investing in other concessionally-taxed vehicles, reducing the revenue impact by around 20% in aggregate.

Methodology

Component 1

The financial impacts for this component were derived by:

- Calculating the expected additional revenue collection from removing the CGT discount for individuals.

[1] The asset holding time profile assumptions have been based on an examination of ATO rental income schedules, the Australian Bureau of Statistics (ABS) *Survey of Income and Housing*, and the 2012 *Australian Share Ownership Study*, conducted by the Australian Securities Exchange.

- Subtracting the revenue forgone by indexing the asset's cost base for increases in the consumer price index (CPI).

The amount of assessable income from capital gains was estimated for each year from 2022-23 to 2032-33, based on current revenue estimates and projections of CGT.

An average marginal tax rate for individuals reporting net capital gains was estimated based on historical tax data, expected future income growth and announced future changes to tax rates.

The revenue foregone by introducing indexation was calculated by indexing the cost base by CPI and applying the relevant tax rate.

Components 2 and 3

The costing of these components was based on a 16% sample of de-identified personal income tax returns for 2018-19, as well as tax schedules for partnerships, trusts and superannuation funds (including self-managed superannuation funds).

- The data were used to estimate the baseline amount by which negative gearing would be expected to decrease taxable income for individuals and funds, including through distributions from partnerships and trusts, over the period to 2032-33.
- This amount was adjusted so that it did not include the proportion of deductions that would be covered by the grandfathering provisions. It was further reduced by the bring forward impact of the behavioural responses.
- For Component 3, the proportion of the properties that are an investor's second (or more) investment property was calculated based on current ownership profiles. This proportion was multiplied by the percentage of ineligible deductions (based on the grandfathering profile) and the baseline amount of negative gearing (minus behavioural effects).

This costing takes account of the timing of tax collections.

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

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

Attachment A – End Tax Breaks for Property Investors – financial implications

Table A1: End Tax Breaks for Property Investors – 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													
Component 1 - Replace the CGT discount with the indexation method	*790.0*	*1,230.0*	*2,440.0*	*2,380.0*	*2,490.0*	*2,760.0*	*2,930.0*	*3,150.0*	*3,380.0*	*3,630.0*	*4,030.0*	***6,840.0***	***29,210.0***
Component 2 - End negative gearing for prospective investment properties	*10.0*	*640.0*	*1,850.0*	*2,730.0*	*3,580.0*	*4,320.0*	*5,070.0*	*5,800.0*	*6,540.0*	*7,250.0*	*7,970.0*	***5,230.0***	***45,760.0***
Component 3 - Phase out negative gearing for existing investment properties	*-*	*116.0*	*235.0*	*272.0*	*300.0*	*306.0*	*251.0*	*205.0*	*168.0*	*136.0*	*109.0*	***623.0***	***2,098.0***
Total – revenue	**800.0**	**1,986.0**	**4,525.0**	**5,382.0**	**6,370.0**	**7,386.0**	**8,251.0**	**9,155.0**	**10,088.0**	**11,016.0**	**12,109.0**	**12,693.0**	**77,068.0**
Expenses													
Departmental													
ATO	*-13.0*	*-9.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	***-26.0***	***-40.0***
Total – expenses	**-13.0**	**-9.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-26.0**	**-40.0**
Total (excluding PDI)	**787.0**	**1,977.0**	**4,523.0**	**5,380.0**	**6,368.0**	**7,384.0**	**8,249.0**	**9,153.0**	**10,086.0**	**11,014.0**	**12,107.0**	**12,667.0**	**77,028.0**

(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.

\- Indicates nil.

Table A2: End Tax Breaks for Property Investors – 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	*10.0*	*40.0*	*120.0*	*230.0*	*370.0*	*560.0*	*790.0*	*1,080.0*	*1,410.0*	*1,820.0*	*2,300.0*	***400.0***	***8,730.0***
Underlying cash balance	*10.0*	*40.0*	*110.0*	*220.0*	*360.0*	*540.0*	*770.0*	*1,040.0*	*1,370.0*	*1,770.0*	*2,240.0*	***380.0***	***8,470.0***

(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 glossary[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 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.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Free Early Childhood Education and Childcare for All	
Party:	Australian Greens

Summary of proposal:

The proposal has three parts.

- Part 1 has two components that relate to the Preschool Reform Funding National Partnership Agreement (NPA) which determines Commonwealth and state and territory (state) government funding for preschool attendance. The current NPA begins in 2022 and ends in 2025. The Commonwealth has also committed ongoing funding through the 2021-22 Budget measure – *Guaranteeing universal access to preschool*.
  - Component 1 would make preschool funding for four-year-old children ongoing and would provide free access for up to 24 hours per child per week across all preschool settings. The current roles and responsibilities of the Commonwealth and states would remain unchanged.
  - Component 2 would provide ongoing preschool funding to allow free access to preschool for three-year-old children for up to 24 hours per child per week across all preschool settings. The current roles and responsibilities of the Commonwealth and states would also apply to three-year-old children.
  - Part 1 would also result in a decrease in expenditure on the Child Care Subsidy (CCS) as families substitute from childcare to preschool settings.
- Part 2 would provide to all families 100 hours per fortnight of childcare fully subsidised up to the existing CCS hourly fee-cap. The CCS activity test, income test and annual fee cap would all be removed.
- Part 3 would provide $200 million of grant funding to reduce waiting lists for community and non-profit (including local government-run) childcare centres by increasing the number of spaces they offer. Grants would assist with capital works or increased workforce, depending on the specific needs of individual centres. This funding would be targeted towards high-need areas, where the gap in availability is greatest.

The proposal would have effect from 1 January 2023.

Costing overview

This proposal would be expected to decrease the fiscal balance by around $23,370 million and the underlying cash balance by around $22,870 million over the 2022-23 Budget forward estimates period. On a fiscal balance basis, the impact reflects an increase in administered expenses of around $23,340 million and an increase in departmental expenses of around $30 million.

The underlying cash balance impact differs to the fiscal balance impact because of a timing difference between when expenses are recognised and when they are paid. This timing difference is a result of 5% of CCS entitlements in a financial year being withheld and paid in the following year. This withholding amount would likely still be required to allow any overpaid amounts to be recovered when entitlements and payments are reconciled at the end of the year.

The proposal would have an 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.

Uncertainties

The financial implications of this proposal are sensitive to several factors, including:

- The behavioural response of parents as to how much additional preschool and childcare services they would seek under the proposal.
  - We have assumed an increase in preschool and childcare enrolment rates over time, driven by the increased funding. Although the direction of the behavioural change is relatively certain, the magnitude may vary significantly.
  - The Parliamentary Budget Office (PBO) has not undertaken any analysis to determine the additional take-up rates that could be achieved through the $200 million capped funding.
- The estimated cost of providing preschool services to three-year-old children.
- Uncertainty associated with how the childcare and preschool systems would interact under this proposal, in particular, where preschool and child care are provided in the same setting.
  - Preschool funding should reduce childcare expenditures for parents, hence lowering the CCS amounts needed from the Commonwealth Government. However, there is limited information on how the two funding mechanisms are being accessed by providers.
- Any supplier response to this proposal, which may lead to changes in costs.

More generally, there is uncertainty around the baseline data due to limited information about the operation of the new childcare system that commenced in July 2018.

The PBO notes that, in order to implement this proposal, states and territories would be required to make considerable additional preschool funding commitments to match the additional Commonwealth preschool expenditure.

The PBO has not undertaken an analysis of any broader industry-related implications for either childcare providers or the preschool system that may result from this proposal. For instance, we have not analysed any changes in the number of employees in the early childhood education sector in response to this proposal. The proposal may create capacity issues for the sector, particularly in the first few years, which could affect the implementation of the policy and its costs.

The PBO has considered the potential revenue impacts of this proposal but have not included them in this costing, given the uncertainty around how increased subsidies and the removal of the activity test would translate through to workforce participation.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-2,801.4	-6,078.6	-7,042.8	-7,450.5	**-23,373.3**
Underlying cash balance	-2,601.4	-5,878.6	-6,942.8	-7,450.5	**-22,873.3**

(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 this proposal.

Part 1 – Preschool

- Four-year-old preschool enrolments would remain unchanged, however these children are assumed to increase their hours of preschool attendance in response to the proposal.
- The proportion of three-year-old children accessing preschool programs in long day care or formal early childhood education settings would rise from around 60 per cent currently to around 90 per cent after the first three years of the proposal. This largely reflects the inclusion of three-year-old children who would have been cared for at home progressively enrolling into a preschool program. The transition period is shorter than when four-year old children were brought into the system, reflecting that earlier experience.
- Families with three-year-old children who currently use more care than the proposed free preschool hours each fortnight would use childcare services to cover the additional hours of required care, particularly when childcare is largely free of charge under Part 2 of the proposal.
- Capital funding would be used by state governments to expand capacity in government preschools.

Part 2 – Childcare

- Childcare use would increase in response to the additional childcare funding provided under this proposal. This would largely reflect an increase in the number of subsidised days and hours used.
- Children who currently use little or no formal childcare would take up free formal childcare for up to three days a week (based on the current average number of days of care for those currently using formal childcare).
- Childcare fee growth is in line with Department of Education, Skills and Employment estimates over the 2021-22 Budget forward estimates period and is based on PBO projections over the medium term.
- The necessary arrangements would be implemented to ensure that childcare funding would be calculated net of preschool funding. Commonwealth preschool funding would be included in CCS funding calculations for childcare centres with preschool programs, reducing the amount of CCS funding paid to these centres.

Part 3 – Capital funding and salary expenses

- The full $200m specified under this proposal will be provided within the 2022-23 fiscal year.

Methodology

Part 1 – Preschool

The financial implications for Component 1 were calculated by multiplying the projected ongoing costs of providing preschool for four-year-olds by the increase in weekly hours specified in the proposal. An allowance was made to remove the ability of care providers to claim full CCS funding and full preschool funding in respect of the same care session. This saving is assumed to apply to sessions currently claimed by providers under the existing 15-hour per week preschool funding arrangements, in addition to the further preschool hours provided under this proposal.

The financial implications for Component 2 were calculated by multiplying the number of three-year-old children who are expected to attend preschool programs by the estimated per-child cost of preschool, less the estimated savings in childcare funding resulting from arrangements that this funding would be calculated net of preschool funding.

This costing includes the full cost of providing preschool to four-year-old and three-year-old children for up to 24 hours from 1 January 2023. Due to the funding being on a calendar-year rather than financial-year basis the first year reflects only a part-year financial impact.

A one-off departmental expense amount for the establishment of a new NPA was included, based on the costs associated with establishing the current NPA.

Part 2 – Childcare

Administered expense estimates were calculated over the 2022-23 Budget forward estimates period using the Department of Education, Skills and Employment's 2022-23 Budget childcare model. The model estimates childcare administered expenses under both the current childcare system and this proposal. The difference between the proposed and baseline expense amounts represents the fiscal impact of the proposal. The PBO extended the model over the medium-term using Treasury's projections for CCS expenditure.

A behavioural response has been included to account for children who currently use little or no formal childcare and who would be expected to increase their use of formal childcare for up to three days under the proposal.

Underlying cash balance implications were estimated by applying a 5% timing difference to the fiscal balance implications, to reflect the withholding rule that applies under the current childcare arrangements.

Ongoing departmental expense estimates were calculated using Services Australia's unit price funding model which calculates results based on the estimated number of affected recipients.

Part 3 – Capital funding and salary expenses

This component is capped grant funding. Departmental costs reflect the impact of an increase in expenses related to drafting program guidelines and assessing grant applications.

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

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

Data sources

The Department of Education, Skills and Employment provided their childcare model as at the *2022-23 Budget*.

The Department of Education, Skills and Employment and the Treasury provided information related to the 2021-22 Budget measure - *Guaranteeing universal access to preschool* and the Preschool Reform Funding Agreement.

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

The Treasury provided projections for CCS payments as at the *2022-23 Budget*.

Australian Government, *2022-23 Budget*, Australian Government, 2022.

Australian Government, *2020-21 MYEFO*, Australian Government, 2020.

Australian Government, *2019-20 Budget*, Australian Government, 2019.

Australian Government, *2018-19 Budget*, Australian Government, 2018.

Productivity Commission, *Productivity Commission Inquiry Report - Childcare and Early Childhood Learning*, Productivity Commission, Australian Government, 2015.

Productivity Commission, *Report on Government Services*, Productivity Commission, Australian Government, various.

The Treasury, *Estimating net child care price elasticities of partnered women with pre-school children using a discrete structural labour supply-child care model*, 2012, accessed on 28 April 2022.

Attachment A – Free Early Childhood Education and Childcare for All – financial implications

Table A1: Free Early Childhood Education and Childcare for All – 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													
Part 1													
Extend preschool for 4-year-olds to 24 hours per week	*-82.0*	*-275.0*	*-277.0*	*-280.0*	*-290.0*	*-300.0*	*-311.0*	*-321.0*	*-330.0*	*-341.0*	*-351.0*	***-914.0***	***-3,158.0***
Reduced CCS payments for 4-year-olds	*105.0*	*218.0*	*223.0*	*228.0*	*232.0*	*235.0*	*238.0*	*241.0*	*243.0*	*245.0*	*248.0*	***774.0***	***2,456.0***
Provide preschool to 3-year-olds for 24 hours per week	*-136.0*	*-570.0*	*-643.0*	*-658.0*	*-675.0*	*-693.0*	*-710.0*	*-728.0*	*-746.0*	*-765.0*	*-784.0*	***-2,007.0***	***-7,108.0***
Reduced CCS expenses for 3-year-olds	*123.0*	*255.0*	*261.0*	*267.0*	*271.0*	*275.0*	*279.0*	*282.0*	*284.0*	*287.0*	*290.0*	***906.0***	***2,874.0***
Part 2													
CCS expenses for all children	*-2,600.0*	*-5,700.0*	*-6,600.0*	*-7,000.0*	*-7,500.0*	*-8,000.0*	*-8,500.0*	*-9,100.0*	*-9,600.0*	*-10,200.0*	*-10,800.0*	***-21,900.0***	***-85,600.0***
Part 3													
Capital funding	*-200.0*	-	-	-	-	-	-	-	-	-	-	***-200.0***	***-200.0***
Total – administered	***-2,790.0***	***-6,072.0***	***-7,036.0***	***-7,443.0***	***-7,962.0***	***-8,483.0***	***-9,004.0***	***-9,626.0***	***-10,149.0***	***-10,774.0***	***-11,397.0***	***-23,341.0***	***-90,736.0***
Departmental													
Part 1													
Extending universal access to preschool	*-1.4*	*-2.6*	*-2.4*	*-2.5*	-	-	-	-	-	-	-	***-8.9***	***-8.9***
Part 2													
Establishment and system changes	*-4.0*	*-1.0*	-	-	-	-	-	-	-	-	-	***-5.0***	***-5.0***
Additional Child Care Subsidy beneficiaries	*-1.0*	*-3.0*	*-4.4*	*-5.0*	*-5.4*	*-5.6*	*-5.9*	*-6.2*	*-6.5*	*-6.9*	*-7.3*	***-13.4***	***-57.2***

	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**
Part 3													
Draft program guidelines and assess grant applications	*-5.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-5.0***	***-5.0***
Total – departmental	***-11.4***	***-6.6***	***-6.8***	***-7.5***	***-5.4***	***-5.6***	***-5.9***	***-6.2***	***-6.5***	***-6.9***	***-7.3***	***-32.3***	***-76.1***
Total – expenses	**-2,801.4**	**-6,078.6**	**-7,042.8**	**-7,450.5**	**-7,967.4**	**-8,488.6**	**-9,009.9**	**-9,632.2**	**-10,155.5**	**-10,780.9**	**-11,404.3**	**-23,373.3**	**-90,812.1**
Total (excluding PDI)	**-2,801.4**	**-6,078.6**	**-7,042.8**	**-7,450.5**	**-7,967.4**	**-8,488.6**	**-9,009.9**	**-9,632.2**	**-10,155.5**	**-10,780.9**	**-11,404.3**	**-23,373.3**	**-90,812.1**

(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: Free Early Childhood Education and Childcare for All – 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													
Part 1													
Extend preschool for 4-year-olds to 24 hours per week	*-82.0*	*-275.0*	*-277.0*	*-280.0*	*-290.0*	*-300.0*	*-311.0*	*-321.0*	*-330.0*	*-341.0*	*-351.0*	***-914.0***	***-3,158.0***
Reduced CCS payments for 4-year-olds	*105.0*	*218.0*	*223.0*	*228.0*	*232.0*	*235.0*	*238.0*	*241.0*	*243.0*	*245.0*	*248.0*	***774.0***	***2,456.0***
Provide preschool to 3-year-olds for 24 hours per week	*-136.0*	*-570.0*	*-643.0*	*-658.0*	*-675.0*	*-693.0*	*-710.0*	*-728.0*	*-746.0*	*-765.0*	*-784.0*	***-2,007.0***	***-7,108.0***
Reduced CCS expenses for 3-year-olds	*123.0*	*255.0*	*261.0*	*267.0*	*271.0*	*275.0*	*279.0*	*282.0*	*284.0*	*287.0*	*290.0*	***906.0***	***2,874.0***
Part 2													
CCS expenses for all children	*-2,400.0*	*-5,500.0*	*-6,500.0*	*-7,000.0*	*-7,500.0*	*-8,000.0*	*-8,500.0*	*-9,000.0*	*-9,600.0*	*-10,200.0*	*-10,800.0*	***-21,400.0***	***-85,000.0***
Part 3													
Capital funding	*-200.0*	-	-	-	-	-	-	-	-	-	-	***-200.0***	***-200.0***
Total – administered	***-2,590.0***	***-5,872.0***	***-6,936.0***	***-7,443.0***	***-7,962.0***	***-8,483.0***	***-9,004.0***	***-9,526.0***	***-10,149.0***	***-10,774.0***	***-11,397.0***	***-22,841.0***	***-90,136.0***
Departmental													
Part 1													
Extending universal access to preschool	*-1.4*	*-2.6*	*-2.4*	*-2.5*	-	-	-	-	-	-	-	***-8.9***	***-8.9***
Part 2													
Establishment and system changes	*-4.0*	*-1.0*	-	-	-	-	-	-	-	-	-	***-5.0***	***-5.0***
Additional Child Care Subsidy beneficiaries	*-1.0*	*-3.0*	*-4.4*	*-5.0*	*-5.4*	*-5.6*	*-5.9*	*-6.2*	*-6.5*	*-6.9*	*-7.3*	***-13.4***	***-57.2***

	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**
Part 3													
Draft program guidelines and assess grant applications	*-5.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-5.0***	***-5.0***
Total – departmental	***-11.4***	***-6.6***	***-6.8***	***-7.5***	***-5.4***	***-5.6***	***-5.9***	***-6.2***	***-6.5***	***-6.9***	***-7.3***	***-32.3***	***-76.1***
Total – payments	**-2,601.4**	**-5,878.6**	**-6,942.8**	**-7,450.5**	**-7,967.4**	**-8,488.6**	**-9,009.9**	**-9,532.2**	**-10,155.5**	**-10,780.9**	**-11,404.3**	**-22,873.3**	**-90,212.1**
Total (excluding PDI)	**-2,601.4**	**-5,878.6**	**-6,942.8**	**-7,450.5**	**-7,967.4**	**-8,488.6**	**-9,009.9**	**-9,532.2**	**-10,155.5**	**-10,780.9**	**-11,404.3**	**-22,873.3**	**-90,212.1**

(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: Free Early Childhood Education and Childcare for All – 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	*-30.0*	*-130.0*	*-280.0*	*-450.0*	*-640.0*	*-870.0*	*-1,140.0*	*-1,440.0*	*-1,800.0*	*-2,210.0*	*-2,710.0*	***-890.0***	***-11,700.0***
Underlying cash balance	*-30.0*	*-120.0*	*-260.0*	*-430.0*	*-620.0*	*-840.0*	*-1,100.0*	*-1,410.0*	*-1,760.0*	*-2,160.0*	*-2,650.0*	***-840.0***	***-11,380.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[2].

(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)

Parliamentary Budget Office

Free Public Schools That Meet Everyone's Needs	
Party:	Australian Greens

Summary of proposal:

The proposal would make changes to school funding with 7 components.

- Component 1 would increase funding to all government schools to 25% of the Schools Resourcing Standard (SRS). Funding would be indexed to the wage price index (WPI) or the consumer price index (CPI), whichever is higher.
- Component 2 would replace out-of-pocket school fees paid by parents and guardians of public-school students with additional government funding. Funding is indexed in line with the SRS.
- Component 3 would wind back public funding to non-government schools. This involves phasing out non-government school funding in excess of the SRS by 1 January 2025 and abolishing the Choice and Affordability Fund.
- Component 4 would increase funding of the Capital Grants Program to $400 million per year and redistribute that funding. There would be additional departmental expenses associated with this component.
- Component 5 would provide $10 million over four years to co-design a National Inclusive Education Transition Plan for students with a disability.
- Component 6 would provide funding for all schools in Australia to purchase and install an air ventilation system and high-efficiency particulate air (HEPA) filter in each classroom and indoor communal space (such as libraries and break rooms).
- Component 7 would provide funding for all schools to purchase and install a carbon dioxide (CO_2) monitor in each classroom and indoor communal space.

Both Components 6 and 7 would be fully implemented within the first year of the commencement of the policy. This proposal would provide funding for purchasing and installing the required equipment and would not cover any operating or maintenance costs.

All components would have effect from 1 July 2022 with Components 1 and 2 being achieved by 1 January 2023.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $16,398 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered and departmental expenses associated with increased schools recurrent funding and grant funding. The impact is partially offset by savings from reduced funding to non-government schools.

Components 1, 2 and 3 of this proposal are not expected to incur departmental expenses, as these components do not involve a significant change in the complexity of administering the school funding system.

The Department of Education, Skills and Employment (DESE) advised that the Choice and Affordability fund is fully contractually committed across the forward estimates period and the medium term. Accordingly, there are no financial impacts from abolishing the fund.

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

The results of this analysis are sensitive to future enrolment growth (both its level and composition across schools) and to indexation rates. Under both the baseline and the alternative scenario, funding for the government and Catholic school systems would be provided to the relevant 'approved authority' (state/territory treasuries and jurisdictional Catholic education bodies) who are the ultimate arbiters of the Australian Government funding directed to individual schools.

For Components 6 and 7, the financial implications of this proposal are sensitive to the estimated number of eligible spaces the proposal would apply to, as well as the assumed take-up rate in response to this proposal. We note that the proposal as specified would not cover operating or maintenance costs and that these costs would be a significant ongoing expense that would have to be financed from school budgets which could affect take-up rates under the proposal.

The Parliamentary Budget Office (PBO) has not assessed the profitability and financial viability of the air ventilation system and HEPA filter providers. We have not included any related revenue impact.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-3,690.7	-4,107.2	-4,208.1	-4,391.9	**-16,397.9**
Underlying cash balance	-3,690.7	-4,107.2	-4,208.1	-4,391.9	**-16,397.9**

(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 this proposal.

Components 1 to 4

- This costing only estimates impacts on the Australian Government funding commitments and does not estimate changes to the state level funding. This holds true for schools or systems with total state or territory and Australian Government funding above 100% of their SRS entitlement.
- The revised distribution of Capital Grants Program funding specified in Component 4 would continue to be administered by block grant authorities under existing administration arrangements.

Components 6 and 7

- The number of Australian students in 2022-23 would be in line with the projection of funded enrolments provided by DESE.
- In primary schools, the average number of students in each classroom would be 24. In secondary schools, the average number of students in each classroom would be 22.
- The number of schools in 2022-23 would be the same as in 2020, as published by the Australian Bureau of Statistics.
- There would be one indoor communal space for each year cohort and one library for each school.
- All schools that have not already been equipped with similar air purifying systems would opt-in to this proposal.
  - The Victorian state government announced that 51,000 air purifiers would be purchased for Victorian schools by the end of 2021. It is assumed that these schools would not opt into this proposal.
  - It has also been assumed that 10% of Independent and Catholic schools in Australia have already installed similar air purifiers or an air conditioning system, and as such, would not opt into this proposal.
- The unit cost of an air ventilation system with a HEPA filter would be around $900 in 2022-23 including purchasing and installation costs. The unit cost of a CO_2 monitor would be around $130 in 2022-23, which includes the purchasing and installation costs.

Methodology

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

Component 1

- The impacts of the increased contribution and revised funding profile were calculated using the schools recurrent funding model provided by DESE.
- The Australian Government funding share of the SRS for government school systems was increased in equal increments from 1 July 2022 to 1 January 2023, upon which schools would be funded by the Commonwealth at 25% of the SRS.

Component 2

- The annual out-of-pocket cost was calculated based on data on income from fees, charges and parent contributions from the Australian Curriculum Assessment and Reporting Authority.
- The PBO projected the expected contributions and fees over the medium term based on the growth rate of previous contributions.
- Government funding of out-of-pocket costs was increased from 1 July 2022 to 1 January 2023 in the same fashion as in Component 1.

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

Component 3

- The impacts of phasing out non-government school funding above the Australian Government's SRS share were calculated using the DESE schools recurrent funding model by reducing the Australian Government funding share as a proportion of SRS to 80% by 1 January 2025.
- The funding profile and amount of funding contractually committed from the Choice and Affordability Fund was provided by DESE.

Component 4

- The impact of increasing Capital Grants Program funding was calculated as the difference between baseline projected funding and the nominated annual funding.
- The costs to administer grant funding were based on the funding provided to block grant authorities as a share of total Capital Grants Program funding.
  - As block grant authorities have primary responsibility for the management of grant applications, there would be no additional departmental costs incurred by DESE.

Component 5

- The value of the grants was specified by the proposal.

Components 6 and 7

- The initial establishment costs were estimated by multiplying the estimated number of classrooms and indoor communal spaces by the assumed unit costs of the air ventilation system and CO_2 monitor.
  - The number of classrooms was calculated by the estimates of enrolments divided by the average number of students in each classroom.
  - The number of indoor communal spaces was calculated by multiplying the number of schools by the number of indoor communal spaces assumed in each school.
- The estimates of departmental expenses of the proposal were based on an existing program of similar size and complexity.

Data sources

The Department of Education, Skills and Employment provided information on the Capital Grants Program and the Choice and Affordability Fund. It also provided the Commonwealth schools recurrent funding model as at the *Budget 2022-23*.

Information on parent contributions and fee charges was sourced from the Australian Curriculum Assessment and Reporting Authority's 'School income and capital expenditure for government and non-government schools' dataset, 2018, accessed 13 April 2022.

Australian Curriculum, Assessment and Reporting Authority, 2022. *Number of schools by school types and school sector, 2021*, accessed 12 April 2022.

Premier of Victoria, 2021. *Following The Three Vs For A Safe Return To School*, accessed 13 April 2022.

Australian Energy Market Commission, 2020. *Residential Electricity Price Trends 2020 – Final Report*, accessed 13 April 2022.

Roofing & Building Supplies, 2021. *Roof Ventilation*, accessed 13 April 2022.

AIRCETERA, 2020. *Air Purifier and Your Electricity Bill*, accessed 13 April 2022.

New Sale Wales Department of Education. *Average Class Size, 2021*, accessed on 13 April 2022.

Victoria State Government Education and Training. *Statistics on Victorian schools and teaching, 2021*, accessed 13 April 2022.

Attachment A – Free Public Schools That Meet Everyone's Needs – financial implications

Table A1: Free Public Schools That Meet Everyone's Needs – 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													
Component 1 - Increase SRS funding to 25% by 1 January 2023	-2,080.0	-2,760.0	-2,880.0	-2,990.0	-3,120.0	-3,240.0	-3,370.0	-3,510.0	-3,650.0	-3,800.0	-3,960.0	**-10,710.0**	**-35,360.0**
Component 2 - No out-of-pocket costs	-1,380.0	-1,510.0	-1,570.0	-1,620.0	-1,670.0	-1,720.0	-1,780.0	-1,840.0	-1,900.0	-1,960.0	-2,020.0	**-6,080.0**	**-18,970.0**
Component 3 - Phase out non-government schools funding in excess of SRS	216.0	380.0	454.0	425.0	315.0	196.0	67.0	-	-	-	-	**1,475.0**	**2,053.0**
Component 4 - Capital Grants Program	-206.0	-201.0	-196.0	-191.0	-186.0	-181.0	-176.0	-171.0	-165.0	-160.0	-154.0	**-794.0**	**-1,987.0**
Component 6 - Air ventilation system with HEPA filter	-187.0	-	-	-	-	-	-	-	-	-	-	**-187.0**	**-187.0**
Component 7 - CO2 monitor	-34.4	-	-	-	-	-	-	-	-	-	-	**-34.4**	**-34.4**
Total – administered	***-3,671.4***	***-4,091.0***	***-4,192.0***	***-4,376.0***	***-4,661.0***	***-4,945.0***	***-5,259.0***	***-5,521.0***	***-5,715.0***	***-5,920.0***	***-6,134.0***	***-16,330.4***	***-54,485.4***
Departmental													
Component 4 - Capital Grants Program	-6.4	-6.2	-6.1	-5.9	-5.7	-5.6	-5.4	-5.3	-5.1	-4.9	-4.8	**-24.6**	**-61.4**
Component 5 - Co-design a National Inclusive Education Transition Plan	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	**-40.0**	**-110.0**
Components 6 and 7 - Air ventilation system with HEPA filter and CO2 monitor	-2.9	-	-	-	-	-	-	-	-	-	-	**-2.9**	**-2.9**
Total – departmental	***-19.3***	***-16.2***	***-16.1***	***-15.9***	***-15.7***	***-15.6***	***-15.4***	***-15.3***	***-15.1***	***-14.9***	***-14.8***	***-67.5***	***-174.3***
Total (excluding PDI)	**-3,690.7**	**-4,107.2**	**-4,208.1**	**-4,391.9**	**-4,676.7**	**-4,960.6**	**-5,274.4**	**-5,536.3**	**-5,730.1**	**-5,934.9**	**-6,148.8**	**-16,397.9**	**-54,659.7**

(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: Free Public Schools That Meet Everyone's Needs – 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	*-40.0*	*-130.0*	*-230.0*	*-330.0*	*-450.0*	*-580.0*	*-740.0*	*-920.0*	*-1,130.0*	*-1,360.0*	*-1,650.0*	***-730.0***	***-7,560.0***
Underlying cash balance	*-40.0*	*-120.0*	*-220.0*	*-320.0*	*-430.0*	*-570.0*	*-720.0*	*-900.0*	*-1,110.0*	*-1,340.0*	*-1,620.0*	***-700.0***	***-7,390.0***

(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 glossary[2].

(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)

Free TAFE and University	
Party:	Australian Greens

Summary of proposal:

This proposal would eliminate the costs of university and Technical and Further Education (TAFE) institute qualifications for Australian citizens and permanent residents in public universities and TAFE institutions, and increase funding for public universities. The proposal comprises the following components.

- Component 1: The Australian Government would pay the full student contribution amount for all undergraduate and postgraduate students studying at public universities.
  - The government would provide grants to cover all fees for university students in Commonwealth Supported Places (CSPs) previously financed by the Higher Education Loan Program (HELP), including CSPs at public universities financed by HECS-HELP, and the Student Services and Amenities Fee (SSAF) for all HELP students financed by SA-HELP.
  - The government would also provide grants to cover fees for university students in full fee university places previously financed by FEE-HELP, for students studying at public universities and Open Universities Australia.
- Component 2: The Australian Government would provide grants to cover fees for students studying TAFE qualifications, previously borne by domestic students through up-front payments and students loans.
- Component 3: The Australian Government would provide ongoing base funding to public universities at rates 10% higher than before the Job Ready Graduates reforms, while retaining the National Priorities Industry Linkage Fund and the Indigenous, Regional, Low Socio-Economic Status Attainment Fund.

The proposal would commence from 1 January 2023 and be ongoing.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $40,400 million, decrease the underlying cash balance by around $44,200 million and decrease the headline cash balance by around $17,400 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 (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are very uncertain and sensitive to assumptions about course enrolments and fees, degree or certification length, course completion patterns, and behavioural responses by students and educational providers. Inherent uncertainties in the baseline estimates for the relevant student loan programs, and limited information regarding loan repayment profiles add to the uncertainty of the estimated financial implications of this proposal.

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

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest, and the flow of loan principal amounts. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan write-downs, 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	*-5,248.3*	*-11,028.9*	*-11,708.5*	*-12,398.7*	**-40,384.4**
Underlying cash balance	*-5,870.5*	*-12,230.5*	*-12,791.6*	*-13,337.2*	**-44,229.8**
Headline cash balance	*-2,122.5*	*-4,641.1*	*-5,078.2*	*-5,539.3*	**-17,381.1**

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

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Available courses, course fees, tuition amounts, and graduation rates would be broadly consistent with existing patterns.
- Component 1 of this proposal would result in a 1% increase in projected university enrolments.
- Component 2 of this proposal would result in a 5% increase in projected TAFE enrolments. There would also be some substitution (15%) from non-TAFE vocational education and training providers to TAFE providers to take advantage of the free tuition.
- Available courses, course enrolments, course fees, tuition amounts, and graduation rates would be broadly consistent with existing patterns.
- The funding contribution shares of all state and territory governments under the proposal would remain unchanged, in line with actual funding shares observed over recent years.
- There would be no impact on departmental resourcing requirements for the Department of Education, Skills and Employment, as any increased workload arising from grant administration activities would be offset by corresponding reductions in other activities.

Methodology

The financial implications of Components 1 and 2 are the combined impact of providing grants for the costs of eligible university and TAFE courses, and the impact from students no longer contributing to the costs of these courses through repayment of concessional loans.

- The value of grants was calculated by multiplying the average per student costs relevant to the grant by the estimated number of affected students measured as the equivalent full-time study load (EFTSL).

- The financial implications of no longer providing concessional loans to affected students were calculated using the Department of Education, Skills, and Employment's Higher Education Loan Program model.

The financial implications of Component 3 are estimated by multiplying the cluster-weighted average funding difference per EFTSL between the baseline and under the proposal, by the EFTSL projected by the Department of Education, Skills, and Employment.

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 and the Treasury provided economic parameters and population estimates as at the *Budget 2022-23*.

The Department of Education, Skills and Employment provided the Higher Education Loan Program modelling and enrolment projections as at the *Budget 2022-23*.

Information on student numbers and full-year training equivalents (FYTEs) for TAFE and other Vocational Education and Training courses was taken from research published by the National Centre for Vocational Education and Research, *Total VET students and courses 2020*, accessed 02 May 2022.

Information on loans and fees for TAFE and other Vocational Education and Training courses from January to June 2020 was taken from research published by the Department of Education, Skills and Employment, *VET Student Loans Statistics; Addendum - VSL Six Monthly Report January to June 2021*-Table 2, accessed 02 May 2022.

Information on loans and fees for TAFE and other Vocational Education and Training courses from July to December 2020 was taken from research published by the Department of Education, Skills and Employment, *VET Student Loans Statistics; Addendum - VSL Six Monthly Report July to December 2020* – Table 2, accessed 02 May 2022.

Information on course completion rates and patterns was taken from analysis published by the Department of Education, Skills, and Employment, *Completion rates of higher education students: Cohort analysis, 2005-2014*, accessed 02 May 2022.

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

Attachment A – Free TAFE and University – financial implications

Table A1: Free TAFE and University – 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													
Component 1 loan impact – Indexation on loans	*-*	*-80.0*	*-250.0*	*-430.0*	*-610.0*	*-800.0*	*-1,000.0*	*-1,200.0*	*-1,420.0*	*-1,660.0*	*-1,900.0*	***-760.0***	***-9,350.0***
Component 1 loan impact – Unwinding concessional loan discount	*-*	*-*	*-*	*-*	*-*	*-*	*-7.0*	*-22.0*	*-45.0*	*-80.0*	*-130.0*	***-***	***-284.0***
Component 1 loan impact – Student loan fees	*-1.4*	*-5.8*	*-5.8*	*-6.0*	*-6.5*	*-9.0*	*-14.6*	*-20.5*	*-24.9*	*-28.3*	*-18.9*	***-19.0***	***-141.7***
Component 2 loan impact – Indexation on loans	*-*	*-2.4*	*-7.1*	*-12.0*	*-17.2*	*-22.6*	*-28.2*	*-34.2*	*-40.5*	*-47.2*	*-54.2*	***-21.5***	***-265.6***
Component 2 loan impact – Unwinding concessional loan discount	*-*	*-*	*-*	*-*	*-*	*-*	*-0.2*	*-0.7*	*-1.4*	*-2.5*	*-4.0*	***-***	***-8.8***
Component 2 loan impact – Student loan fees	*-11.4*	*-23.2*	*-24.1*	*-25.1*	*-26.1*	*-27.1*	*-28.2*	*-29.3*	*-30.5*	*-31.4*	*-32.0*	***-83.8***	***-288.4***
Total – administered non-tax	***-12.8***	***-111.4***	***-287.0***	***-473.1***	***-659.8***	***-858.7***	***-1,078.2***	***-1,306.7***	***-1,562.3***	***-1,849.4***	***-2,139.1***	***-884.3***	***-10,338.5***
Total – revenue	**-12.8**	**-111.4**	**-287.0**	**-473.1**	**-659.8**	**-858.7**	**-1,078.2**	**-1,306.7**	**-1,562.3**	**-1,849.4**	**-2,139.1**	**-884.3**	**-10,338.5**
Expenses													
Administered													
Component 1 loan impact – Personal benefits	*19.5*	*39.7*	*41.0*	*42.2*	*43.4*	*44.5*	*45.7*	*46.9*	*48.2*	*49.5*	*50.8*	***142.4***	***471.4***
Component 1 loan impact – Remissions	*-*	*0.8*	*2.4*	*4.1*	*5.9*	*7.8*	*9.8*	*11.9*	*14.1*	*16.5*	*19.0*	***7.3***	***92.3***
Component 1 – Concessional loan discount	*-*	*-*	*-*	*-*	*-*	*90.0*	*201.0*	*320.0*	*472.0*	*700.0*	*883.0*	***-***	***2,666.0***
Component 1 loan impact – Other loan financing	*600.0*	*1,250.0*	*1,300.0*	*1,340.0*	*1,390.0*	*1,430.0*	*1,480.0*	*1,530.0*	*1,580.0*	*1,630.0*	*1,670.0*	***4,490.0***	***15,200.0***

	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**
Component 1 – Grant for student contribution of university fees	*-3,900.0*	*-8,100.0*	*-8,400.0*	*-8,700.0*	*-9,000.0*	*-9,300.0*	*-9,600.0*	*-9,900.0*	*-10,200.0*	*-10,500.0*	*-10,800.0*	***-29,100.0***	***-98,400.0***
Component 2 loan impact – Remissions	*-*	*..*	*0.1*	*0.1*	*0.2*	*0.3*	*0.3*	*0.4*	*0.5*	*0.6*	*0.6*	***0.2***	***3.1***
Component 2 – Concessional loan discount	*-*	*-*	*-*	*-*	*-*	*2.8*	*6.2*	*9.9*	*14.6*	*21.7*	*27.5*	***-***	***82.7***
Component 2 loan impact – Other loan financing	*35.0*	*72.0*	*75.0*	*78.0*	*81.0*	*84.0*	*87.0*	*91.0*	*94.0*	*98.0*	*100.0*	***260.0***	***895.0***
Component 2 – Grant for student contribution of TAFE fees	*-1,500.0*	*-3,130.0*	*-3,250.0*	*-3,380.0*	*-3,520.0*	*-3,650.0*	*-3,790.0*	*-3,940.0*	*-4,090.0*	*-4,240.0*	*-4,410.0*	***-11,260.0***	***-38,900.0***
Component 3 – Grant to increase base funding for universities	*-470.0*	*-950.0*	*-980.0*	*-980.0*	*-980.0*	*-990.0*	*-990.0*	*-990.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	***-3,380.0***	***-10,330.0***
Total – administered	***-5,215.5***	***-10,817.5***	***-11,211.5***	***-11,595.6***	***-11,979.5***	***-12,280.6***	***-12,550.0***	***-12,819.9***	***-13,066.6***	***-13,223.7***	***-13,459.1***	***-38,840.1***	***-128,219.5***
Total – expenses	**-5,215.5**	**-10,817.5**	**-11,211.5**	**-11,595.6**	**-11,979.5**	**-12,280.6**	**-12,550.0**	**-12,819.9**	**-13,066.6**	**-13,223.7**	**-13,459.1**	**-38,840.1**	**-128,219.5**
Total (excluding PDI)	**-5,228.3**	**-10,928.9**	**-11,498.5**	**-12,068.7**	**-12,639.3**	**-13,139.3**	**-13,628.2**	**-14,126.6**	**-14,628.9**	**-15,073.1**	**-15,598.2**	**-39,724.4**	**-138,558.0**
PDI impacts	***-20.0***	***-100.0***	***-210.0***	***-330.0***	***-460.0***	***-630.0***	***-820.0***	***-1,050.0***	***-1,320.0***	***-1,640.0***	***-2,020.0***	***-660.0***	***-8,600.0***
Total (including PDI)	**-5,248.3**	**-11,028.9**	**-11,708.5**	**-12,398.7**	**-13,099.3**	**-13,769.3**	**-14,448.2**	**-15,176.6**	**-15,948.9**	**-16,713.1**	**-17,618.2**	**-40,384.4**	**-147,158.0**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Free TAFE and University – 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													
Component 1 loan impact – Interest receipts	-	..	-2.0	-8.0	-19.0	-38.0	-64.0	-100.0	-148.0	-151.0	-152.0	-10.0	-682.0
Component 2 loan impact – Interest receipts	-	-0.2	-0.6	-1.4	-2.4	-3.8	-5.6	-7.9	-10.8	-11.1	-11.1	-2.2	-54.9
Total - administered non-tax	-	-0.2	-2.6	-9.4	-21.4	-41.8	-69.6	-107.9	-158.8	-162.1	-163.1	-12.2	-736.9
Total – receipts	-	-0.2	-2.6	-9.4	-21.4	-41.8	-69.6	-107.9	-158.8	-162.1	-163.1	-12.2	-736.9
Payments													
Administered													
Component 1 loan impact – Personal benefits	19.5	39.7	41.0	42.2	43.4	44.5	45.7	46.9	48.2	49.5	50.8	142.4	471.4
Component 1 – Grant for student contribution of university fees	-3,900.0	-8,100.0	-8,400.0	-8,700.0	-9,000.0	-9,300.0	-9,600.0	-9,900.0	-10,200.0	-10,500.0	-10,800.0	-29,100.0	-98,400.0
Component 2 – Grant for student contribution of TAFE fees	-1,500.0	-3,130.0	-3,250.0	-3,380.0	-3,520.0	-3,650.0	-3,790.0	-3,940.0	-4,090.0	-4,240.0	-4,410.0	-11,260.0	-38,900.0
Component 3 – Grant to increase base funding for universities	-470.0	-950.0	-980.0	-980.0	-980.0	-990.0	-990.0	-990.0	-1,000.0	-1,000.0	-1,000.0	-3,380.0	-10,330.0
Total – administered	-5,850.5	-12,140.3	-12,589.0	-13,017.8	-13,456.6	-13,895.5	-14,334.3	-14,783.1	-15,241.8	-15,690.5	-16,159.2	-43,597.6	-147,158.6
Total – payments	-5,850.5	-12,140.3	-12,589.0	-13,017.8	-13,456.6	-13,895.5	-14,334.3	-14,783.1	-15,241.8	-15,690.5	-16,159.2	-43,597.6	-147,158.6
Total (excluding PDI)	-5,850.5	-12,140.5	-12,591.6	-13,027.2	-13,478.0	-13,937.3	-14,403.9	-14,891.0	-15,400.6	-15,852.6	-16,322.3	-43,609.8	-147,895.5
PDI impacts	-20.0	-90.0	-200.0	-310.0	-450.0	-610.0	-800.0	-1,020.0	-1,280.0	-1,600.0	-1,980.0	-620.0	-8,360.0
Total (including PDI)	-5,870.5	-12,230.5	-12,791.6	-13,337.2	-13,928.0	-14,547.3	-15,203.9	-15,911.0	-16,680.6	-17,452.6	-18,302.3	-44,229.8	-156,255.5

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A3: Free TAFE and University – 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													
Component 1 loan impact – Interest receipts	-	..	*-2.0*	*-8.0*	*-19.0*	*-38.0*	*-64.0*	*-100.0*	*-148.0*	*-151.0*	*-152.0*	***-10.0***	***-682.0***
Component 1 loan impact – Loan principal repayments	-	*-50.0*	*-190.0*	*-370.0*	*-590.0*	*-850.0*	*-1,180.0*	*-1,580.0*	*-2,030.0*	*-2,510.0*	*-3,000.0*	***-610.0***	***-12,350.0***
Component 2 loan impact – Interest receipts	-	*-0.2*	*-0.6*	*-1.4*	*-2.4*	*-3.8*	*-5.6*	*-7.9*	*-10.8*	*-11.1*	*-11.1*	***-2.2***	***-54.9***
Component 2 loan impact – Loan principal repayments	-	*-1.6*	*-5.6*	*-11.1*	*-17.6*	*-25.4*	*-35.3*	*-47.4*	*-61.1*	*-75.7*	*-90.8*	***-18.3***	***-371.6***
Total - administered non-tax	-	***-51.8***	***-198.2***	***-390.5***	***-629.0***	***-917.2***	***-1,284.9***	***-1,735.3***	***-2,249.9***	***-2,747.8***	***-3,253.9***	***-640.5***	***-13,458.5***
Total – receipts	**-**	**-51.8**	**-198.2**	**-390.5**	**-629.0**	**-917.2**	**-1,284.9**	**-1,735.3**	**-2,249.9**	**-2,747.8**	**-3,253.9**	**-640.5**	**-13,458.5**
Payments													
Administered													
Component 1 loan impact – Personal benefits	*19.5*	*39.7*	*41.0*	*42.2*	*43.4*	*44.5*	*45.7*	*46.9*	*48.2*	*49.5*	*50.8*	***142.4***	***471.4***
Component 1 loan impact – Total loans	*3,640.0*	*7,420.0*	*7,680.0*	*7,940.0*	*8,190.0*	*8,460.0*	*8,750.0*	*9,040.0*	*9,350.0*	*9,650.0*	*9,910.0*	***26,680.0***	***90,030.0***
Component 1 – Grant for student contribution of university fees	*-3,900.0*	*-8,100.0*	*-8,400.0*	*-8,700.0*	*-9,000.0*	*-9,300.0*	*-9,600.0*	*-9,900.0*	*-10,200.0*	*-10,500.0*	*-10,800.0*	***-29,100.0***	***-98,400.0***
Component 2 loan impact – Total loans	*108.0*	*221.0*	*229.0*	*239.0*	*248.0*	*258.0*	*268.0*	*279.0*	*290.0*	*300.0*	*308.0*	***797.0***	***2,748.0***
Component 2 – Grant for student contribution of TAFE fees	*-1,500.0*	*-3,130.0*	*-3,250.0*	*-3,380.0*	*-3,520.0*	*-3,650.0*	*-3,790.0*	*-3,940.0*	*-4,090.0*	*-4,240.0*	*-4,410.0*	***-11,260.0***	***-38,900.0***

	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**
Component 3 – Grant to increase base funding for universities	*-470.0*	*-950.0*	*-980.0*	*-980.0*	*-980.0*	*-990.0*	*-990.0*	*-990.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	***-3,380.0***	***-10,330.0***
Total – administered	***-2,102.5***	***-4,499.3***	***-4,680.0***	***-4,838.8***	***-5,018.6***	***-5,177.5***	***-5,316.3***	***-5,464.1***	***-5,601.8***	***-5,740.5***	***-5,941.2***	***-16,120.6***	***-54,380.6***
Total – payments	**-2,102.5**	**-4,499.3**	**-4,680.0**	**-4,838.8**	**-5,018.6**	**-5,177.5**	**-5,316.3**	**-5,464.1**	**-5,601.8**	**-5,740.5**	**-5,941.2**	**-16,120.6**	**-54,380.6**
Total (excluding PDI)	**-2,102.5**	**-4,551.1**	**-4,878.2**	**-5,229.3**	**-5,647.6**	**-6,094.7**	**-6,601.2**	**-7,199.4**	**-7,851.7**	**-8,488.3**	**-9,195.1**	**-16,761.1**	**-67,839.1**
PDI impacts	***-20.0***	***-90.0***	***-200.0***	***-310.0***	***-450.0***	***-610.0***	***-800.0***	***-1,020.0***	***-1,280.0***	***-1,600.0***	***-1,980.0***	***-620.0***	***-8,360.0***
Total (including PDI)	**-2,122.5**	**-4,641.1**	**-5,078.2**	**-5,539.3**	**-6,097.6**	**-6,704.7**	**-7,401.2**	**-8,219.4**	**-9,131.7**	**-10,088.3**	**-11,175.1**	**-17,381.1**	**-76,199.1**

(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 Commonwealth.

Budget impact[2]

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 Commonwealth Government's net worth if the liabilities issued (the value of Commonwealth 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.

Parliamentary
Budget Office

Wipe Student Debt	
Party:	Australian Greens

Summary of proposal:

The proposal would waive 20% of outstanding Higher Education Loan Program and Student Financial Supplement Scheme (SFSS) debt each year over 5 years, from 1 January 2023. This includes the following types of debt:

- HECS-HELP
- OS-HELP
- SA-HELP
- FEE-HELP
- VET FEE-HELP
- VET student loans.
- SFSS

Debt to be waived would be valued as at 1 January 2023, with any new HELP loans from 2023 onwards out of scope of this proposal and not factored into the estimates.

The request also sought distributional analysis of policy impact in fiscal terms in 2024-25 across income deciles.

Costing overview

The proposal would decrease the fiscal balance by around $45,700 million, the underlying cash balance by around $2,600 million, and the headline cash balance by around $12,100 million over the 2022-23 Budget forward estimates period.

This proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A full breakdown of the financial implications over the period to 2032-33 is provided at Attachment A. Distributional analysis by income decile is provided at Attachment B.

The financial implications of this proposal are uncertain and highly sensitive to assumptions around repayments on the stock of student loans in each calendar year, including inherent uncertainties in the baseline estimates for the relevant student loan programs, uncertainties around existing estimates of debts not expected to be repaid and limited information regarding loan repayment profiles. The SFSS closed to new entrants in 2003, limiting information available on repayment profiles and the ratio of principal to interest repayments.

The distributional estimates provided in this response are uncertain and highly sensitive to the distribution of student debt that is expected to be repaid. The analysis provided in this response is based on the distribution of total student debts by various groups. However, some of this debt will not be repaid if an individual never earns above the study and training loan repayment threshold.

- The Government includes a provision in the budget baseline for the value of debts not expected to be repaid (DNER), and this value is already factored into the net cost of Wiping Student Debt. As such, the distribution of debt that is expected to be repaid may attribute more debt to higher-income earners than the distribution of total debt.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest (PDI) expense impact has been included in this costing because the concessional loans impacted under 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 amounts. In particular, only the fiscal balance reflects the associated unwinding income, and loan write-downs, 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 C.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-11,713.2	-11,396.2	-11,243.5	-11,311.0	**-45,663.9**
Underlying cash balance	-120.2	-410.6	-801.0	-1,291.4	**-2,623.2**
Headline cash balance	-571.0	-1,963.0	-3,735.1	-5,877.1	**-12,146.2**

(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.

- No voluntary repayments would be made on any student loans. The rate of compulsory repayments on the existing stock of loans would move in line with expectation and would not exceed one-third of the existing stock of debt in any year over the medium term.
- There would be no impact on departmental resourcing requirements for the Department of Education, Skills and Employment (DESE) and the Department of Social Services, as any increased workload arising from debt waiver activities would be offset by corresponding reductions in other related activities.
- The relative distribution of incomes in Australia would not differ significantly between 2018-19 and 2024-25.

SFSS

- The rate of compulsory repayments on the loan stock would move in line with expected repayment amounts.
- The fair value of the loan stock would remain steady from the start of the proposal, with no adjustments made outside repayments and debt waivers.
- The total value of the loan stock would have decreased from the balance published in 2018-19 taxation statistics in line with the average reduction in balances from 2016-17 to 2018-19.
- The ratio of principal to interest repayments would be similar to the ratio used for HELP.

- The rate of income from the unwinding of concessional loan discount would be similar to the rate used for HELP.

Methodology

HELP

The financial implications of this part of the proposal were calculated using DESE's Higher Education Loan Program model.

- Future loan estimates from the start of 2023 were excluded from the model, to create a baseline drawing on the existing stock of loans as at the start of 2023.
- The value of loan waivers was then calculated based on the value of remaining loan stock to match the policy specification.

The waiver of debt was applied at the start of the relevant calendar year, after which the impacts of compulsory repayments and debt write-offs were assessed. There would be no write-offs or repayments after 2026-27, as all loans would be waived by early 2027.

Compulsory repayments on loans were estimated based on the existing trends in repayment growth, taking into account an expected slowdown of repayments in later years as the overall stock of outstanding loans reduces.

SFSS

The financial implications of this part of the proposal were calculated by projecting the fair value of the outstanding loan stock and then waiving 20% of the balance each year, accounting for repayments.

- The fair value is based on the value published in the Statement of Risk in Budget Paper 1.
- Indexation and interest repayments foregone on the outstanding loans was projected based on the estimated fair value loan balance as at 30 December 2022.

Repayments were calculated based on the opening balance for the fair value of outstanding loans multiplied by the average change in balance for SFSS between 2016-17 and 2018-19 based on the taxation statistics. Repayments were split by principal and interest as per *Key assumptions*.

Distributional analysis

The distributional analysis of wiping student debt by income decile was based on the fiscal impact of this costing and distribution of debt across income, as at 2018-19 provided by DESE.

- Income deciles were based on 2018-19 personal income tax data.
- The distribution of debt reflects the total amount of student debt held by various groups. The fiscal impact reflects the value of student debt net of DNER.
- There was no income data available for around 17% of debtors. This results in around $1.8 billion impact being unattributable to an income decile.

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

Data sources

Australian Government, 2022. *Budget Strategy and Outlook, Budget Paper No.1*, 2022-23. Canberra: Commonwealth of Australia.

Australian Government, 2021. *Budget Strategy and Outlook, Budget Paper No.1*, 2021-22. Canberra: Commonwealth of Australia.

Australian Government, 2020. *Budget Strategy and Outlook, Budget Paper No.1*, 2020-21. Canberra: Commonwealth of Australia.

Australian Government, 2019. *Budget Strategy and Outlook, Budget Paper No.1*, 2019-20. Canberra: Commonwealth of Australia.

Australian Taxation Office, 2021. *Taxation statistics 2018-19*.

Australian Taxation Office, 2021. *Taxation statistics 2017-18*.

Australian Taxation Office, 2020. *Taxation statistics 2016-17*.

The Department of Finance and Treasury provided indexation parameters as at the Pre-election Economic and Fiscal Outlook 2022.

The Department of Education, Skills and Employment provided the Higher Education Loan Program modelling as at the Pre-election Economic and Fiscal Outlook 2022.

The Australian Taxation Office provided a sample of de-identified personal income tax data as at 2018-19.

The Department of Education, Skills and Employment provided distributional information on Higher Education Loan Program debt and the number of debtors as at 2018-19.

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

Attachment A – Wipe Student Debt – financial implications

Table A1: Wipe Student Debt – 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													
HELP - Indexation on loans	*-730.0*	*-1,390.0*	*-1,270.0*	*-1,130.0*	*-960.0*	*-760.0*	*-530.0*	*-360.0*	*-250.0*	*-170.0*	*-120.0*	***-4,520.0***	***-7,670.0***
SFSS - Indexation on loans	*-5.4*	*-10.4*	*-9.6*	*-8.9*	*-8.3*	*-8.0*	*-8.2*	*-8.3*	*-8.4*	*-8.3*	*-8.3*	***-34.3***	***-92.1***
HELP - Unwinding concessional loan discount	-	-	-	-	-	-	*-42.7*	*-59.2*	*-72.0*	*-64.6*	*-55.3*	-	***-293.8***
SFSS - Unwinding concessional loan discount	-	-	-	-	-	-	*-0.7*	*-1.3*	*-2.3*	*-3.0*	*-3.6*	-	***-10.9***
Total – revenue	**-735.4**	**-1,400.4**	**-1,279.6**	**-1,138.9**	**-968.3**	**-768.0**	**-581.6**	**-428.8**	**-332.7**	**-245.9**	**-187.2**	**-4,554.3**	**-8,066.8**
Expenses													
Administered													
HELP - Remissions	*-10,900.0*	*-9,900.0*	*-9,800.0*	*-9,900.0*	*-8,700.0*	-	-	-	-	-	-	***-40,500.0***	***-49,200.0***
SFSS - Remissions	*-67.8*	*-65.8*	*-63.9*	*-62.1*	*-60.3*	-	-	-	-	-	-	***-259.6***	***-319.9***
Total – expenses	**-10,967.8**	**-9,965.8**	**-9,863.9**	**-9,962.1**	**-8,760.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-40,759.6**	**-49,519.9**
Total (excluding PDI)	**-11,703.2**	**-11,366.2**	**-11,143.5**	**-11,101.0**	**-9,728.6**	**-768.0**	**-581.6**	**-428.8**	**-332.7**	**-245.9**	**-187.2**	**-45,313.9**	**-57,586.7**
PDI impacts	***-10.0***	***-30.0***	***-100.0***	***-210.0***	***-380.0***	***-620.0***	***-870.0***	***-1,070.0***	***-1,240.0***	***-1,380.0***	***-1,510.0***	***-350.0***	***-7,420.0***
Total (including PDI)	**-11,713.2**	**-11,396.2**	**-11,243.5**	**-11,311.0**	**-10,108.6**	**-1,388.0**	**-1,451.6**	**-1,498.8**	**-1,572.7**	**-1,625.9**	**-1,697.2**	**-45,663.9**	**-65,006.7**

(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.

\- Indicates nil.

Table A2: Wipe Student Debt – 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													
HELP - Interest receipts	*-110.0*	*-380.0*	*-710.0*	*-1,100.0*	*-1,550.0*	*-1,930.0*	*-1,370.0*	*-950.0*	*-660.0*	*-460.0*	*-320.0*	***-2,300.0***	***-9,540.0***
SFSS - Interest receipts	*-0.2*	*-0.6*	*-1.0*	*-1.4*	*-1.8*	*-2.0*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	***-3.2***	***-16.5***
Total – receipts	**-110.2**	**-380.6**	**-711.0**	**-1,101.4**	**-1,551.8**	**-1,932.0**	**-1,371.9**	**-951.9**	**-661.9**	**-461.9**	**-321.9**	**-2,303.2**	**-9,556.5**
Total (excluding PDI)	**-110.2**	**-380.6**	**-711.0**	**-1,101.4**	**-1,551.8**	**-1,932.0**	**-1,371.9**	**-951.9**	**-661.9**	**-461.9**	**-321.9**	**-2,303.2**	**-9,556.5**
PDI impacts	***-10.0***	***-30.0***	***-90.0***	***-190.0***	***-360.0***	***-590.0***	***-840.0***	***-1,050.0***	***-1,220.0***	***-1,360.0***	***-1,490.0***	***-320.0***	***-7,230.0***
Total (including PDI)	**-120.2**	**-410.6**	**-801.0**	**-1,291.4**	**-1,911.8**	**-2,522.0**	**-2,211.9**	**-2,001.9**	**-1,881.9**	**-1,821.9**	**-1,811.9**	**-2,623.2**	**-16,786.5**

(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.

Table A3: Wipe Student Debt – 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													
HELP - Interest receipts	*-110.0*	*-380.0*	*-710.0*	*-1,100.0*	*-1,550.0*	*-1,930.0*	*-1,370.0*	*-950.0*	*-660.0*	*-460.0*	*-320.0*	***-2,300.0***	***-9,540.0***
SFSS - Interest receipts	*-0.2*	*-0.6*	*-1.0*	*-1.4*	*-1.8*	*-2.0*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	***-3.2***	***-16.5***
HELP - Loan principal repayments	*-450.0*	*-1,550.0*	*-2,930.0*	*-4,580.0*	*-6,490.0*	*-8,090.0*	*-5,740.0*	*-3,980.0*	*-2,770.0*	*-1,930.0*	*-1,350.0*	***-9,510.0***	***-39,860.0***
SFSS - Loan principal repayments	*-0.8*	*-2.4*	*-4.1*	*-5.7*	*-7.1*	*-7.8*	*-7.8*	*-7.7*	*-7.7*	*-7.7*	*-7.7*	***-13.0***	***-66.5***
Total – receipts	**-561.0**	**-1,933.0**	**-3,645.1**	**-5,687.1**	**-8,048.9**	**-10,029.8**	**-7,119.7**	**-4,939.6**	**-3,439.6**	**-2,399.6**	**-1,679.6**	**-11,826.2**	**-49,483.0**
Total (excluding PDI)	**-561.0**	**-1,933.0**	**-3,645.1**	**-5,687.1**	**-8,048.9**	**-10,029.8**	**-7,119.7**	**-4,939.6**	**-3,439.6**	**-2,399.6**	**-1,679.6**	**-11,826.2**	**-49,483.0**
PDI impacts	***-10.0***	***-30.0***	***-90.0***	***-190.0***	***-360.0***	***-590.0***	***-840.0***	***-1,050.0***	***-1,220.0***	***-1,360.0***	***-1,490.0***	***-320.0***	***-7,230.0***
Total (including PDI)	**-571.0**	**-1,963.0**	**-3,735.1**	**-5,877.1**	**-8,408.9**	**-10,619.8**	**-7,959.7**	**-5,989.6**	**-4,659.6**	**-3,759.6**	**-3,169.6**	**-12,146.2**	**-56,713.0**

(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.

Attachment B – Wipe Student Debt – distributional analysis

Table B1: Wipe Student Debt – Distribution of expenditure estimates in 2024-25 (in fiscal terms) by income deciles ($m)[(a)(b)]

	Wiping Student Debt
Decile 1	*-740*
Decile 2	*-1,160*
Decile 3	-1,240
Decile 4	*-1,250*
Decile 5	*-1,170*
Decile 6	*-1,140*
Decile 7	*-1,130*
Decile 8	*-910*
Decile 9	*-490*
Decile 10	*-200*
No income data available	*-1,820*
Total cost of policies	**-11,250**

(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.

(b) Figures may not sum to total due to rounding.

Attachment C – 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 Commonwealth.

Budget impact[2]

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 Commonwealth Government's net worth if the liabilities issued (the value of Commonwealth 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.

Parliamentary Budget Office

Truth and Justice Commission	
Party:	Australian Greens

Summary of proposal:

The proposal would establish a Treaty Council (the Council) which replicates the Council for Aboriginal Reconciliation established by the *Council for Aboriginal Reconciliation Act 1991* and was abolished in 2001. The Council would recommend the structure and form of a National Truth and Justice Commission (the Commission) to formally recognise historical wrongs and ongoing injustices towards First Nations peoples.

The proposal has 4 parts.

1. From 2022-23 to 2024-25, establish the Council. The Council would lead the development of a Treaty model through consultation, and the development of a model for the Commission.
2. In 2025-26, establish the Commission outside the general government sector. The Commission would be provided $250 million in funding to begin proceedings in parallel with the Council until its expiration.
3. From 2025-26 to 2027-28, the Council would undertake community engagement on the proposed Treaty model and undertake the development of a Treaty/treaties.
4. From 2028-29 to 2031-32, the Council would aim to secure the commitment and action of government, key organisations, and individuals, with a Treaty being established by 2032.

Funding for the Council would be indexed in accordance with growth in the consumer price index.

This Council would commence on 1 July 2022 and run for 10 years.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balance by around $66.1 million over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in administered expenses.

The proposal would be expected to have an ongoing impact that extends beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications over the period to 2032-33 (including separate public debt interest (PDI) tables) 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	-8.3	-8.6	-8.8	-40.4	**-66.1**
Underlying cash balance	-8.3	-8.6	-8.8	-40.4	**-66.1**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

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

- In real terms, the funding for the Council would be comparable to the administration costs of the former Council of Aboriginal Reconciliation in the 1999-00 financial year.
- Funding for the Council would be treated as administered, based on the PBO's understanding of the arrangements of the former Council of Aboriginal Reconciliation.
- As with the Council of Aboriginal Reconciliation, secretariat duties for the Council would be performed by the Department of the Prime Minister and Cabinet and absorbed under existing departmental funding for the agency.
- The $250 million in funding towards operating expenses for the Commission would be spread evenly over the period from 2025-26 to 2032-33.

Methodology

As per the specification of this request, the Commission would be established outside the general government sector and funding would be treated as administered.

The Council's costs would be treated as administered.

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 Treasury provided economic and policy parameters as at the 2022-23 Pre-election Economic and Fiscal Outlook.

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

Attachment A – Truth and Justice Commission – financial implications

Table A1: Truth and Justice Commission – 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													
Treaty Council	*-8.3*	*-8.6*	*-8.8*	*-9.1*	*-9.3*	*-9.5*	*-9.7*	*-10.0*	*-10.2*	*-10.5*	*-*	***-34.8***	***-94.0***
Truth and Justice Commission	*-*	*-*	*-*	*-31.3*	*-31.3*	*-31.3*	*-31.3*	*-31.3*	*-31.3*	*-31.3*	*-31.3*	***-31.3***	***-250.4***
Total (excluding PDI)	**-8.3**	**-8.6**	**-8.8**	**-40.4**	**-40.6**	**-40.8**	**-41.0**	**-41.3**	**-41.5**	**-41.8**	**-31.3**	**-66.1**	**-344.4**

(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.

\- Indicates nil.

Table A2: Truth and Justice Commission – 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	*-0.10*	*-0.3*	*-0.5*	*-1.1*	*-2.0*	*-3.1*	*-4.4*	*-5.7*	*-7.2*	*-8.8*	*-10.5*	***-2.0***	***-43.7***
Underlying cash balance	*-0.10*	*-0.3*	*-0.5*	*-1.0*	*-1.9*	*-3.0*	*-4.2*	*-5.5*	*-7.0*	*-8.6*	*-10.3*	***-1.9***	***-42.4***

(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 glossary[2].

(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)]

Parliamentary Budget Office

Compensation for Stolen Generation Survivors	
Party:	Australian Greens
Summary of proposal: This proposal would establish a compensation scheme for all surviving members of the Stolen Generations irrespective of whether they have previously accessed a state or territory-based compensation scheme. All members would receive a $200,000 ex gratia payment per survivor plus a separate $7,000 payment per survivor for funeral expenses. The proposal would commence from 1 July 2023.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $6,390 million over the 2022-23 Budget forward estimates period. This reflects an increase in administered expenses of $6,376 million and an increase in departmental expenses of $11.3 million.

The proposal would have a single year impact in 2023-24 and no further impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate Public Debt Interest (PDI) tables) is provided at Attachment A.

The financial implications of this proposal are sensitive to the number of surviving members of the Stolen Generations at the proposal's start date.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-6,387.3	-	-	**-6,387.3**
Underlying cash balance	-	-6,387.3	-	-	**-6,387.3**

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

- All survivors would opt in to the scheme in the first year of the proposal.
- The separate $7,000 payments per survivor for funeral expenses will be added to the one-off ex gratia payments.
  - The PBO does not have sufficient expertise, or information on the characteristics of survivors, to project when they will pass away. As such, we cannot provide a reliable estimate of making the $7,000 payment at the time of the funeral.

- Departmental costs have been assumed to be equivalent to the number of survivors multiplied by the per person processing cost of the ABSTUDY payment.

Methodology

The projected number of surviving members of the Stolen Generations was based on the information released by the Australian Institute of Health and Welfare on the estimated number of survivors in 2018-19 as at June 2021. We applied the age distribution and mortality rates of Indigenous people to these numbers to estimate the number of survivors in 2023-24.

The administered expenses were estimated by multiplying the estimated number of survivors by the proposed payments.

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

Data sources

Australian Institute of Health and Welfare, *Aboriginal and Torres Strait Islander Stolen Generations aged 50 and over: updated analyses for 2018–19*. Available at: [Aboriginal and Torres Strait Islander Stolen Generations aged 50 and over: updated analyses for 2018–19, Summary - Australian Institute of Health and Welfare (aihw.gov.au)] [Accessed 4 April 2022].

Australian Institute of Health and Welfare, *Indigenous life expectancy and deaths*. [Online] Available at: https://www.aihw.gov.au/reports/australias-health/indigenous-life-expectancy-and-deaths [Accessed 4 April 2022].

Australian Institute of Health and Welfare, *Profile of Indigenous Australians*. [Online] Available at: https://www.aihw.gov.au/reports/australias-welfare/profile-of-indigenous-australians [Accessed 4 April 2022].

Services Australia provided the unit prices for social services payments as at the 2022-23 Budget.

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

Attachment A – Compensation for Stolen Generation Survivors – financial implications

Table A1: Compensation for Stolen Generation Survivors – 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													
$200,000 ex-gratia payments	-	*-6,160.0*	-	-	-	-	-	-	-	-	-	***-6,160.0***	***-6,160.0***
$7,000 funeral payments	-	*-216.0*	-	-	-	-	-	-	-	-	-	***-216.0***	***-216.0***
Total – administered	**-**	***-6,376.0***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***-6,376.0***	***-6,376.0***
Departmental													
Departmental expenses	-	*-11.3*	-	-	-	-	-	-	-	-	-	***-11.3***	***-11.3***
Total – departmental	**-**	***-11.3***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***-11.3***	***-11.3***
Total (excluding PDI)	**-**	**-6,387.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-6,387.3**	**-6,387.3**

(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: Compensation for Stolen Generation Survivors – 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	-	*-72.0*	*-147.0*	*-150.0*	*-154.0*	*-158.0*	*-162.0*	*-167.0*	*-173.0*	*-178.0*	*-185.0*	***-369.0***	***-1,546.0***
Underlying cash balance	-	*-64.0*	*-138.0*	*-149.0*	*-153.0*	*-157.0*	*-162.0*	*-167.0*	*-172.0*	*-178.0*	*-184.0*	***-351.0***	***-1,524.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the total 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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

First Nations Health	
Party:	Australian Greens

Summary of proposal:

This proposal consists of 3 components and would start on 1 July 2023.

Component 1 – Growing the Aboriginal Community Controlled Organisation sector

This component would provide funding for advancing policies and programs within the National Agreement on Closing the Gap. The quantum of funding to be provided would be based on the net savings that were achieved from the 2014-15 Budget measure *Indigenous Affairs Programme – rationalisation*. This amount of funding would be spread evenly over 5 years from 1 July 2023 and includes an adjustment for indexation to the consumer price index (CPI).

The amount of funding to be provided would effectively reflect what would have been provided had the above measure not been implemented.

Component 2 – Providing healing spaces for First Nations people

This component would provide all First Nations people a healing space to promote culture, community connection, gathering, cultural healing programs and other social programs.

The component would establish one healing centre in every one of the 250 Aboriginal and Torres Strait Islander language groups in the country and provide a program evaluation. Staffing in each centre would be as followed:

- 1 full-time equivalent (FTE) staff at the Australian Public Service (APS) 2 level
- 8 FTE staff at the APS3 level
- 2 FTE staff at the APS4 level
- 1 FTE staff at the APS6 level.

Component 3 – Gold Cards for First Nations elders

This component would establish a Gold Card for First Nations elders that provides benefits identical to the current veteran Gold Card to Aboriginal and/or Torres Strait Islander people aged 60 years and above for the duration of their life.

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by around $6,814 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of around $5,725 million and an increase in departmental expenses of around $1,089 million for Component 2 and for the initial set-up of the scheme and ongoing determination of eligibility for Component 3.

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

The Parliamentary Budget Office (PBO) has not assessed:

- the extent to which additional funding would assist with achieving the Priority Reform outcomes outlined in the Closing the Gap Agreement (Component 1)
- the availability of Crown land across the 250 Aboriginal and Torres Strait Islander language groups (Component 2).

The financial implications of Component 2 are sensitive to commercial office rent and fit-out expenses, which are likely to vary significantly across the 250 healing centre locations.

The financial implications of Component 3 are highly uncertain and are sensitive to:

- the number of Aboriginal and/or Torres Strait Islander people aged 60 years and above
- the number of veteran Aboriginal and/or Torres Strait Islander people aged 60 years and above already accessing the Gold Card scheme
- the estimated total recurrent health expenditure per Aboriginal and/or Torres Strait Islander person aged 60 and above.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-2,211.9	-2,264.4	-2,337.4	**-6,813.7**
Underlying cash balance	-	-2,211.9	-2,264.4	-2,337.4	**-6,813.7**

(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.
- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1

- There would be no additional departmental costs as the existing administrative framework would not need to change significantly.

Component 2

- All required office space would be leased and not purchased.
- Rent and fit-out costs would be based on an office of 70m^2, the minimum property size suggested in the KPMG *Healing Centres Final Report*.
- Average commercial rent for one healing centre in 2023-24 is assumed to be $483 per m^2 per year.
- The program evaluation would take 2 years to complete.

Component 3

- The average annual benefit per eligible recipient would be the difference between the average cost of a Gold Card and the average cost of their current Australian Government-funded medical expenses.

- The current Australian Government-funded medical expenses were estimated by calculating the average Medicare Benefits Schedule and Pharmaceutical Benefits Scheme costs per person and increasing these by 15% to account for higher medical needs.
- The average annual cost of the Gold Card for eligible recipients would grow by the CPI.
- Set-up costs of $1.9 million would be required in 2023-24.
- The average cost of administering the additional Gold Card holders would be expected to be small and in line with similar programs.

Methodology

Component 1

The total net savings of $534.4 million from the 2014-15 Budget measure was indexed by the CPI to the first year of this proposal. This amount was then divided by 5 to obtain the first year's funding amount. Funding for the subsequent 4 years was indexed by the CPI.

Component 2

The financial implications of this component entirely reflect an increase in departmental expenses.

- The start-up costs were sourced from the Australian Securities and Investments Commission (ASIC) and indexed to the CPI.
- The office fit-out costs were calculated by multiplying the average office fit-out costs per square metre by $70m^2$ and were based on a Parliamentary Standing Committee on Public Works report.
- Rental costs were estimated using commercial rents published by Colliers International and indexed to the CPI.
- The costs to evaluate the program were based on a similar budget measure.
- Departmental expenses relating to staffing, office running costs and ongoing capital works were estimated based on the Department of Finance's departmental costing assumptions, including the impact of the efficiency dividend and on-costs, such as property operating expenses and capital works.

Component 3

The financial implications were calculated by multiplying the number of eligible recipients by the average change in benefits as described in *Key Assumptions*.

- Eligible recipients were estimated on population projections provided by the Treasury and the Australian Bureau of Statistics (ABS).

All components

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

The Department of Finance and the Treasury provided the indexation parameters and population projections as at the *Budget 2022-23*.

ASIC, 2021. *ASIC fees – starting a company*, ASIC, accessed 21 April 2022.

ASIC, 2021. *Business name fees and payment options*, ASIC, accessed 21 April 2022.

Colliers International, 2021. *Research & Forecast Report – CBD Office*, Colliers, accessed 21 April 2022.

KPMG, 2012. *Healing Centres Final Report*, Aboriginal and Torres Strait Islander Healing Foundation.

The Parliament of the Commonwealth of Australia, 2014. *Parliamentary Standing Committee on Public Works – Proposed integrated fit-out of new leased premises for the Australian Taxation Office at the site known as Site 5 and 6*, *the Revitalised Dandenong Project, Dandenong*, Commonwealth of Australia.

The Department of Veterans' Affairs provided the average annual cost for Gold Card holders as at the *Budget 2022-23*.

ABS, 2019. *3238.0 Estimated resident Aboriginal and Torres Strait Islander population, Australia(a), 2006-2016*. ABS.

Attachment A – First Nations Health– financial implications

Table A1: First Nations Health– 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													
Component 1: Growing the Aboriginal Community Controlled Organisation sector	-	*-128.0*	*-132.0*	*-135.0*	*-139.0*	*-142.0*	-	-	-	-	-	***-395.0***	***-676.0***
Component 3: Gold cards for First Nations elders	-	*-1,700.0*	*-1,780.0*	*-1,850.0*	*-1,920.0*	*-1,990.0*	*-2,060.0*	*-2,140.0*	*-2,230.0*	*-2,320.0*	*-2,410.0*	***-5,330.0***	***-20,400.0***
Total – administered	**-**	***-1,828.0***	***-1,912.0***	***-1,985.0***	***-2,059.0***	***-2,132.0***	***-2,060.0***	***-2,140.0***	***-2,230.0***	***-2,320.0***	***-2,410.0***	***-5,725.0***	***-21,076.0***
Departmental													
Component 2: Providing healing spaces for First Nations people	-	*-382.0*	*-352.0*	*-352.0*	*-354.0*	*-356.0*	*-358.0*	*-360.0*	*-362.0*	*-364.0*	*-366.0*	***-1,086.0***	***-3,606.0***
Component 3: Gold cards for First Nations elders	-	*-1.9*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	***-2.7***	***-5.5***
Total (excluding PDI)	**-**	**-2,211.9**	**-2,264.4**	**-2,337.4**	**-2,413.4**	**-2,488.4**	**-2,418.4**	**-2,500.4**	**-2,592.4**	**-2,684.4**	**-2,776.4**	**-6,813.7**	**-24,687.5**

(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: First Nations Health – 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	-	*-25.0*	*-76.0*	*-130.0*	*-190.0*	*-257.0*	*-332.0*	*-415.0*	*-509.0*	*-614.0*	*-734.0*	*-231.0*	*-3,282.0*
Underlying cash balance	-	*-22.0*	*-70.0*	*-124.0*	*-182.0*	*-249.0*	*-323.0*	*-405.0*	*-497.0*	*-602.0*	*-719.0*	*-216.0*	*-3,193.0*

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Billionaires Tax	
Party:	Australian Greens

Summary of proposal:

The proposal has 2 components that would tax the net wealth of Australian residents and non-residents.

For **Component 1 and 2**, net wealth would be calculated as follows.

- For Australian residents, net wealth would be equal to the value of all assets minus all liabilities and include any taxable assets held by their children.
- For non-residents, net wealth would be equal to the value of Australian assets minus liabilities.

Assets, both financial and non-financial, over the value of $50,000 would be included in the net wealth calculation.

Component 1 – Levy on net wealth

This component would introduce an annual tax levied on the net wealth of Australian residents, regardless of where their assets are held, and the net wealth of non-residents who hold Australian assets from 1 July 2022.

The following features of the tax would apply to both residents and non-residents:

- The tax would be levied at 6% on the individual's net wealth amount above $1 billion.
- The assessable net wealth would be calculated as at 30 June of each financial year.
- Initial net wealth valuations would be determined as at the date of policy announcement.
  - Non-residents would only be able to move a maximum of 10% of their initial Australian net wealth offshore each year. Any additional Australian net wealth moved offshore would remain subject to the tax.
- Each year the amount of tax that arises from a single real estate holding could be deferred – and secured against the title of the property – up to an amount equal to 80% of the value of the property. Once 80% is reached, all additional tax derived from real estate would be payable when each year's tax is due.
  - The deferred tax liability would be limited to a single property (or single group of properties for agricultural holdings) for each individual.
- Real estate would be considered first in the calculation of net wealth for tax purposes. This means that up to $1 billion of real estate would be exempt from the tax and the tax would not need to be deferred as outlined in the previous point.

The Australian Taxation Office (ATO) would publish each individual's aggregate net wealth figure and tax paid each financial year on a national wealth register.

Component 2 – Pandemic levy

This component would introduce a one-off pandemic levy of 50% on the increase in individual net wealth between 11 March 2020 and 10 March 2021 for individuals with net wealth above $1 billion as at 30 June 2021.

- The levy would apply to Australian adult residents, regardless of where their assets are held, and non-residents who hold more than $1 billion worth of Australian assets.
- For individuals whose net wealth was less than $1 billion on 11 March 2020 and above $1 billion on 30 June 2021, the tax would only apply on the amounts above $1 billion.
- Liabilities would be issued on 1 July 2023, and individuals would be required to pay the levy in full within 2 years.
- Individuals that experienced a decrease in net wealth in the period specified would not be subject to the levy.

Costing overview

The proposal would increase the fiscal balance by around $50.0 billion and the underlying cash balance by around $30.8 billion over the 2022-23 Budget forward estimates period. The fiscal balance and underlying cash balance impacts are not the same due to differences between the timing of when individuals become liable for the levies and the timing of actual amounts that would be paid.

Departmental costs for the ATO to set-up, collect and ensure compliance with the proposal would be $183 million over the 2022-23 Budget forward estimates period. The departmental costs include the costs of establishing and maintaining a National Wealth Register.

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

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	5,728.2	34,642.1	5,058.2	4,608.0	**50,036.5**
Underlying cash balance	4,278.2	9,222.1	8,848.2	8,418.0	**30,766.5**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Uncertainties

There is significant uncertainty about the extent to which individuals would comply with this proposal, particularly given that it would impose taxes on assets that could be many times greater than the taxes imposed under the income tax regime on the earnings from those assets. It is likely that high net wealth individuals would employ strategies to avoid or minimise their wealth tax liability, which would significantly reduce the revenue raised by the tax.

To account for this, the Parliamentary Budget Office (PBO) has made a high-level adjustment for the potential impact of the behavioural response on the tax base, see *Key assumptions*. The overall magnitude of the estimated response is highly uncertain, as is the uncertainty around how it may vary across different individuals.

The net wealth of high wealth individuals is also very sensitive to international and domestic economic and social conditions. The value of assets such as shares can fluctuate greatly with movements in the stock market on a daily basis. This could have significant implications on the amount of tax payable from year to year.

There are also uncertainties about the valuation methods that the ATO would apply to different assets, as well as their ability to accurately value all asset types. There would be practical challenges associated with valuing assets, especially those held in trusts or where the sale of the asset does not take place to allow an independent market value. Individuals may restructure their asset portfolios to take advantage of these challenges, which would impact the revenue collected.

Individuals affected by this proposal may also respond with legal action, which could significantly delay when revenue would be collected and could also mean that less revenue would be collected. In addition, there is a risk that high wealth individuals who are liable for large amounts of tax, but hold illiquid assets, may have difficulties in paying the amount of tax owed.

There are also uncertainties around estimating the tax base.

- For Component 1, it is expected that tax minimisation strategies are already being used to reduce income tax liabilities which means the tax return data used to undertake this analysis may not fully capture the total amount of wealth subject to the tax. Moreover, the data would not capture those who currently do not submit an income tax return (either because they are not a resident for tax purposes or because they do not have reportable income).
- For Component 2, the analysis relies on information from publicly available 'rich lists' to estimate the increase in net wealth between 11 March 2020 and 10 March 2021 for individuals with net wealth above $1 billion. This presents major uncertainties around the estimated tax base since the way assets would be valued under the proposal may be different to the way rich lists value individuals' assets. In addition, since the rich lists only cover individuals who are Australian citizens, certain groups that would be subject to the levy are not captured in this data.

The proposal could also significantly reduce the amount of Australian investment undertaken by high wealth individuals with implications for the level of new capital investment and economic growth. It is unclear whether other investors who are not subject to the tax (eg institutional investors such as pension funds, sovereign wealth funds, corporations) would make up for the loss of investment by high wealth individuals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1

- The average rate of return on income-generating assets would be around 7.8% per annum.
  - This is based on the average annualised returns for the Australian Stock Exchange All Ordinary Index over the 10-year period from 2011 to 2020.
- For individuals with net wealth above $1 billion, income-generating assets make up 25% of total net wealth.
  - This proportion is informed by *2017-18 Survey of Income and Housing data* on the asset portfolios of high wealth individuals.
- Under the proposal, net wealth subject to the levy would grow by between 3% and 5% per year.

- The wealth tax is expected to greatly reduce the rate at which individuals would be able to accumulate assets above $1 billion.

- High-wealth individuals would respond in various ways to minimise their tax payable. In the first year of the proposal, 50% of tax liabilities would be lost due to tax avoidance or evasion. This would increase to 80% after 5 years, as individuals take further steps to minimise their tax.
  - This is informed by academic studies which suggest that high degrees of tax avoidance are undertaken by the ultra-wealthy. For example, a paper published by the Wealth Tax Commission in the United Kingdom estimated that the imposition of a 1% wealth tax could reduce the tax base by 7% to 17%.
  - The feature of the wealth tax attributable to a single property, or single group of properties for agricultural holdings, which can be deferred under the proposal would have an immaterial impact on the revenue raised, based on the limited number of properties that would exceed the $1 billion tax-free threshold.
- The wealth tax would be collected on a quarterly basis.
- Applying the wealth tax to non-residents holding more than $1 billion in Australian assets would have an immaterial impact on the revenue raised.
  - Given the magnitude of the wealth tax, affected non-residents would find ways to move any Australian assets above $1 billion offshore to avoid having to pay the tax.

Component 2

- The wealth valuations from The Australian Business Review's rich list, *The List – Australia's Richest 250*, would be a suitable indicative guide on the increase in wealth over the period 11 March 2020 and 10 March 2021 that would be valued by the ATO under the proposal.
- High net-wealth individuals affected by the proposal would respond in various ways to minimise their tax payable. The net wealth reported for 11 March 2020 would be overvalued by 5% and the net wealth reported for 10 March 2021 would be undervalued by 10%.
  - This would allow some individuals to:
    - drop below the $1 billion threshold when net wealth is assessed as at 30 June 2021, such that they are no longer subject to the tax
    - reverse the increase of their net wealth over the period, such that they are no longer subject to the tax
    - minimise the increase of their net wealth that is subject to the levy.
  - In reaching this behavioural response assumption, the PBO balanced the relatively large levy rate and the fact that it would be applied to a historical increase in net wealth, which means the ways in which individuals can retrospectively alter their assets to minimise tax are more limited than in the case of prospective taxes.
- High-wealth individuals would be required to lodge their tax return for the pandemic levy in 2023-24.
- Around 37% of the tax liability would never be collected due to bad debt and legal settlements.
  - This is based on the 5-year average of provisions for bad and doubtful debts tabled in the ATO's annual reports from 2018-19 to 2020-21.

- This amount would be written-off once all legal disputes are settled, which is assumed to take 5 years.

- The remaining amount would be collected gradually over 5 years to account for delays due to legal action and extensions granted by the ATO.

Departmental expenses

- The ATO would employ up to 239 full-time-equivalent staff to administer the proposal, undertake compliance and audit checks as well as establishing and managing the national wealth register.
  - This figure was based on the current staffing profiles of business areas responsible for high wealth individuals and compliance work at the ATO.
  - The classification levels of the new staff would follow a similar distribution to that of the whole organisation.

Methodology

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

Component 1

The tax revenue implications are based on analysing the ATO's personal income tax return data in conjunction with publicly available information on the net wealth of high-wealth individuals.

The net wealth of these individuals was estimated by grossing up income declared for income tax purposes using assumptions on the rate of return on assets and the proportion of assets that would generate income.

Each individual's estimated annual net wealth subject to the wealth tax was projected over the period to 2032-33, with the amount multiplied by the tax rate. The estimates were adjusted to account for anticipated behavioural responses by individuals.

Component 2

The tax revenue implications were based on an analysis of The Australian's rich list, *The List – Australia's Richest 250.* To estimate the final revenue implications, the estimates were adjusted to account for the expected behavioural response by individuals to minimise their tax payable before applying the levy rate and proportion expected to be collected.

- The PBO compared the net wealth reported in the 2020 Edition of the rich list (published 21 March 2020) and the 2021 Edition (published 20 March 2021) to estimate the increase in net wealth between 11 March 2020 and 10 March 2021 for individuals with net wealth above $1 billion.

- For cases where a family or group of people report a combined wealth, the PBO individualised the family entries by assuming the combined wealth was split equally amongst members.

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

Departmental expense

The departmental costs were based on an assessment of the additional ATO staff that would be required to implement the proposal, including valuing assets, undertaking compliance checks, as well as the expected increase in litigation and dispute resolution costs.

Data sources

The ATO provided personal income tax files for the 2018-19 financial year.

The Treasury provided economic forecasts as at the *Budget 2022-23*.

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Attachment A – Billionaires Tax – financial implications

Table A1: Billionaires Tax – 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													
Component 1 - Levy on net wealth	*5,810.0*	*5,480.0*	*5,090.0*	*4,640.0*	*4,120.0*	*3,470.0*	*3,800.0*	*4,160.0*	*4,560.0*	*4,990.0*	*5,460.0*	***21,020.0***	***51,580.0***
Component 2 - Pandemic levy	-	*29,200.0*	-	-	-	-	-	-	-	-	-	***29,200.0***	***29,200.0***
Total – revenue	**5,810.0**	**34,680.0**	**5,090.0**	**4,640.0**	**4,120.0**	**3,470.0**	**3,800.0**	**4,160.0**	**4,560.0**	**4,990.0**	**5,460.0**	**50,220.0**	**80,780.0**
Expenses													
Administered													
Component 2 - Doubtful debt	-	-	-	-	-	*-10,700.0*	-	-	-	-	-	-	***-10,700.0***
Total – administered	-	-	-	-	-	***-10,700.0***	-	-	-	-	-	-	***-10,700.0***
Departmental													
Australian Taxation Office	*-81.8*	*-37.9*	*-31.8*	*-32.0*	*-32.1*	*-32.3*	*-26.9*	*-27.0*	*-27.2*	*-27.3*	*-27.5*	***-183.5***	***-383.8***
Total – departmental	***-81.8***	***-37.9***	***-31.8***	***-32.0***	***-32.1***	***-32.3***	***-26.9***	***-27.0***	***-27.2***	***-27.3***	***-27.5***	***-183.5***	***-383.8***
Total – expenses	**-81.8**	**-37.9**	**-31.8**	**-32.0**	**-32.1**	**-10,732.3**	**-26.9**	**-27.0**	**-27.2**	**-27.3**	**-27.5**	**-183.5**	**-11,083.8**
Total (excluding PDI)	**5,728.2**	**34,642.1**	**5,058.2**	**4,608.0**	**4,087.9**	**-7,262.3**	**3,773.1**	**4,133.0**	**4,532.8**	**4,962.7**	**5,432.5**	**50,036.5**	**69,696.2**

(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.

\- Indicates nil.

Table A2: Billionaires Tax – 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													
Component 1 - Levy on net wealth	*4,360.0*	*5,560.0*	*5,180.0*	*4,750.0*	*4,250.0*	*3,630.0*	*3,720.0*	*4,070.0*	*4,460.0*	*4,880.0*	*5,340.0*	***19,850.0***	***50,200.0***
Component 2 - Pandemic levy	-	*3,700.0*	*3,700.0*	*3,700.0*	*3,700.0*	*3,700.0*	-	-	-	-	-	***11,100.0***	***18,500.0***
Total – receipts	**4,360.0**	**9,260.0**	**8,880.0**	**8,450.0**	**7,950.0**	**7,330.0**	**3,720.0**	**4,070.0**	**4,460.0**	**4,880.0**	**5,340.0**	**30,950.0**	**68,700.0**
Payments													
Departmental													
Australian Taxation Office	*-81.8*	*-37.9*	*-31.8*	*-32.0*	*-32.1*	*-32.3*	*-26.9*	*-27.0*	*-27.2*	*-27.3*	*-27.5*	***-183.5***	***-383.8***
Total – departmental	***-81.8***	***-37.9***	***-31.8***	***-32.0***	***-32.1***	***-32.3***	***-26.9***	***-27.0***	***-27.2***	***-27.3***	***-27.5***	***-183.5***	***-383.8***
Total – payments	**-81.8**	**-37.9**	**-31.8**	**-32.0**	**-32.1**	**-32.3**	**-26.9**	**-27.0**	**-27.2**	**-27.3**	**-27.5**	**-183.5**	**-383.8**
Total (excluding PDI)	**4,278.2**	**9,222.1**	**8,848.2**	**8,418.0**	**7,917.9**	**7,297.7**	**3,693.1**	**4,043.0**	**4,432.8**	**4,852.7**	**5,312.5**	**30,766.5**	**68,316.2**

(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: Billionaires Tax – 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	*50.0*	*200.0*	*410.0*	*620.0*	*830.0*	*1,040.0*	*1,220.0*	*1,370.0*	*1,550.0*	*1,760.0*	*2,030.0*	***1,280.0***	***11,080.0***
Underlying cash balance	*40.0*	*180.0*	*390.0*	*590.0*	*800.0*	*1,020.0*	*1,200.0*	*1,360.0*	*1,530.0*	*1,740.0*	*2,000.0*	***1,200.0***	***10,850.0***

(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 glossary[2].

(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.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

"Tycoon" Super Profits Tax	
Party:	Australian Greens

Summary of proposal:

This proposal would introduce a new super-profits tax at a rate of 40% that would apply to company profits that exceed an allowance for a corporate equity threshold with effect from 1 July 2022.

Only post-company tax Australian-sourced profits would be subject to the super-profits tax and the allowance for corporate equity threshold would equal shareholder equity multiplied by 5% plus the long-term bond rate.

- Companies would be entitled to a tax offset that would refund the equivalent of the super-profits tax paid on the first $100 million of turnover.
- The allowance for corporate equity means that if a company's return on equity is below 5% plus the long-term bond rate, no super-profits tax would be payable.
  - A company in this situation would accrue super-profits tax losses which could be carried forward to later years and used to offset future super-profits tax liabilities.
- Companies would be able to look back over the ten years prior to the introduction of the tax and accumulate a balance of super-profits losses that could be utilised from the start of the proposal.
- Super-profits tax would not be deductible for company tax purposes.
- The payment of the super-profits tax would generate dividend imputation franking credits.

Mining, oil and gas companies liable for resources rent taxes would be exempt from this proposal.

Costing overview

The proposal would be expected to increase the fiscal balance and underlying cash balances by $87.0 billion over the 2022-23 Budget forward estimates. This reflects an increase in revenue, partially offset by Australian Taxation Office (ATO) departmental costs of $20 million per year to collect and ensure compliance, with higher set-up costs of $60 million in 2022-23.

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

Uncertainty

There is a **very high degree of uncertainty** associated with this costing.

The two components that form the basis for the super-profits tax are very sensitive to international and domestic economic conditions. Company after-tax profit represents the net of two relatively large revenue and cost amounts which themselves can be quite volatile. The value of shareholder equity can also fluctuate over time. Any short-term fluctuations around the time of the equity valuation may affect the tax payable. Any of these sources of volatility could have significant implications on the amount of tax payable from year to year.

There are also inherent uncertainties associated with the methodology used to undertake the costing because it is based on historic levels of economic activity and company profits.

There is also considerable uncertainty associated with projecting the super-profits tax revenue into future years, especially given the uncertainty about growth in different industries. For example, the recent increases in iron ore prices have resulted in significant increases in mining industry profits while other industries, such as travel, accommodation and tourism have had significantly lower profits because of COVID-19.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	21,940.0	20,680.0	21,680.0	22,680.0	**86,980.0**
Underlying cash balance	21,940.0	20,680.0	21,680.0	22,680.0	**86,980.0**

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

- Super-profits tax paid would be reduced by 20% to account for an estimated behavioural response by companies in order to reduce their tax liability.
- The super-profits tax would be calculated and paid on a quarterly basis.
- The following dividend imputation assumptions were made.
  - Companies would pay out 70% of their after-tax profits as dividends.
  - Domestic shareholders would receive 40% of total dividends paid out and would have an average marginal tax rate of 32%.

Methodology

Super-profits tax

The financial implications of this proposal were estimated using a microsimulation model developed by the PBO that uses historical longitudinal data over the period from 2003-04 to 2017-18. The historical financial implications were then grown over the actual period that the tax would apply (from 2022-23 onwards).

- The super-profits tax liability for each affected company was determined based on their reported net profit, turnover and shareholder equity for each historical financial year.
- Super-profits tax losses were then accumulated over the ten years prior to 1 July 2014 (the simulated start date) for each company. The accumulated super-profits loss balance was used to offset any super-profits that were made in the years following 1 July 2014. Additional super-profits tax losses that accrue after 1 July 2014 were also added to the balance.
- If no prior year super-profits tax losses were accumulated prior to 1 July 2014 the company would become liable for super-profits tax from the simulated start date if its return was large enough.

- The first-year impact of the proposal was the average historical super-profits tax estimate for the years between 2014-15 and 2017-18. This impact was then grown over the period from 1 July 2022 to 2032-33 by Treasury's corporate gross operating surplus growth parameter.
- As specified in the proposal, the estimates account for the flow-through effect of the imputation system on personal income tax.
  – Super-profits tax would lower company profits and, in turn, the distribution of dividends.
  – Super-profits tax paid would also generate franking credits.

Other

Ongoing departmental expenses to administer the proposal were based on the departmental expenses for previous measures with similar levels of administrative complexity. The additional upfront setup cost in 2022-23 represents the costs of preparing to implement the new tax.

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 ATO provided company tax return data for the 2003-04 to 2017-18 financial years.

The Treasury provided medium-term parameters 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 – “Tycoon” Super Profits Tax – financial implications

Table A1: “Tycoon” Super Profits Tax – 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													
Super-profit tax	*22,000.0*	*29,000.0*	*29,900.0*	*31,300.0*	*32,900.0*	*34,800.0*	*37,000.0*	*39,200.0*	*41,500.0*	*43,800.0*	*46,100.0*	***112,200.0***	***387,500.0***
Personal Income Tax	-	*-8,300.0*	*-8,200.0*	*-8,600.0*	*-9,000.0*	*-9,500.0*	*-10,100.0*	*-10,700.0*	*-11,400.0*	*-12,000.0*	*-12,700.0*	***-25,100.0***	***-100,500.0***
Total – revenue	**22,000.0**	**20,700.0**	**21,700.0**	**22,700.0**	**23,900.0**	**25,300.0**	**26,900.0**	**28,500.0**	**30,100.0**	**31,800.0**	**33,400.0**	**87,100.0**	**287,000.0**
Expenses													
Departmental													
Australian Taxation Office	*-60.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	*-20.0*	***-120.0***	***-260.0***
Total – expenses	**-60.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-20.0**	**-120.0**	**-260.0**
Total (excluding PDI)	**21,940.0**	**20,680.0**	**21,680.0**	**22,680.0**	**23,880.0**	**25,280.0**	**26,880.0**	**28,480.0**	**30,080.0**	**31,780.0**	**33,380.0**	**86,980.0**	**286,740.0**

(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.

\- Indicates nil.

Table A2: "Tycoon" Super Profits Tax – 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	*250.0*	*740.0*	*1,230.0*	*1,760.0*	*2,360.0*	*3,050.0*	*3,860.0*	*4,790.0*	*5,870.0*	*7,110.0*	*8,670.0*	***3,980.0***	***39,690.0***
Underlying cash balance	*220.0*	*680.0*	*1,170.0*	*1,700.0*	*2,290.0*	*2,970.0*	*3,760.0*	*4,680.0*	*5,740.0*	*6,960.0*	*8,490.0*	***3,770.0***	***38,660.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

Mining Super Profits Tax	
Party:	Australian Greens

Summary of proposal:

This proposal would introduce a new 40% Mining Super Profits Tax (MSPT) on the super profits of individual Australian mining projects, where the super profits would be calculated at the project level as revenue less expenses.

- Project expenses would comprise of:
  - general project operating expenses
  - a deduction that recognises the book value of the project's capital expenditure base just before the introduction of MSPT. The deduction would be equal to the project's starting capital base depreciated on a straight-line basis over the first five years of the proposal. The starting capital base amount would be the book value of all capital expenditure as of 1 July 2021, uplifted each year at the 10-year government bond rate plus 2%. The starting capital base amount would step down over the first five years of the proposal as the depreciation deduction amounts are subtracted.
- Project expenses would not be transferrable between projects owned by the same company.
- Royalty expenses and decommissioning costs would not be deductible against the MSPT.

The mining super profits tax would be deductible for company tax purposes but not frankable for personal income tax.

The proposal would have effect from 1 July 2022.

Costing overview

This proposal would be expected to increase the fiscal balance by around $40.0 billion and the underlying cash balance by around $37.7 billion over the 2022-23 Budget forward estimates period. On a fiscal balance basis this impact reflects an increase in net revenue of around $40.2 billion, partially offset by an increase in Australian Taxation Office (ATO) departmental expenses of $135 million.

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

It should be noted that the MSPT revenue in the first year of the proposal is significantly higher than other years due to elevated mineral prices in recent years. The MSPT revenue is also estimated to increase significantly in 2027-28 because the starting capital base deductions cease at this time as the starting capital base would have been fully depreciated over the first 5 years of the proposal.

ATO departmental costs to collect and ensure compliance with the MSPT are estimated to be $30 million per year with an additional set up cost of $15 million in the first year of the proposal.

The fiscal balance and underlying cash balance impacts are different due to differences between the timing of when mining companies become liable for the MSPT and when it is paid.

Revenue raised from the MSPT would be partially offset by a reduction in company tax revenue due to the MSPT being deductible for company tax purposes.

There is considerable uncertainty associated with this costing as the proposal is extremely sensitive to forecasts of mineral prices. The estimates of MSPT revenue are consistent with the most recent Treasury forecasts of commodity prices which are from the 2022-23 Budget[1]. The Treasury has stated that they have adopted 'conservative export commodity price assumptions' that return to levels 'consistent with long-term fundamentals' by the end of the September quarter 2022. The Treasury states this approach is to ensure that 'economic and fiscal parameters are grounded in long-term economic fundamentals and are not unduly influenced by short-term volatility'[2]. Other sensitivities include changes in:

- mining activity in response to the new tax
- mineral production
- capital expenditure
- economic trends
- exchange rates.

Variations in these factors would significantly affect the revenue raised by the proposal. In practice, a MSPT would be a highly variable tax and changes in the revenue collected would be expected to vary more than proportionally with any changes to these parameters.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	24,775.0	2,530.0	6,310.0	6,430.0	**40,045.0**
Underlying cash balance	17,975.0	6,830.0	6,510.0	6,430.0	**37,745.0**

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

- Production volume and production costs over the period to 2032-33 for all minerals, including iron ore, would be unaffected by the implementation of the proposal and would remain consistent with current forecasts by Wood Mackenzie and Treasury.
- The MSPT would be calculated and paid quarterly.
- Mining companies liable for the MSPT would pay the 30% company tax rate.

[1] Under section 64E(3) of the Parliamentary Service Act, the PBO 'must use the economic forecasts and parameters and fiscal estimates contained in the most recent economic and fiscal outlook statement'.

[2] 2022-23 Budget Paper No.1, p.63-64.

Methodology

Mining Super Profits Tax - iron ore

The PBO used detailed mine-level data to estimate the financial implications for iron ore as it is the most significant mineral that would be covered by this proposal. Each mining project's super profits were estimated by calculating total revenue and subtracting general production costs and the depreciation allowance for starting base capital. Each project's annual MSPT liability was then calculated by multiplying its super profit by the 40% super profits tax rate. Finally, the MSPT liability was timed according to the assumed cash timing profile.

Mining Super Profits Tax - other minerals

The expected MSPT for metallurgical coal, thermal coal, gold and alumina were calculated using a model that is based on aggregate price and volume data for each mineral.

Super profits for each of these minerals were estimated by calculating total revenue and subtracting general production costs and the depreciation allowance for starting base capital. Each mineral's annual MSPT liability was then calculated by multiplying its super profits by the 40% super profits tax rate. Finally, the MSPT liability was timed according to the assumed cash timing profile.

It should be noted that the aggregate model is less precise compared to the project level iron ore model because it does not take into account different levels of profitability across particular mining projects.

Interaction with company tax

As specified, the MSPT would be a deductible expense for company tax purposes. The loss of company tax resulting from this deduction was estimated by multiplying the MSPT impact by the company tax rate. This interaction also includes a very small impact on personal income tax due to the reduction in dividends paid to domestic shareholders brought about by lower profitability.

Departmental expense

Departmental costs were estimated based on the overall departmental costs of the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – resource super profits tax.*

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[3]

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[3] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Data sources

ABS (Australian Bureau of Statistics) (2018) *Australian Industry, 2016-17, ABS Cat. No. 8155.0*, ABS, Australian Government.

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Commonwealth of Australia (2011) *Budget 2010-11*, Australian Government.

Commonwealth of Australia (2022) *Budget 2022-23,* Australian Government.

DISER (Department of Industry, Science, Energy and Resources) (2022) *Resources and Energy Quarterly – March 2022,* forecast data and historical data, DISER, accessed 5 May 2022.

Grenville, S (2018) *Foreign Investment: Let's talk about mining, not agriculture*, Lowy Institute, accessed 1 May 2021.

The Treasury provided projections for the long-term bond rate and the commodity price for metallurgical coal and thermal coal as at 2022-23 Budget.

Wood Mackenzie provided mine-level data on iron ore mining operations.

Attachment A - Mining Super Profits Tax – financial implications

Table A1: Mining Super Profits Tax –Fiscal balance ($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**
Tax revenue													
Administered tax													
Mining super profits tax	*27,400.0*	*10,200.0*	*9,400.0*	*9,300.0*	*8,700.0*	*15,700.0*	*17,000.0*	*16,500.0*	*15,900.0*	*15,500.0*	*11,000.0*	***56,300.0***	***156,600.0***
Income taxes	*-2,580.0*	*-7,640.0*	*-3,060.0*	*-2,840.0*	*-2,710.0*	*-4,090.0*	*-4,990.0*	*-5,050.0*	*-4,890.0*	*-4,750.0*	*-3,770.0*	***-16,120.0***	***-46,370.0***
Total – revenue	**24,820.0**	**2,560.0**	**6,340.0**	**6,460.0**	**5,990.0**	**11,610.0**	**12,010.0**	**11,450.0**	**11,010.0**	**10,750.0**	**7,230.0**	**40,180.0**	**110,230.0**
Departmental													
Australian Taxation Office	*-45.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	***-135.0***	***-345.0***
Total – expenses	**-45.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-135.0**	**-345.0**
Total (excluding PDI)	**24,775.0**	**2,530.0**	**6,310.0**	**6,430.0**	**5,960.0**	**11,580.0**	**11,980.0**	**11,420.0**	**10,980.0**	**10,720.0**	**7,200.0**	**40,045.0**	**109,885.0**

(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.

(b) Income taxes include personal income tax and company tax, with company tax making up 99% of income taxes collected.

Table A2: Mining Super Profits Tax –Underlying cash balance ($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**
Tax receipts													
Administered tax													
Mining super profits tax	*20,600.0*	*14,500.0*	*9,600.0*	*9,300.0*	*8,900.0*	*13,900.0*	*16,700.0*	*16,700.0*	*16,100.0*	*15,600.0*	*12,100.0*	***54,000.0***	***154,000.0***
Income taxes	*-2,580.0*	*-7,640.0*	*-3,060.0*	*-2,840.0*	*-2,710.0*	*-4,090.0*	*-4,990.0*	*-5,050.0*	*-4,890.0*	*-4,750.0*	*-3,770.0*	***-16,120.0***	***-46,370.0***
Total – receipts	**18,020.0**	**6,860.0**	**6,540.0**	**6,460.0**	**6,190.0**	**9,810.0**	**11,710.0**	**11,650.0**	**11,210.0**	**10,850.0**	**8,330.0**	**37,880.0**	**107,630.0**
Departmental													
Australian Taxation Office	*-45.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	*-30.0*	***-135.0***	***-345.0***
Total – payments	**-45.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-30.0**	**-135.0**	**-345.0**
Total (excluding PDI)	**17,975.0**	**6,830.0**	**6,510.0**	**6,430.0**	**6,160.0**	**9,780.0**	**11,680.0**	**11,620.0**	**11,180.0**	**10,820.0**	**8,300.0**	**37,745.0**	**107,285.0**

(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.

(b) Income taxes include personal income tax and company tax, with company tax making up 99% of income taxes collected.

Table A3: Mining Super Profits Tax – 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	*200.0*	*490.0*	*650.0*	*810.0*	*980.0*	*1,210.0*	*1,550.0*	*1,940.0*	*2,360.0*	*2,810.0*	*3,370.0*	***2,150.0***	***16,370.0***
Underlying cash balance	*180.0*	*450.0*	*630.0*	*790.0*	*960.0*	*1,190.0*	*1,510.0*	*1,890.0*	*2,310.0*	*2,750.0*	*3,300.0*	***2,050.0***	***15,960.0***

(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 glossary[4].

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

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

Parliamentary Budget Office

Stopping Corporate Tax Avoidance	
Party:	Australian Greens

Summary of proposal:

Component 1: Deny royalty tax deductions

Deny Significant Global Entities (SGEs) a tax deduction for royalties for the use of, or right to use, intellectual property within Australia, when either:

- the royalties are paid to a related party
- the party to which they are paid is in a jurisdiction that provides preferential tax treatment for intellectual property royalties.

Component 2: Change thin capitalisation rules

- Remove the 'safe harbour' and 'arm's length' debt tests, leaving only the 'worldwide gearing' debt test.

Component 3: Improve public access to company reporting

- Require currently 'grandfathered' large proprietary companies with assets greater than $25 million and total income greater than $50 million to lodge financial reports.
- Abolish fees for the provision of company information and provide all company information through the Australian Securities and Investments Commission's (ASIC) online public registers.

Component 4: Deny bad debt write-offs

- Deny creditors a tax deduction for a bad debt written off, where the debtor is a related party.

Component 5: Implement a withholding tax on fixed trust cash distributions to non-residents

- Apply a minimum final withholding tax of 30% on fixed trust cash distributions to non-residents. Non-residents would not be able to claim a refund of this withholding in Australia. Distributions to non-residents paid out of managed investment trusts or collective investment vehicles would not be subject to the withholding tax.

Component 6: Increase in promoter penalties

- Double the promoter penalty associated with the promotion of tax avoidance schemes.
- Under this proposal the penalty units associated with violating the promoter laws would be:
  - 10,000 penalty units for individuals
  - 50,000 penalty units for companies.

The proposal would take effect from 1 July 2022.

Costing overview

The proposal would be expected to increase both the fiscal and underlying cash balances by around $1.03 billion over the 2022-23 Budget forward estimates period. This impact reflects an increase in revenue of around $1.25 billion partially offset by an increase in expenses of around $217 million over the 2022-23 Budget forward estimates period.

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

There is a significant level of uncertainty associated with each component of this proposal and with the overall cost. Uncertainties primarily arise from behavioural responses to Components 1 and 2; it is difficult to predict how and to what extent companies will restructure their operations to minimise their income tax liabilities. The PBO has made several high-level adjustments to the tax base to account for such responses, but the actual magnitude of these responses and their distribution across business entities remains highly uncertain.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-52.1	433.3	327.3	322.2	**1,030.7**
Underlying cash balance	-52.1	433.3	327.3	322.2	**1,030.7**

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

Component 1

- Royalty deductions would grow in line with the gross operating surplus (GOS) of corporate entities and gross mixed income (GMI) growth.
- Affected companies would restructure their finances to minimise paying additional tax on royalty payments, reducing the revenue impact by 50%.

Component 2

- Debt interest deductions subject to thin capitalisation rules would consistently increase with medium-term projections of corporate GOS.
- From the second year of the proposal, 10% of affected firms would find alternative ways to make debt deductions. This increases to 20% of affected firms in year 3 and beyond over the medium term.

Component 3

Removal of ASIC 'grandfathering' provisions for large proprietary companies

- Grandfathering provisions would apply to 17% of large proprietary corporations.
- Departmental costs per financial document lodged would be included in existing ASIC fees and would not be passed on to affected companies under the proposal.
- Manual intervention would be required for 10% of financial report lodgements.

Removal of ASIC search fees

- Search fees would grow in line with CPI in the absence of the proposal.
- ASIC would employ an additional 9 full-time equivalent staff to administer this component.
  - These figures are based on the current staffing profiles of the business area responsible for registry services as reported in ASIC's 2019-20 annual report.

Component 4

- There would be a small behavioural response associated with the denial of bad debt write-offs, but this would have a negligible impact on the total amount of total bad debt deductions captured by this component.
- The proportion of deductions related to bad debts from related parties would not materially change over time.

Component 5

- Fixed trust distributions paid to non-residents in the 2022-23 Budget forward estimates period would grow in line with projections for nominal gross domestic product over the period to 2032-33.

Component 6

- There would be a small behavioural response associated with higher penalties, but this would have a negligible impact on the value of fines levied.

Methodology

Component 1

Revenue from the denial of royalty deductions for SGEs was estimated by calculating the increase in taxable income from the royalty deductions denied. This was based on data on historical deductions made by SGEs under the existing rules. The proportion of additional tax revenue was then calculated with figures projected over the period to 2032-33 using growth in GOS.

Information on historical royalty deductions, taxable income and tax payable for SGEs was provided by the Australian Taxation Office (ATO). Medium-term projections for the GOS of corporate entities was provided by the Department of the Treasury.

Component 2

Revenue from the removal of the 'safe harbour' and 'arm's length' thin capitalisation tests was estimated by calculating the level of allowable debt under the remaining 'worldwide gearing' test and using this to determine the amount of additional debt interest deductions that would be denied under the proposal. The figures were then projected into the medium term using parameters from the 2022 Pre-election fiscal outlook (PEFO) before the additional company tax revenue was calculated.

Component 3

Removal of ASIC 'grandfathering' provisions for large proprietary companies

Departmental costs for the removal of grandfathering provisions were estimated using the approximate cost per document lodgement and multiplying this by the number of affected businesses. The total cost was then multiplied by the percentage of lodgements requiring manual intervention. These estimates were then projected into the medium term using the wage cost index.

Removal of ASIC search fees

Administered expenses from the removal of search fees were estimated using historical search fee revenue. This figure was projected over the period to 2032-33 using CPI. Associated departmental costs were estimated based on our assessment of the additional staff required by ASIC and existing staffing profiles. These costs were projected over the period to 2032-33 using the wage cost index.

Information on the number of large proprietary companies under 'grandfathering' provisions was derived from the Australian Bureau of Statistics' (ABS) publication *Counts of Australian Businesses, including Entries and Exits* and ATO company income tax returns.

Component 4

The level of bad debts held was taken as the average from 2012-13 to 2018-19 using the ATO's 2018-19 Taxation Statistics, with companies already covered by the multinational anti-avoidance law removed. The level of bad debt was multiplied by the percentage attributable to related party debt and then by the proportion of bad debt to be included in the lender's assessable income. This additional taxable income was multiplied by the corporate tax rate to give the cost of this component.

Component 5

The amount of additional withholding tax was calculated based on data provided by the ATO on trust distributions to non-residents and the above assumptions.

Estimated additional annual withholding tax revenue was then calculated based on 30% of gross distributions for the 2019-20 financial year. The additional revenue was projected over the 2022-23 Budget forward estimates period taking into account economic growth and the timing of tax collections.

Component 6

The total fine revenue was estimated by averaging reported fine revenue over 2015-16 to 2017-18. The baseline fine revenues were grown out using the medium-term estimates for CPI. The value of fines levied were scaled by the change in policy after accounting for the behavioural response and compared to the baseline fine revenue to give the cost of the component.

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

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

Data sources

Australian Bureau of Statistics (2021) *Counts of Australian Businesses, including Entries and Exits, July 2016 – June 2020*, Australian Government

Australian Government (2018) *2018-19 Budget*, Australian Government

Australian Government (2019) *2019-20 Budget*, Australian Government

Australian Securities and Investments Commission (2019) *2019-20 Annual report*, Australian Government, accessed 7 June 2022

Australian Securities and Investments Commission (2021) *Fees for commonly lodged documents*, Australian Government, accessed 7 June 2022

Australian Taxation Office (2022) *Non-resident royalty payments by significant global entities dataset for the 2016-17 and 2017-18 financial years* [dataset], Australian Government

Australian Taxation Office (2022) *International Dealings Schedule* [dataset], Australian Government

Australian Taxation Office (2022) *Non-resident trust fund payments and withholdings for the 2018-19 financial year* [dataset], Australian Government

Australian Taxation Office (2020) *Taxation Statistics 2018-19*, Australian Government

Australian Taxation Office (2022) S*ample of company tax returns for the 2018-19 financial year* [dataset], Australian Government

Attachment A – Stopping Corporate Tax Avoidance – financial implications

Table A1: Stopping Corporate Tax Avoidance – 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													
Component 1 - Deny royalty tax deductions	-	*282.0*	*152.0*	*159.0*	*168.0*	*178.0*	*189.0*	*200.0*	*212.0*	*223.0*	*235.0*	***593.0***	***1,998.0***
Component 2 - Thin capitalisation rules	-	*149.0*	*173.0*	*160.0*	*163.0*	*171.0*	*180.0*	*193.0*	*204.0*	*215.0*	*228.0*	***482.0***	***1,836.0***
Component 4 - Deny bad-debt write-offs	-	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	***30.0***	***100.0***
Component 5 - Withholding tax on non-resident trust distributions	-	*45.8*	*47.2*	*49.6*	*52.1*	*54.7*	*57.5*	*60.6*	*63.9*	*67.5*	*71.1*	***142.6***	***570.0***
Component 6 - Increase promoter penalties	..	..	..	..	..	..	..	*0.1*	*0.1*	*0.1*	*0.1*	**..**	***0.4***
Total – revenue	**..**	**486.8**	**382.2**	**378.6**	**393.1**	**413.7**	**436.5**	**463.7**	**490.0**	**515.6**	**544.2**	**1,247.6**	**4,504.4**
Expenses													
Administered													
Component 3 - Access to company reporting	*-50.1*	*-51.8*	*-53.4*	*-54.9*	*-56.3*	*-57.7*	*-59.0*	*-60.5*	*-62.0*	*-63.5*	*-65.1*	***-210.2***	***-634.3***
Departmental													
Component 3 - Access to company reporting	*-2.0*	*-1.7*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	***-6.7***	***-17.9***
Total – expenses	**-52.1**	**-53.5**	**-54.9**	**-56.4**	**-57.8**	**-59.2**	**-60.6**	**-62.1**	**-63.6**	**-65.2**	**-66.8**	**-216.9**	**-652.2**
Total (excluding PDI)	**-52.1**	**433.3**	**327.3**	**322.2**	**335.3**	**354.5**	**375.9**	**401.6**	**426.4**	**450.4**	**477.4**	**1,030.7**	**3,852.2**

(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.

.. Not zero but rounded to zero.

\- Indicates nil.

Table A2: Stopping Corporate Tax Avoidance – 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	*-1.0*	*4.0*	*12.0*	*20.0*	*28.0*	*38.0*	*49.0*	*62.0*	*77.0*	*94.0*	*114.0*	***35.0***	***497.0***
Underlying cash balance	*-1.0*	*3.0*	*11.0*	*19.0*	*27.0*	*37.0*	*48.0*	*61.0*	*75.0*	*92.0*	*112.0*	***32.0***	***484.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

Banking for People, Not Profit	
Party:	Australian Greens
Summary of proposal: This proposal would increase the major bank levy rate from its present level of 0.015% per quarter to 0.05% per quarter. The proposal would have effect from 1 July 2022.	

Costing overview

This proposal would be expected to increase the fiscal balance by around $12.75 billion and the underlying cash balance by around $12.56 billion over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in revenue.

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

There is a difference between the fiscal and underlying cash balances due to timing differences in when the major bank levy tax liability is recognised and paid. The major bank levy is calculated quarterly and paid in the quarter after they accrue.

The costing includes an income tax effect as the levy is deductible for company tax purposes and there would be a pass-through of costs for affected institutions, which would alter the tax payable by bank customers.

Estimates in this costing are sensitive to assumptions regarding the overall growth in the liabilities of affected institutions, and the potential behavioural responses in relation to changes to the major bank levy rate.

Table 1: Financial implications ($m)(a)(b)

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	3,030.0	3,120.0	3,200.0	3,400.0	**12,750.0**
Underlying cash balance	2,990.0	3,070.0	3,150.0	3,350.0	**12,560.0**

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

- The growth in liabilities would be evenly distributed through the year. The banks' liabilities beyond 2021-22 would increase in line with their average historical growth rate of approximately 1.3% per quarter.
- Affected banks would react to the increased levy as follows:
  - Approximately 75% of the increased levy amount would be passed on to bank customers.
    - Around 30% of the passed-on costs would go to individuals who would be able to claim a tax deduction for these costs.
    - Around 15% of the passed-on costs would go to businesses that would be able to claim a tax deduction for these costs.
    - Any remaining passed-on costs would be non-deductible for tax purposes.
  - Around 13% of the additional levy would be passed on to shareholders of the affected banks through reduced dividend payments. These reduced dividend payments would reduce the taxable incomes of shareholders liable to pay tax in Australia.
  - The remainder would be absorbed by the affected banks.
- Domestic banks that are not currently liable to pay the major bank levy would not become liable for the levy over the period to 2032-33.
- All institutions are expected to be taxable over the period to 2032-33.

Methodology

The fiscal balance impact of the increase in the major bank levy was calculated at the end of each quarter by applying the increase in the major bank levy rate to the estimated value of the banks' liabilities. Cash timing assumptions were then applied to reflect the timing of the payments of the levy in order to determine the impact on an underlying cash balance basis.

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

Data sources

Australian Government (2022), *2022-23 Budget,* Australian Government.

The Treasury provided Major Bank Levy projections as at the 2022-23 Budget.

The Australian Prudential Regulation Authority provided information on the banks' liabilities that have been used to calculate the major bank levy revenue for the 2021-22 financial year.

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

Attachment A – Banking for People, Not Profit – financial implications

Table A1: Banking for People, Not Profit – 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													
Major bank levy	*3,660.0*	*3,780.0*	*3,900.0*	*4,130.0*	*4,250.0*	*4,480.0*	*4,710.0*	*4,950.0*	*5,320.0*	*5,550.0*	*5,830.0*	***15,470.0***	***50,560.0***
Income tax	*-630.0*	*-660.0*	*-700.0*	*-730.0*	*-770.0*	*-820.0*	*-860.0*	*-900.0*	*-950.0*	*-1,000.0*	*-1,060.0*	***-2,720.0***	***-9,080.0***
Total (excluding PDI)	**3,030.0**	**3,120.0**	**3,200.0**	**3,400.0**	**3,480.0**	**3,660.0**	**3,850.0**	**4,050.0**	**4,370.0**	**4,550.0**	**4,770.0**	**12,750.0**	**41,480.0**

(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.

Table A2: Banking for People, Not Profit – 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													
Major bank levy	*3,620.0*	*3,730.0*	*3,850.0*	*4,080.0*	*4,200.0*	*4,430.0*	*4,670.0*	*4,900.0*	*5,250.0*	*5,480.0*	*5,760.0*	***15,280.0***	***49,970.0***
Income tax	*-630.0*	*-660.0*	*-700.0*	*-730.0*	*-770.0*	*-820.0*	*-860.0*	*-900.0*	*-950.0*	*-1,000.0*	*-1,060.0*	***-2,720.0***	***-9,080.0***
Total (excluding PDI)	**2,990.0**	**3,070.0**	**3,150.0**	**3,350.0**	**3,430.0**	**3,610.0**	**3,810.0**	**4,000.0**	**4,300.0**	**4,480.0**	**4,700.0**	**12,560.0**	**40,890.0**

(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.

Table A3: Banking for People, Not Profit – 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	*30.0*	*100.0*	*180.0*	*250.0*	*340.0*	*440.0*	*550.0*	*690.0*	*840.0*	*1,020.0*	*1,240.0*	***560.0***	***5,680.0***
Underlying cash balance	*30.0*	*100.0*	*170.0*	*240.0*	*330.0*	*430.0*	*540.0*	*670.0*	*820.0*	*1,000.0*	*1,210.0*	***540.0***	***5,540.0***

(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 glossary[2].

(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)

Make big, profitable companies repay JobKeeper	
Party:	Australian Greens
Summary of proposal: The proposal would require certain companies who received JobKeeper payments while remaining profitable or paying executive bonuses to repay the total of JobKeeper payments received, over a 10-year period. The proposal would apply to businesses that received JobKeeper payments and had an annual turnover of greater than $50 million and meet one or more of the following criteria: • The entity made a profit. • The entity paid a bonus to an executive of an entity. This policy would take effect from 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $1,514 million over the 2022-23 Budget forward estimates period. The proposal would also be expected to have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

Uncertainty

There are significant uncertainties associated with these estimates because the company tax data for the years in which the JobKeeper payments were paid and received was not available. The estimates of company profits over the JobKeeper period were based on 2018-19 company tax data and the level of overall decreases in income for different industry sectors. This is a high-level approach, and so, the financial implications presented in this response represent an **order of magnitude** rather than precise point estimates.

The Parliamentary Budget Office (PBO) was not able to provide analysis on the executive bonuses paid by entities as this information is not collected by the Australian Government.

The PBO has not assessed the legal grounds on which the proposal could be based, nor has it made a provision for the cost or delays associated with any potential legal disputes that may follow. Moreover, the PBO has not made an assessment on how the repayment of JobKeeper would affect the financial performance of these businesses in the present or their future viability should the proposal be implemented in its current form.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	377.0	379.0	379.0	379.0	**1,514.0**
Underlying cash balance	377.0	379.0	379.0	379.0	**1,514.0**

(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 this proposal.

- All affected companies would pay back the required amount of JobKeeper payments under the proposal. The repayments would be made equally over a 10-year period.
- The repayments would be collected by way of a non-deductible levy equivalent to approximately 70% of total JobKeeper payback due to the affected business entity size and their base entity tax rate.
- Reductions in profits for each company were in-line with the aggregate reduction in incomes all companies in that sector.

Methodology

- The value of JobKeeper repayments was based on the total value of JobKeeper payments made to entities with an annual turnover of greater than $50 million, as reported in the Treasury's *Insights from the first six months of JobKeeper*[1] and the proportion of JobKeeper payments made to profitable entities.
  - Whether an entity was profitable was based on deidentified 2018-19 company tax data and data published by the Australian Bureau of Statistics (ABS) on business statistics in 2019-20 and 2020-21. Business profit was estimated by reducing the profit amount in 2018-19 by industry-specific decreases in incomes in 2019-20 and 2020-21.
- Financial implications have been adjusted to account for the tax deductibility of repayments of the previously taxable JobKeeper amounts. This treatment is consistent with rules set out by the Australian Tax Office (ATO) on voluntary JobKeeper repayments, where businesses are expected to repay the amount of JobKeeper that they received less any tax paid on that amount.[2]

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[3]

[1] Insights from the first six months of JobKeeper

[2] JobKeeper payments were recognised by entities as income, so company income tax was paid on this amount.

[3] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Data sources

The ATO provided de-identified JobKeeper records for the period from March 2020 to September 2020. The ATO also provided de-identified business activity statements (BAS) data for the 2018-19, 2019-20 and 2020-21 income years and income tax returns for companies, individuals, partnerships and trusts for 2018-19.

The ATO and the Australian Charities and Not-for-profits Commission provided the charitable status for de-identified JobKeeper recipients.

ABS (2022) *Australian industry by division*, ABS website, accessed 24 June 2021.

The Department of the Treasury (2021) *Insights from the first six months of JobKeeper*, accessed 24 June 2021.

Attachment A – Make big, profitable companies repay JobKeeper – financial implications

Table A1: Make big, profitable companies repay JobKeeper – 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
Tax revenue													
Jobkeeper repayment	*379.0*	*379.0*	*379.0*	*379.0*	*379.0*	*379.0*	*379.0*	*379.0*	*379.0*	*379.0*	*-*	***1,516.0***	***3,790.0***
Total – revenue	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**-**	**1,516.0**	**3,790.0**
Expenses													
Administered													
Departmental													
Australian Taxation Office departmental	*-2.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.0***	***-2.0***
Total – expenses	**-2.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2.0**	**-2.0**
Total (excluding PDI)	**377.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**379.0**	**-**	**1,514.0**	**3,788.0**

(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.

\- Indicates nil.

Table A2: Make big, profitable companies repay JobKeeper – 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	*4.0*	*13.0*	*22.0*	*31.0*	*41.0*	*51.0*	*63.0*	*76.0*	*91.0*	*107.0*	*120.0*	***70.0***	***619.0***
Underlying cash balance	*4.0*	*12.0*	*21.0*	*30.0*	*39.0*	*50.0*	*62.0*	*75.0*	*89.0*	*105.0*	*118.0*	***67.0***	***605.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[4].

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

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

Parliamentary Budget Office

A Fair and Progressive Income Tax System	
Party:	Australian Greens

Summary of proposal:

The proposal has 5 components that would modify the Australian personal income tax system.

- **Components 1 and 2** would not proceed with Stage 3 of the Personal income tax plan in 2024-25, and would introduce a new tax bracket for those earning more than $1 million from 1 July 2022.

  The personal income tax schedule would be as follows:

Taxable income	Tax rate
0 – $18,200	Nil
$18,201 – $45,000	19 cents for each $1 over $18,200
$45,001 – $120,000	$5,092 plus 32.5 cents for each $1 over $45,000
$120,001 – $180,000	$29,467 plus 37 cents for each $1 over $120,000
$180,001 – $1,000,000	$51,667 plus 45 cents for each $1 over $180,000
$1,000,000 and over	$420,667 plus 60 cents for each $1 over $1,000,000

- **Component 3** would amend the Low-Income Tax Offset (LITO) as follows.
  – A maximum offset of $2,250 for individuals earning $30,000 or less.
  – The maximum offset would reduce by 10 cents for every $1 above $30,000 up to $45,000.
  – The offset would reduce by a further 3 cents for every $1 above $45,000, phasing out at $70,000.
- **Component 4** would introduce a 'Buffet rule' which would limit tax deductions to $5,000 for individuals earning $360,000 or more (around the top 1% of earners).
- **Component 5** would implement a minimum tax rate of 30% on non-primary production discretionary trust distributions to mature beneficiaries.
  – The minimum tax rate would be applied to the total trust distribution, rather than on a marginal basis. Non-trust income would continue to be taxed at marginal rates, with an individual's tax liability on this income assessed exclusive of discretionary trust income.
  – The minimum tax rate would not apply to distributions from discretionary charitable trusts, deceased estate trusts, or testamentary trusts.

Components 3, 4 and 5 would be implemented on 1 July 2022.

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $48.2 billion over the 2022-23 Budget forward estimates period. This impact primarily reflects an increase in revenue, but also includes an increase in departmental expenses of $21 million.

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) over the period to 2032-33 is provided at Attachment A. Distributional analysis of Stage 3 of the Personal income tax plan is provided at Attachment B.

The estimates provided in this response are uncertain, and sensitive to the following factors:

- Future growth in income and workforce participation. The continued impacts of COVID-19 on income growth and workforce participation are highly uncertain in both magnitude and duration.
- Behavioural responses to the proposal, particularly in response to Component 2 (60% marginal tax rate above $1 million), Component 4 (Buffet rule) and Component 5 (Minimum tax rate on discretionary trust distributions).
  - The extent to which Component 5 would create an incentive for individuals to divert their investments away from discretionary trusts is highly uncertain. Individuals hold discretionary trusts for significant reasons other than the potential tax benefits, such as estate planning, income and asset protection, and control over the size and timing of distributions. There would also be transaction costs and capital gains tax associated with moving assets out of a trust. These factors, and existing compliance work by the Australian Taxation Office (ATO), may limit the extent of any behavioural responses.
  - There is uncertainty about the labour supply response to changes in post-tax income. Studies indicate that some individuals would increase their hours worked after a decrease in their disposable income (due to an increase in their tax rate) whereas some individuals would decrease their hours of work. There is considerable uncertainty regarding the direction, magnitude, and timing of these effects on labour supply.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	3,255.0	1,679.0	19,885.0	23,406.0	**48,225.0**
Underlying cash balance	3,255.0	1,679.0	19,885.0	23,406.0	**48,225.0**

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

Component 2

- High-income earners would adjust their taxable income to reduce their tax liability under a higher marginal tax rate. This adjustment would reflect an assumed taxable income elasticity of 0.35 for individuals with a taxable income greater than $1 million.

Component 4

- Taxpayers affected by the 'Buffet rule' would be able to shift some denied deductions to other individuals (such as family members) or to a company who are able to utilise the deductions. This reduces the revenue impact by around 30% in aggregate.

Component 5

- Some affected individuals with a marginal tax rate below 30% would bring forward trust distributions from 2022-23 to before the start date of 1 July 2022, however this would not have a material impact on the financial implications.
- Some individuals and trustees affected by the proposal would seek to reduce their tax liability by rearranging their tax affairs, reducing the revenue impact by around 25% in aggregate. Examples of these behavioural responses may include:
  - small businesses paying wages to working family members instead of using trust distributions
  - trustees allocating trust income to a company and distributing franked dividends to beneficiaries with low taxable incomes, on which the minimum tax rate would not apply
  - individuals winding up a discretionary trust to invest in alternative tax-effective investments, such as superannuation.
- Allowing an exemption from the proposal for charitable trusts, deceased estate trusts, or testamentary trusts would not have a material impact on the financial implications.
- The alternative minimum tax would be collected in the same financial year as the distribution for 50% of all affected trust distributions, with the other 50% collected in the year of assessment.
  - This is because the additional tax is expected to be factored into the existing withholding schedules for trust distributions.

Methodology

The financial implications were based on a microsimulation model of a 16% sample of de-identified personal income tax and superannuation data for 2018-19 provided by the ATO. The model estimated the changes to tax paid under each component, factoring in behavioural assumptions listed above. Income deciles in 2024-25 were based on projections from the same model.

Interactions between components were calculated as the difference in financial implications of implementing all components together less the sum of implementing each component separately.

This costing takes account of the timing of tax collections.

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 ATO provided a 16% sample of de-identified personal income tax return and superannuation data for the 2018-19 financial year and the 2018-19 de-identified partnership and trust unit record files.

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

The Treasury provided the economic and policy parameters as at the 2022-23 Budget.

Australian Taxation Office (2019), *Current issues with trusts and the tax system*, Australian Government.

Attachment A – A Fair and Progressive Income Tax System – financial implications

Table A1: A Fair and Progressive Income Tax System – 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													
Component 1: Reverse Stage 3 tax cuts	*-*	*-*	*17,700.0*	*20,800.0*	*22,700.0*	*24,500.0*	*26,500.0*	*28,900.0*	*31,400.0*	*34,100.0*	*36,900.0*	***38,500.0***	***243,500.0***
Component 2: 60% marginal tax rate above $1 million	*1,800.0*	*2,150.0*	*2,410.0*	*2,660.0*	*2,930.0*	*3,270.0*	*3,620.0*	*3,990.0*	*4,400.0*	*4,880.0*	*5,180.0*	***9,020.0***	***37,290.0***
Component 3: Amend the LITO	*-680.0*	*-3,740.0*	*-3,630.0*	*-3,580.0*	*-3,550.0*	*-3,530.0*	*-3,480.0*	*-3,420.0*	*-3,340.0*	*-3,250.0*	*-3,160.0*	***-11,630.0***	***-35,360.0***
Component 4: Introduce a 'Buffet rule'	*1,110.0*	*1,270.0*	*1,400.0*	*1,530.0*	*1,660.0*	*1,840.0*	*2,030.0*	*2,280.0*	*2,530.0*	*2,820.0*	*3,140.0*	***5,310.0***	***21,610.0***
Component 5: Minimum tax rate of 30% on non-primary production discretionary trust distributions	*960.0*	*1,910.0*	*2,290.0*	*2,660.0*	*2,630.0*	*2,600.0*	*2,560.0*	*2,520.0*	*2,470.0*	*2,430.0*	*2,360.0*	***7,820.0***	***25,390.0***
Interactions between Components	*80.0*	*91.0*	*-283.0*	*-662.0*	*-659.0*	*-654.0*	*-646.0*	*-633.0*	*-617.0*	*-601.0*	*-579.0*	***-774.0***	***-5,163.0***
Total – revenue	**3,270.0**	**1,681.0**	**19,887.0**	**23,408.0**	**25,711.0**	**28,026.0**	**30,584.0**	**33,637.0**	**36,843.0**	**40,379.0**	**43,841.0**	**48,246.0**	**287,267.0**
Expenses													
Departmental													
Component 5 - ATO	*-15.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	*-2.0*	***-21.0***	***-35.0***
Total – expenses	**-15.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-21.0**	**-35.0**
Total (excluding PDI)	**3,255.0**	**1,679.0**	**19,885.0**	**23,406.0**	**25,709.0**	**28,024.0**	**30,582.0**	**33,635.0**	**36,841.0**	**40,377.0**	**43,839.0**	**48,225.0**	**287,232.0**

(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.

\- Indicates nil.

Table A2: A Fair and Progressive Income Tax System – 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	*40.0*	*90.0*	*340.0*	*840.0*	*1,440.0*	*2,170.0*	*3,040.0*	*4,080.0*	*5,330.0*	*6,810.0*	*8,570.0*	***1,310.0***	***32,750.0***
Underlying cash balance	*30.0*	*90.0*	*310.0*	*780.0*	*1,370.0*	*2,080.0*	*2,940.0*	*3,960.0*	*5,180.0*	*6,630.0*	*8,360.0*	***1,210.0***	***31,730.0***

(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 glossary[2].

(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)

Attachment B – A Fair and Progressive Income Tax System – distributional analysis

Table B1: A Fair and Progressive Income Tax System – Distribution of expenditure (in fiscal terms) for Stage 3 tax cuts by income deciles – 2024-25 estimates ($m)[(a)(b)]

Income deciles	Stage 3 tax cuts
Decile 1	-
Decile 2	-
Decile 3	-
Decile 4	-
Decile 5	*-100*
Decile 6	*-600*
Decile 7	*-1,200*
Decile 8	*-1,900*
Decile 9	*-3,200*
Decile 10	*-10,700*
Total cost of policies	**-17,700**

(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.

(b) Figures may not sum due to rounding.

\- Indicates nil.

Parliamentary
Budget Office

Cleaning Up Politics	
Party:	Australian Greens

Summary of proposal:

The proposal has two components.

Component 1 would establish a Federal Anti-corruption Commission (the Commission) as an independent statutory agency. The Commission would absorb any overlapping functions of the proposed Commonwealth Integrity Commission (CIC) and would investigate matters relating to the Australian Public Service and the Parliament. Funding would be indexed to the consumer price index (CPI).

Component 2 would provide $2 million in 2022-23 to establish a Public Interest Democracy Fund to support trials of innovative programs and digital platforms to increase democratic participation. The fund can be used to:

- provide research grants and contracts to organisations to undertake citizen juries and report back to parliament
- fund additional staff or resources within Department of Parliamentary Services, Department of Senate and the Department of the House of Representatives to implement new measures and upgrade technology to improve online petitions or provide for remote voting.

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease both fiscal and underlying cash balances by $2 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses for the establishment of the Public Interest Democracy Fund, and nil effect for the establishment of the Commission.

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

The financial implications of component 1 are sensitive to the size and scope of the proposed Commission and the extent to which functions of the proposed Commission overlap with those of the proposed CIC.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-2.0	-	-	-	**-2.0**
Underlying cash balance	-2.0	-	-	-	**-2.0**

(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.
- Indicates nil.

Key assumptions

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

Component 1

- The Commission would be of a similar size and scope to the proposed CIC. The Commission will subsume all the functions of the proposed CIC, including the functions of the Australian Commission for Law Enforcement Integrity (ACLEI) which is scheduled to be absorbed by the CIC when it is established.

Component 2

- The administrative workload associated with this component would not require additional departmental funding

Methodology

Component 1

Departmental expenses for the proposed Commission are based on projected CIC expenses, including those allocated to the ACLEI.

CIC expenses from 2022-23 to 2025-26 were provided by the Attorney-General's Department.

CIC expenses from 2026-27 were projected to account for the net effect of the CPI and the efficiency dividend, in accordance with the Department of Finance's costing practices.

Component 2

The financial implications represent the specified capped amounts of administered funding.

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 Attorney-General's Department provided the funding amounts for the proposed Commonwealth Integrity Commission for each year from 2022-23 to 2025-26.

The Department of Finance provided efficiency dividend parameters as at the 2022-23 Budget.

The Treasury provided CPI projections as at the 2022-23 Budget.

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

Attachment A – Cleaning Up Politics – financial implications

Table A1: Cleaning Up Politics – 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													
Component 2: Public Interest Democracy Fund	*-2.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.0***	***-2.0***
Total – administered	***-2.0***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-2.0***	***-2.0***
Departmental													
Component 1: Establish a federal anti-corruption commission	*-38.4*	*-43.0*	*-43.3*	*-43.5*	*-44.1*	*-44.7*	*-45.3*	*-46.0*	*-46.7*	*-47.4*	*-48.1*	***-168.2***	***-490.5***
Component 1: Abolish the proposed Commonwealth Integrity Commision	*38.4*	*43.0*	*43.3*	*43.5*	*44.1*	*44.7*	*45.3*	*46.0*	*46.7*	*47.4*	*48.1*	***168.2***	***490.5***
Total – departmental	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Total – expenses	**-2.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2.0**	**-2.0**
Total (excluding PDI)	**-2.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-2.0**	**-2.0**

(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.

\- Indicates nil.

Table A2: Cleaning Up Politics – 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*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	**..**	***-0.6***
Underlying cash balance	..	..	..	..	..	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	**..**	***-0.6***

(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 glossary[2].

(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.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Media Diversity	
Party:	Australian Greens

Summary of proposal:

The proposal aims to increase the independence and diversity of Australian media. There are 7 components in this proposal.

- Component 1 would restore Australian Broadcasting Corporation (ABC) cuts and remove advertising from the Special Broadcasting Service Corporation (SBS), including:
  - reversing the ABC component of the 2014-15 Budget measure *Australian Broadcasting Corporation and Special Broadcasting Service Corporation—efficiency savings*
  - reversing the ABC component of the 2014-15 Mid-Year Economic and Fiscal Outlook measure *Australian Broadcasting Corporation and Special Broadcasting Service Corporation—additional efficiency savings*
  - restoring the indexation of funding. In the 2018-19 Budget, the Government announced that funding for the ABC would be maintained at 2018-19 levels for 3 years
  - reducing commercial advertising on SBS by phasing out in-program commercial advertising evenly over 4 years from 1 July 2022 to 1 July 2025
  - reducing the amount of program break commercial advertisements allowed on SBS from 5 minutes to one minute per hour
  - providing SBS with a loading equal to 10% of the forgone advertising revenue to account for the additional programming required to replace advertising content.
- Component 2 would support First Nations peoples to establish their own media and broadcasting license, from 1 July 2022 with a funding of $30 million per annum, indexed by the Consumer Price Index (CPI).
- Component 3 would make subscriptions, donations and purchases of news media tax deductible to individuals and introduce deductible gift recipient (DGR) status for organisations that meet the following criteria:
  - a minimum of 75% of total spending over the previous 12 months on production and dissemination of news, public-interest journalism or other fact-based editorial content
  - a minimum of 75% of total revenue derived from sales, subscriptions, advertising revenue or individual or corporate philanthropic donations
  - a turnover exceeding $1 million in the previous financial year
  - primary business and dominant purpose is the production and distribution of news and editorial content that is in the public interest. This test would exclude organisations producing content whose purpose is promotional, or for public relations or advocacy.
- Component 4 would restore the funding that was cut from the ABC to run the Australia Network.

- Component 5 would replace lost SBS revenue under Component 1 with departmental appropriation.
- Component 6 would provide $1.4 million per year, indexed by CPI, for community radio.
- Component 7 would provide $53 million evenly over 2 years (from 2022-23 to 2023-24) for a Royal Commission into the Murdoch-owned media.

The proposal would have effect from 1 July 2022.

Costing overview

This proposal would be expected to decrease the fiscal and underlying balances by around $1,802.7 million over the 2022-23 Budget forward estimates period. This reflects an increase of around $1,144.9 million in expenses and a decrease of around $657.8 million in revenue.

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

Component 3 is subject to significant uncertainty surrounding the number of personal subscribers and donors to eligible media organisations, the amounts they would spend under the proposal, and the likely growth in revenue of news media organisations. Subscriptions of news media are likely to be much larger than donations under current policy, but many of these may already be tax deductible.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-461.8	-452.1	-432.1	-456.7	**-1,802.7**
Underlying cash balance	-461.8	-452.1	-432.1	-456.7	**-1,802.7**

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

Component 1: Restore ABC cuts

- ABC's efficiency savings from 2014-15 to 2018-19 would be restored and then indexed by Wage Cost Index 3 (WCI 3).
- ABC's indexation freeze from 2018-19 to 2021-22 would be restored and then funding would be indexed by CPI.

Component 1: Remove advertising from SBS

- The decline in SBS revenue from reduced advertising during program breaks and the phase out of in-program advertising would be partly offset by an increase in price of the remaining advertising.
  - The extent of this price increase would be influenced by the availability of alternatives to television advertising.

Component 3: Extend DGR status to eligible news media organisations

- Most major Australian newspapers and online news publishers would meet the eligibility criteria for deductible gift recipient status.
  - Other news media outlets, such as television and radio, are unlikely to meet the spending criterion.
- There would be one donor for every ten individual subscribers. The average donation would be equal to the average subscription.
- Fifty per cent of all donations would have been received by other organisations with deductible gift recipient status in the absence of this proposal.
- The average marginal tax rate for taxpayers claiming deductions for donations is 35%.

Component 3: Introduce tax deductibility of purchases and subscriptions

- Forty per cent of revenue for newspaper publishers comes from subscriptions.
- Fifty per cent of subscriptions would become tax deductible under the proposal. The remainder are corporate or individual subscriptions for which a tax deduction has already been claimed (for instance, because it is a work-related expense).
- Total newspaper subscriptions from individuals would increase by 10% as a result of the proposal.
- The average marginal tax rate for taxpayers purchasing subscriptions is 35%.

Methodology

Component 1: Restore ABC cuts

- The two 2014-15 efficiency savings measures were reversed, and then grown by the WCI 3 parameter.
- The ABC funding levels were derived by reversing the 2018-19 Budget measure *Pausing indexation of the ABC's operational funding over the 2018-19 forward estimates*, and then indexed by CPI.

Component 1: Removing SBS advertising

- The advertising revenue for SBS over the 2018-19 Budget forward estimates period were provided by the Department of Communications and the Arts. These revenues were projected out to 2032-33 by the PBO.
  - The revenue projections take account of SBS continuing to broadcast the FIFA World Cup until the end of the medium term, and earning additional revenue in World Cup years in line with historical patterns.
- The amount of program break advertising was reduced from the current allowance of 5 minutes per hour to one minute per hour from 2022-23. The expected revenue forgone from program break advertising includes both the reduction in quantity, and the estimated increase in price for advertising on SBS expected in response to this proposal.
- A loading equal to 10% of total change in revenue was added to SBS funding, as specified by the requestor.

Component 2: Establish First Nations media

- First Nations media is funded at $30 million per annum in 2022-23, and then indexed by CPI.

Component 3: Introduce DGR to eligible news media organisations and introduce tax deductibility of purchases and subscriptions

- Total newspaper revenue in 2021-22 is based on the IBISWorld report Newspaper Publishing in Australia – Market Size 2007-2027. The revenue over the medium term were projected by the PBO using the 2020-21 annual newspaper decline rate (-9.6%) and then gradual change to grow in line with CPI by 2032-33.
- The proportion of revenue made up by subscription was based on annual reports from news media organisations.

Component 4: Return Australia Network to public hands

- The 2014-15 Budget measure *Australia Network — Termination of the ABC Contract* was reversed and then indexed by CPI.

Component 5: Replace lost SBS revenue under Component 1 with departmental appropriation

- The financial implication of this component is estimated based on the advertising revenue lost in Component 1.

Component 6: Provide $1.4 million per year for community radio

- An annual funding of $1.4 million would be provided for community radio, and then indexed by CPI.
- Departmental funding is estimated based on similar budget measures.

Component 7: Provide $53 million for Royal Commission into the Murdoch-owned media

- The funding of $53 million is evenly distributed over the period 2022-23 to 2023-24.

All components

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

Data sources

Australian Communications and Media Authority (ACMA), 2014. *The cost of code interventions on commercial broadcasters,* ACMA, accessed 21 April 2022. https://www.acma.gov.au/sites/default/files/2019-08/research-the-cost-of-code-interventions-on-commercial-broadcasters-mar-2014.pdf

Australian Government, 2014. *Budget 2014-15*, Australian Government, accessed 21 April 2022.

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Australian Government, 2018. *Budget 2018-19*, Australian Government, accessed 21 April 2022.

Department of Communications and the Arts provided information on the expected advertising revenues for SBS over the 2018-19 Budget forward estimates period.

Department of Finance provided the indexation used to estimate the medium-term expenditure for the reversal of the two 2014-15 ABC efficiency savings measures.

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

Fairfax Media, 2018. *Fairfax Media Annual Report 2018,* Fairfax Media, accessed 21 April 2022.

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Newscorp, 2021. *2021 Annual Report,* Newscorp, accessed 21 April 2022. *https://newscorp.com/wp-content/uploads/2021/10/News-Corp-2021-Annual-Report.pdf*

Attachment A – Media Diversity – financial implications

Table A1: Media Diversity – 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													
Component 3: DGR to eligible news media organisations	*-8.0*	*-7.4*	*-6.9*	*-6.5*	*-6.3*	*-6.1*	*-6.0*	*-5.9*	*-5.9*	*-6.0*	*-6.2*	***-28.8***	***-71.2***
Component 3: Tax deductibility of purchases and subscriptions	*-174.0*	*-161.0*	*-151.0*	*-143.0*	*-137.0*	*-133.0*	*-130.0*	*-129.0*	*-130.0*	*-131.0*	*-135.0*	***-629.0***	***-1,554.0***
Component 1: Remove SBS advertising	*-42.3*	*-32.5*	*-30.9*	*-33.2*	*-32.2*	*-28.3*	*-28.1*	*-31.3*	*-31.5*	*-28.8*	*-29.5*	***-138.9***	***-348.6***
Component 5: Replace lost SBS revenue under Component 1	*42.3*	*32.5*	*30.9*	*33.2*	*32.2*	*28.3*	*28.1*	*31.3*	*31.5*	*28.8*	*29.5*	***138.9***	***348.6***
Total – revenue	**-182.0**	**-168.4**	**-157.9**	**-149.5**	**-143.3**	**-139.1**	**-136.0**	**-134.9**	**-135.9**	**-137.0**	**-141.2**	-657.8	-1,625.2
Expenses													
Administered													
Component 1: Remove SBS advertising	*-4.2*	*-3.2*	*-3.1*	*-3.3*	*-3.2*	*-2.8*	*-2.8*	*-3.1*	*-3.2*	*-2.9*	*-3.0*	***-13.8***	***-34.8***
Component 2: Establish First Nations Media	*-30.0*	*-30.9*	*-31.8*	*-32.6*	*-33.4*	*-34.2*	*-35.0*	*-35.9*	*-36.8*	*-37.7*	*-38.7*	***-125.3***	***-377.0***
Component 4: Return Australia Network	*-25.3*	*-26.1*	*-26.8*	*-27.5*	*-28.2*	*-28.8*	*-29.5*	*-30.3*	*-31.1*	*-31.8*	*-32.6*	***-105.7***	***-318.0***
Component 6: $1.4 million per year for community radio	*-1.4*	*-1.4*	*-1.5*	*-1.5*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.8*	*-1.8*	***-5.8***	***-17.6***
Total – administered	***-60.9***	***-61.6***	***-63.2***	***-64.9***	***-66.4***	***-67.4***	***-68.9***	***-71.0***	***-72.8***	***-74.2***	***-76.1***	*-250.6*	*-747.4*

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Component 1: Restore ABC cuts	*-148.0*	*-161.0*	*-178.0*	*-207.0*	*-225.0*	*-243.0*	*-262.0*	*-283.0*	*-305.0*	*-328.0*	*-351.0*	***-694.0***	***-2,691.0***
Component 3: DGR to eligible news media organisations	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	***-4.0***	***-11.0***
Component 3: Tax deductibility of purchases and subscriptions	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	***-4.0***	***-11.0***
Component 5: Replace lost SBS revenue under Component 1	*-42.3*	*-32.5*	*-30.9*	*-33.2*	*-32.2*	*-28.3*	*-28.1*	*-31.3*	*-31.5*	*-28.8*	*-29.5*	***-138.9***	***-348.6***
Component 6: $1.4 million per year for community radio	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.4***	***-1.1***
Component 7: $53 million evenly over 2 years for Royal Commission	*-26.5*	*-26.5*	-	-	-	-	-	-	-	-	-	***-53.0***	***-53.0***
Total – departmental	***-218.9***	***-222.1***	***-211.0***	***-242.3***	***-259.3***	***-273.4***	***-292.2***	***-316.4***	***-338.6***	***-358.9***	***-382.6***	***-894.3***	***-3,115.7***
Total – expenses	**-279.8**	**-283.7**	**-274.2**	**-307.2**	**-325.7**	**-340.8**	**-361.1**	**-387.4**	**-411.4**	**-433.1**	**-458.7**	**-1,144.9**	**-3,863.1**
Total (excluding PDI)	**-461.8**	**-452.1**	**-432.1**	**-456.7**	**-469.0**	**-479.9**	**-497.1**	**-522.3**	**-547.3**	**-570.1**	**-599.9**	**-1,802.7**	**-5,488.3**

(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: Media Diversity – 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	*-5.0*	*-16.0*	*-26.0*	*-37.0*	*-49.0*	*-62.0*	*-77.0*	*-95.0*	*-115.0*	*-137.0*	*-166.0*	***-84.0***	***-785.0***
Underlying cash balance	*-5.0*	*-14.0*	*-25.0*	*-35.0*	*-47.0*	*-60.0*	*-75.0*	*-93.0*	*-112.0*	*-135.0*	*-163.0*	***-79.0***	***-764.0***

(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 glossary[2].

(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)

Parliamentary
Budget Office

No more privatising the Public Service	
Party:	Australian Greens

Summary of proposal:

The proposal has 2 components which would commence on 1 July 2023 and would be ongoing.

Component 1 would increase funding and staffing levels for Australian Public Service (APS) staff.

- Element 1 would lift wage growth for staff under the Australian Public Service Act 1999 (the Act) over 4 years from 2023-24 to 2026-27, namely by 4% per year for all APS level and Executive Level staff and by 2% per year for all Senior Executive Service (SES) staff.
  - After this time, wages would return to their projected growth. The impact of the efficiency dividend on wage growth would be removed.
- Element 2 would restore total ongoing staffing numbers under the Act to 153,473 full-time equivalent employees, the same as at the end of 2011-12.
  - The increase in ongoing staff would occur in equal stages over a 4-year period and ongoing staff numbers would grow by the same rate as population growth thereafter.
- Element 3 would remove the average staffing level cap for staff under the Act.
  - The cap currently maintains staff in the general government sector, excluding military and reserves, at or below their 2006-07 level of 167,596.

Component 2 would restrict expenditure on labour-hire companies and some contractors.

- Element 1 would shift expenditure from labour-hire companies to general APS departmental funding. Labour hire would be allowed in exceptional circumstances.
- Element 2 would impose a cap of 7.5% of current projected agency-by-agency expenditure for consultancy contracts and non-consultancy contracts, where labour is procured directly by an Australian Government entity or through on-hire labour firms.
  - The Australian Renewable Energy Agency and Clean Energy Finance Corporation would be exempt.

The increase in staffing numbers under Component 1 would be used to add several additional functions to the public service, including:

- establishing a justice reinvestment co-ordinating body in the Attorney-General's Department
- developing a plan to increase and developing the First Nations' health workforce within the Department of Health
- establishing a whistle blower protection commissioner and an independent debates commission within the Department of Prime Minister and Cabinet
- establishing an independent development oversight agency and restoring the role of the Climate Ambassador within the Department of Foreign Affairs and Trade

– establishing a Centre for Climate Repair within the Commonwealth Scientific and Industrial Research Organisation.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $3,210 million over the 2022-23 Budget forward estimates period. This is primarily driven by an increase in departmental expenses and somewhat offset by an increase in taxation revenue.

The Parliamentary Budget Office (PBO) considered the taxation impacts of superannuation contributions for additional staff hired under Elements 2 and 3 of Component 1. These have not been included, as the likely impact would be negligible.

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

The estimates are sensitive to the assumptions on wage and population growth, as well as that the structure and composition of Australian Government agencies and the APS would remain constant over time.

The estimated impact of the cap on consultancy and non-consultancy contracts under Component 2 is highly sensitive to projections of contract expenses over time, which historically can vary significantly between years. In addition, the base contract data, which the estimates rely on, is imperfect and subject to a number of limitations.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-24.0	-1,068.0	-2,115.0	**-3,207.0**
Underlying cash balance	-	-24.0	-1,068.0	-2,115.0	**-3,207.0**

(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.
- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1 – Increase APS staffing levels and funding

- The salary at each classification would be the median base salary per level.
- Salaries under the baseline would grow by the wage cost index 3.
- The composition of staff classifications at each APS level, Executive Level and SES level would remain consistent with their 2020-21 proportions under the baseline and proposal.
- Any additional staff under the proposal would be placed within agencies affected.
- The additional staff hired under Element 2 and Element 3 would otherwise be employed and pay personal income tax at the equivalent amount to baseline remuneration amounts for the APS.

- All affected employees would receive superannuation contributions equivalent to 15.4% of income earned.
- The usual costs of employing APS staff would result in additional departmental expenses, which include human resource support, organisational services, information technology services, and property operation expenses.
- The additional roles and functions would not affect the financial impact of Component 1.

Component 2 – Restrict labour-hire companies and some contractors

- Contract notice values reported to AusTender would be representative of total expenditure and reflect the total estimated maximum value of the contract.
- Contracts representing expenditure for labour hire under Component 2 would comprise the following United Nations Standard Products and Services Code (UNSPSC) numbers:
  - 80100000 (Management advisory services), 80101504 (Strategic planning consultation services), 80101505 (Corporate objectives or policy development), 80101506 (Organisational structure consultation), 80101510 (Risk management consultation services), 80101600 (Project management), 80101706 (Professional procurement services), 80110000 (Human resources services), 80111509 (Job evaluation services), 80111600 (Temporary personnel services), 80111700 (Personnel recruitment), 80140000 (Marketing and distribution), 80141500 (Market research), 80141600 (Sales and business promotion activities), 80141602 (Public relation services), 80141700 (Distribution), 80150000 (Trade policy and services), 80160000 (Business administration services), and 80161500 (Management support services).
- Under the baseline, expenditure on contracts for labour procurement per agency in 2021-22 would be the average annual expenditure for that agency between 2016-17 and 2019-20 and would remain constant in real terms over the period to 2032-33.
- For each affected agency, departmental expenses would grow in accordance with the wage cost index 3 and efficiency dividend growth over the medium term, based on baseline appropriation estimates for 2024-25.
- All estimated spending on contracts above the cap would be able to be returned to the budget.

Methodology

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

Component 1

The financial implications of Component 1 were estimated by taking the difference between the proposed and baseline remuneration expenses and incorporate increases in staffing levels.

<u>Element 1</u>

- Remuneration expenses under the proposal were estimated by growing salaries by the specified increases. Remuneration increases were applied after removing efficiency dividends.

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

- Remuneration expenses under the baseline were estimated by growing salaries by the wage cost index 3 and adjusting for the applicable efficiency dividend amounts.
- The number of staff receiving wage increases was the number of staff employed under the Act as at 2020-21.

Element 2

- The increase in staff under Element 2 was calculated by estimating the difference between the headcount of ongoing staff employed under the Act at the end of 2011-12 and 2021-22. The additional headcount of ongoing staff was adjusted to reflect Average Staffing Level (ASL).
- Additional ASL was spread in 4 equal increments from 2023-24 to 2026-27, and grown by population growth in subsequent years, as specified. The additional ASL numbers at each classification was kept consistent with the share of APS staff in 2021-22 at each classification.

Element 3

- The ASL for staff under the Act represents a subset of staff in the general government sector. The increase in staffing under Element 3 was calculated by estimating the number of staff employed under the Act in 2021-22, removing the cap on employee numbers and growing this by population growth in subsequent years.
- The revenue impact was calculated by applying the 2021-22 Budget personal income tax schedule to the difference in the total salary expense under current arrangements and under the proposal for each classification level. Changes to marginal tax rates from 1 July 2024 have been considered. Additional tax raised on increased superannuation contributions was included for Element 1.

Interactions

- Both Elements 2 and 3 would increase ongoing APS staff numbers if implemented alone. If implemented together, the financial impact would be less than the sum of each element. The wage increase under Element 1 would apply to the additional staff employed under Element 2 and Element 3. These 2 interactions are separately shown in Attachment A.

Component 2

Element 1

- The shift in expenditure from contracts for labour procurement to general APS funding was calculated as equivalent to reducing departmental expenses on contracts. Baseline spending on contracts for labour procurement was calculated as the average spend between 2016-17 and 2019-20, grown by the consumer price index in subsequent years.
  - Where the reported contract duration was greater than one year, the financial impact was annualised and proportionally allocated to future financial years.
- Baseline spending on contracts for labour procurement may be underestimated. A comparison between departmental budgets and contract expenditure cannot accurately analyse contract expenditure performed within departments impacted by Machinery of Government changes.
- Austender data was used as a reference point to establish the estimated financial value of amendments to contracts. As the full value of contract amendments are reported to Austender and not just the value of additional expenditure, an average uplift factor of 28% was applied to the annualised expenditure on parent contracts.

  - This is consistent with the Australian National Audit Office (ANAO) analysis of AusTender data reported between 2014-15 and 2018-19 on the average annual value of amendments being between 20% and 39% of the total value of all contracts. Further, almost one-third of amended contracts were amended on more than one occasion and between 6% and 9% of amended contracts were amended within 12 months of being published.

Element 2

- The financial impact represents the limiting of contract labour that could be procured by a department under 'exceptional circumstances' to 7.5% of the agency budget.
- This would be an offset to the impact of Component 2 Element 1.

Data sources

The Department of Finance and the Treasury provided economic parameters as at the *Pre-election Economic and Fiscal Outlook 2022-23*.

The Department of Finance provided updated departmental appropriations data as at the *Pre-election Economic and Fiscal Outlook 2022-23.*

The Auditor-General, 2020, *Auditor-General Report No.27 2019-20 Information Report, Australian Government Procurement Contract Reporting Update*, accessed 15 December 2021.

Australian Public Service Commission, *APS Employment Release Tables - 30 June 2021*, accessed 22 November 2021.

Commonwealth of Australia, 2021. *Budget Paper No. 4, Budget 2021-22, Part 2: Staffing of Agencies*, accessed 22 November 2021.

Department of Finance, 2018. *AusTender Customised UNSPSC Codeset*, accessed 22 November 2021.

Department of Finance, 2019. *Historical Australian Government Contract Notice Data, 2017-2018 Commonwealth Government Contract Data*, accessed 22 November 2021.

Department of Finance, 2020. *Historical Australian Government Contract Notice Data, 2018-2019 Commonwealth Government Contract Data*, accessed 22 November 2021.

Department of Finance, 2021. *Historical Australian Government Contract Notice Data, 2019-2020 Commonwealth Government Contract Data*, accessed 22 November 2021.

Attachment A – No more privatising the Public Service – financial implications

Table A1: No more privatising the Public Service – 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													
Administered tax													
Component 1, Element 1	-	*170.0*	*300.0*	*460.0*	*630.0*	*690.0*	*750.0*	*810.0*	*880.0*	*940.0*	*1,010.0*	***930.0***	***6,640.0***
Total – revenue	**-**	**170.0**	**300.0**	**460.0**	**630.0**	**690.0**	**750.0**	**810.0**	**880.0**	**940.0**	**1,010.0**	**930.0**	**6,640.0**
Expenses													
Departmental													
Component 1, Element 1	-	*-560.0*	*-1,120.0*	*-1,720.0*	*-2,350.0*	*-2,560.0*	*-2,790.0*	*-3,010.0*	*-3,250.0*	*-3,490.0*	*-3,730.0*	***-3,400.0***	***-24,580.0***
Component 1, Element 2	-	*-610.0*	*-1,230.0*	*-1,860.0*	*-2,490.0*	*-2,800.0*	*-3,120.0*	*-3,440.0*	*-3,760.0*	*-4,070.0*	*-4,390.0*	***-3,700.0***	***-27,770.0***
Component 1 Interaction - Elements 1 and 2	-	*-17.0*	*-66.0*	*-151.0*	*-275.0*	*-337.0*	*-405.0*	*-480.0*	*-562.0*	*-651.0*	*-746.0*	***-234.0***	***-3,690.0***
Component 1 , Element 3	-	*-283.0*	*-304.0*	*-310.0*	*-305.0*	*-302.0*	*-295.0*	*-291.0*	*-289.0*	*-281.0*	*-272.0*	***-897.0***	***-2,932.0***
Component 1 Interaction - Elements 1, 2 and 3	-	*246.0*	*262.0*	*266.0*	*261.0*	*258.0*	*251.0*	*248.0*	*246.0*	*238.0*	*272.0*	***774.0***	***2,548.0***
Component 2	-	*1,030.0*	*1,090.0*	*1,200.0*	*1,240.0*	*1,290.0*	*1,330.0*	*1,380.0*	*1,430.0*	*1,490.0*	*1,550.0*	***3,320.0***	***13,030.0***
Total – expenses	**-**	**-194.0**	**-1,368.0**	**-2,575.0**	**-3,919.0**	**-4,451.0**	**-5,029.0**	**-5,593.0**	**-6,185.0**	**-6,764.0**	**-7,316.0**	**-4,137.0**	**-43,394.0**
Total (excluding PDI)	**-**	**-24.0**	**-1,068.0**	**-2,115.0**	**-3,289.0**	**-3,761.0**	**-4,279.0**	**-4,783.0**	**-5,305.0**	**-5,824.0**	**-6,306.0**	**-3,207.0**	**-36,754.0**

(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.

\- Indicates nil.

Table A2: No more privatising the Public Service – 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	-	..	*-10.0*	*-50.0*	*-110.0*	*-210.0*	*-330.0*	*-470.0*	*-640.0*	*-850.0*	*-1,100.0*	***-60.0***	***-3,770.0***
Underlying cash balance	-	..	*-10.0*	*-40.0*	*-110.0*	*-200.0*	*-310.0*	*-450.0*	*-620.0*	*-830.0*	*-1,070.0*	***-50.0***	***-3,640.0***

(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 glossary[2].

(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.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Workplaces that Work for Women	
Party:	Australian Greens

Summary of proposal:

This proposal has 9 components that all have effect from 1 July 2022.

Component 1 would increase the low-income superannuation tax offset cap to $1,000.

Component 2 would require the Productivity Commission to undertake a review of options to recognise currently unpaid care work.

Component 3 the reporting obligations under the *Workplace Gender Equality Act 2012* would be extended to both of the following:

- private sector employers with 50 or more employees
- public sector employers with 50 or more employees.

Component 4 would establish a micro-financing concessional loan facility for women-led businesses. These businesses would be eligible for loans up to $10,000 on the following terms:

- loans of $1,500 to $3,000 would be interest-free with a repayment term of 12 months
- loans of $3,001 to $10,000 would be provided at an interest rate of 3% with a repayment term of 24 months
- the initial investment in the facility would be capped at $10 million, with repayments being reinvested within the facility.

Component 5 would provide total funding of $8 million to Working Women's Centres each year ($1 million per centre for each State or Territory).

Component 6 would expand eligibility for grants under the Entrepreneurs Program for women-led businesses:

- The eligibility criteria would be amended for the Entrepreneurs' Program administered by the Department of Industry, Science, Energy and Resources to:
  - recognise women-led businesses as a Growth Sector within the meaning of the grant guidelines
  - reduce the turnover threshold for eligibility women-led business to $750,000 regardless of location, in line with the threshold for rural and regional businesses
  - the overall funding available under the Entrepreneurs Program would not be increased.

Component 7 would top-up Superannuation for primary carers:

- The government would provide $500 per year into the superannuation account of a care giver who is:
  - the primary carer for one or more children who are under 6 years old or under 16 years old and have a disability requiring intensive care
  - earns less than $37,000 per year.

Component 8 would provide pay rises for female-dominated industries:

- The government would provide wage increases for female-dominated industries by applying a 0.5% wage increase above consumer price (CPI) for each year over 10 years. This would apply to the following awards:
  - Children's Services Award 2010
  - Cleaning Services Award 2010
  - Educational Services (School) General Staff Award 2020
  - Educational Services (Teachers) Award 2020
  - General Retail Industry Award 2020
  - Health Professional and Support Services Award 2020
  - Nurses Award 2020
  - Textile, Clothing, Footwear and Associated Industries Award 2020.

Component 9 would modify the *Paid Parental Leave Act 2010* to allow the biological father of a child or the partner of the child's birth mother to make a primary claim for Parental Leave Pay (PLP) if the child's birth mother does not, or is not likely to, satisfy the income test at the relevant time.

Costing overview

This proposal would be expected to increase the fiscal balance by around $1,919 million, the underlying cash balance by around $2,002 million and headline cash balance by around $1,998 million over the 2022-23 Budget forward estimates period. On a fiscal balance basis, this impact reflects an increase in revenue of around $3,027 million, an increase in expenditures of around $1,186 million and an increase in public debt interest expenses of around $78 million.

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

Under Component 1, the differences between the fiscal and underlying cash balance impacts reflect timing differences between when payments are recognised and when they are paid.

Under Component 4, the fiscal, underlying cash and headline cash balance impacts differ in the treatment of interest payments and the flow of loan principal amounts. In particular, only the fiscal balance reflects the concessional loan discount expense, associated unwinding income, and loan write-downs, and only the headline cash balance includes transactions related to the loan principal amount. 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.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, public debt interest expense impacts have been included in this costing because the concessional loans provided in Component 4 of this proposal involve financial asset transactions.

Departmental expenses to implement and administer the proposal have been included for the following departments:

- Productivity Commission (PC)
- Workplace Gender Equality Agency (WGEA)
- Department of Industry, Science, Energy and Resources (DISER).

For Component 7, there is uncertainty surrounding the number of primary carers that would receive the superannuation top-up payment. To the extent that carers reduce their income in order to receive the payment, the cost of the component would increase.

For Component 8, there is some uncertainty surrounding how the wages of workers in the same industry, but not covered by the specified awards, may respond. However, it is likely wage growth in these industries would match those under the award. Therefore, industry level data has been used to calculate the financial impact of the proposal on the change in Personal Income Tax. A concordance between awards and the Australian Bureau of Statistics industry subdivisions used in this costing is provided at Attachment C.

It is also unclear how this component may affect the broader economy, the behavioural impact it will have on the labour market, and the flow on effects to other policy areas:

- An increase in wages may attract greater labour supply, while at the same time higher wages could mean that workers can afford to work fewer hours while maintaining the same level of pay. The composition of full-time and part-time workers may change, as would the proportion of people in the labour force. This may have further flow on effects into the demand for child-care.
- Labour supply may shift to industries affected by the wage increases, and to compete with this, other industries may also match the wage increases.
- There would be flow on effects to transfer payments, due to the interaction of the increased wages with means testing these payments.
- Higher wages could result in higher superannuation which would have an impact on the size of taxable superannuation, though the magnitude of this is unclear.
- There may be other broader economic impacts, such as structural changes in employment and inflationary pressures from the wage increases.

Some of these broader effects will offset each other and the net financial impact is expected to be smaller than the change in personal income tax and company tax revenues. As a result, these estimates should be considered as capturing only a part of the total impact of the proposal and treated with caution.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	389.5	366.1	475.8	688.0	**1,919.4**
Underlying cash balance	450.5	378.0	480.8	692.2	**2,001.5**
Headline cash balance	445.9	379.8	479.5	692.4	**1,997.6**

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

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 2 - PC review of unpaid care work

- The cost of the PC conducting an inquiry would be in line with the cost of similar inquiries.
- The inquiry would take 1 year to complete.

Component 3 – Extended WGEA reporting requirements

- WGEA staffing levels would increase in line with the increase in private and public sector organisations reporting under this component.
- One third of WGEA staff would work on compliance and reporting requirements.

Component 4 – Concessional loan facility for women-led businesses

- The initial loans principal of $10 million would be fully lent out in the first year.
- Market interest rates would move in line with the five-year government bond rate projections.
- Debt not expected to be repaid would on average be 6% of loans issued, based on the historical bad debt rates of similar loans.
- About 30% of loans would be no-interest loans and the remaining 70% would be low-interest loans.
- Repayment of the initial principal for low-interest loans would be evenly spread over 2 years.

Component 6 – Expanding eligibility for grants under the Entrepreneurs Program for women-led businesses

- The increased number of applications under the expanded eligibility criteria is not expected to require additional departmental resources.

Component 7 – Superannuation top-up for primary carers

- The number of primary carers would grow over the medium term consistent with medium-term projections for population growth.
- Taxable incomes of primary carers would closely align with the income distribution of tax-filers. The average family size would remain at the current average of 1.9 dependent children per family over the medium term.
- Superannuation funds would experience capital gains of 3.9% per annum and earnings of 4.5% per annum consistent with average rates over the previous decade.

- Superannuation funds would pay management fees of 1.1% per annum consistent with the average rate for 2019.

Component 8 – Pay rises for female-dominated industries

- In the base case, wages would grow by the industry average wage growth rate between 2013-14 and 2018-19. The 2019-20 wage growth was excluded from the average due to the impact of the COVID-19 pandemic.
- In the proposed policy cases, wages from the same industry as those covered by the awards would grow by the greater of CPI plus 0.5% or the industry average growth rate.
- The number of workers employed would grow over the medium term in line with the projected total employment growth rate.
- The average marginal personal income tax rate over the medium term would be 32.5%.
- The entire increase in wages would be deductable by businesses at an average tax rate of 27.5%.
- 50% of the residential care services and social assistance services industries would be covered under the Aged Care Award 2010, which has been excluded under this proposal.

Component 9 – Paid Parental Leave

- Australia-wide age-specific fertility rates would apply to women earning above the PLP income test threshold.
- Recipients who opt-in to receive PLP as a result of the proposal would access the two weeks of Dad and Partner Pay (DaPP) when their child is born, and then later claim PLP when the child's birth mother returns to work and is no longer the primary carer.
- Take-up of the proposal would be 50% of eligible families; however the majority would access PLP for two or four weeks and only a small proportion would take the maximum length of leave.
  - These assumptions have been influenced by analysis of the low take-up of paid and unpaid parental leave by fathers in Australia and across Organisation for Economic Co-operation and Development (OECD) countries. For example, a 2014 survey from the Human Rights Commission found that 75% of partners would have liked to have taken additional leave following the birth of their child, however gender norms, loss of income and a lack of other male role models taking extended parental leave prevented them from doing so. As the leave would be paid at the minimum wage, this also contributes to the assumed lower take up of the proposal.

Methodology

Component 1 – Increase in the low-income superannuation tax offset cap

The financial implications and number of affected taxpayers were estimated using a 16% sample of de-identified personal income tax returns for 2018-19 projected over the period to 2032-33 using economic parameter projections as at the 2022-23 Budget.

Component 2 – PC review of unpaid care work

The cost of a PC inquiry was estimated based on the historical cost of other similar inquiries undertaken by the commission.

Component 3 – Extended WGEA reporting requirements

Departmental expenses for this component were estimated based on the assumed additional WGEA staff involved in compliance activity for the additional private and public sector entities that would be reporting after the change.

Component 4 – Concessional loan facility for women-led businesses

The financial implications of this component were calculated in accordance with the Department of Finance's guidance for the accounting of concessional loans.

Departmental expenses for this component were estimated based on the 2014-15 Budget measure *Infrastructure Growth Package – WestConnex Stage 2 – provision of a concessional loan* and the 2021-22 Budget measure *Increasing the Flexibility of the Pension Loans Scheme*.

Component 5 – Capped funding for Working Women's Centres

The departmental expenses of this component are immaterial and would be able to be absorbed by the DISER. The administered expenses are as specified in the policy description.

Component 7 – Superannuation top-up for primary carers

The number of primary carers is estimated by summing the number of children under the age of six and the number of disabled children between the ages of six and sixteen and then divided by the average family size. The number of primary carers was grown out over the medium term in line with population growth. Primary carers estimated to earn less than $37,000 are excluded to give the population of eligible carers. The number of eligible carers is multiplied by the payment amount to give the expense associated with Component 7.

The additional payments into the superannuation system are grown by the capital gains and earnings rates and then taxed to give revenue clawback associated with the proposal.

Departmental expenses were estimated by multiplying the per-unit cost of administering the paid-parental-leave scheme by the number of recipients under the proposal.

Component 8 – Pay rises for female-dominated industries

The financial impact of this component was based on the Australian Bureau of Statistics *Labour Account Australia, Annual 2020* dataset. The revenue impact was estimated by subtracting the estimated Personal Income and Company Tax revenue generated in the absence of the proposal from the Personal Income and Company Tax generated under the proposal.

Estimated Personal Income Tax revenue was calculated by multiplying the total of all wages earned for an industry by the assumed average marginal personal income tax rate.

Estimated Company Tax revenue was calculated by multiplying earnings for an industry by assumed average company tax rate.

Component 9 – Paid Parental Leave

The financial implications of this component take account of the 2022-23 Budget measure 'Enhanced Paid Parental Leave' and so there is only an impact in the first year of the proposal.

This has been estimated using a 16% sample of de-identified personal income tax and superannuation returns for 2018-19 provided by the Australian Taxation Office.

The data were grouped over the medium term and combined with age-specific fertility rates to determine families eligible for PLP as a result of the proposal.

The take-up assumptions were then applied to determine the increase in administered expenses for PLP.

The administrative personal income tax dataset was also used to estimate the change in tax payable as a result of the reduction in personal income tax. This reduction in personal income tax is due to a lower level of earnings across the eligible population, as these individuals are being paid at the minimum wage rather than their regular wage.

The ongoing departmental impact was calculated by multiplying the number of additional recipients for PLP that would result from this proposal by the estimated annual cost of administering the payments to each new recipient. Departmental implementation costs were estimated based on a similar previous Budget measure to alter payments administered by Services Australia.

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 Australian Taxation Office provided a 16% sample of de-identified personal income tax and superannuation returns for the 2018-19 income year.

The Treasury provided economic and population parameter forecasts as at the *Budget 2022-23*.

Adema, W., Clarke, C. and Frey, W. (2015) *Paid Parental Leave: Lessons from OECD Countries and Selected U.S. States,* OECD Social, Employment and Migration Working Papers No. 172.

Australian Bureau of Statistics (2020) *Labour Account Australia, Annual Balanced: Subdivision, Division and Total All Industries*, Australian Government, accessed 9 June 2022.

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Australian Human Rights Commission (2014) *Supporting Working Parents: Pregnancy and Return to Work National Review – Report*, Australian Government, accessed 9 June 2022.

Australian Institute of Family Studies (2018) *Fathers and parental leave*, Australian Government, accessed 9 June 2022.

Australian Institute of Health and Welfare (2020) *Australia's children,* Australian Government.

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Department of Health (2020) *Aged Care Workforce Census Report*, Australian Government, accessed 9 June 2022.

National Skills Commission (2022) *Healthcare and Social Assistance*, Australian Government, accessed 9 June 2022 .

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

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Attachment A – Workplaces that Work for Women – financial implications

Table A1: Workplaces that Work for Women – 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													
Tax revenue													
Component 7 - Superannuation top-up for primary carers	*2.6*	*5.4*	*8.2*	*11.3*	*14.5*	*17.9*	*21.5*	*25.3*	*29.3*	*33.6*	*38.1*	***27.5***	***207.7***
Component 8 - Pay rises for female-dominated industries - Personal Income Tax Revenue	*1,400.0*	*2,600.0*	*3,700.0*	*4,800.0*	*5,700.0*	*6,600.0*	*7,700.0*	*9,000.0*	*10,300.0*	*11,700.0*	*13,200.0*	***12,500.0***	***76,700.0***
Component 8 - Pay rises for female-dominated industries - Company Tax Revenue	*-900.0*	*-1,900.0*	*-2,900.0*	*-3,800.0*	*-4,600.0*	*-5,400.0*	*-6,300.0*	*-7,300.0*	*-8,400.0*	*-9,600.0*	*-10,900.0*	***-9,500.0***	***-62,000.0***
Component 9 - Paid Parental Leave	*-2.2*	-	-	-	-	-	-	-	-	-	-	***-2.2***	***-2.2***
Total – tax revenue	**500.4**	**705.4**	**808.2**	**1,011.3**	**1,114.5**	**1,217.9**	**1,421.5**	**1,725.3**	**1,929.3**	**2,133.6**	**2,338.1**	**3,025.3**	**14,905.5**
Non – tax revenue													
Component 4 - Income from unwinding concessional loan discounts	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	***0.8***	***2.2***
Component 4 - Loan interest accrued	*0.3*	*0.3*	*0.3*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	***1.1***	***2.5***
Total – non-tax revenue	***0.5***	***0.5***	***0.5***	***0.4***	***0.4***	***0.4***	***0.4***	***0.4***	***0.4***	***0.4***	***0.4***	***1.9***	***4.7***
Total – revenue	**500.9**	**705.9**	**808.7**	**1,011.7**	**1,114.9**	**1,218.3**	**1,421.9**	**1,725.7**	**1,929.7**	**2,134.0**	**2,338.5**	**3,027.2**	**14,910.2**
Expenses													
Administered													
Component 1 - Low-income superannuation tax offset	*-64.1*	*-69.6*	*-75.7*	*-82.8*	*-80.4*	*-77.9*	*-75.0*	*-72.1*	*-69.1*	*-66.1*	*-63.1*	***-292.2***	***-795.9***
Component 4 - Concessional loan discount expense	*-0.2*	*-0.1*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.3*	***-0.7***	***-2.2***

	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
Component 4 - Bad debt write-offs	*-0.5*	*-0.3*	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	***-1.5***	***-3.6***
Component 5 - Funding Working Womens' Centres	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	***-32.0***	***-88.0***
Component 7 - Superannuation top-up for primary carers	-	*-246.0*	*-242.0*	*-239.0*	*-235.0*	*-224.0*	*-220.0*	*-216.0*	*-211.0*	*-206.0*	*-201.0*	***-727.0***	***-2,240.0***
Component 9 - Paid Parental Leave	*-5.3*	-	-	-	-	-	-	-	-	-	-	***-5.3***	***-5.3***
Total – administered	***-78.1***	***-324.0***	***-326.3***	***-330.3***	***-323.9***	***-310.4***	***-303.5***	***-296.6***	***-288.6***	***-280.6***	***-272.7***	***-1,058.7***	***-3,135.0***
Departmental													
Component 2 - Productivity Commission	*-5.2*	-	-	-	-	-	-	-	-	-	-	***-5.2***	***-5.2***
Component 3 - WGEA reporting	*-3.2*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-4.1*	*-4.2*	*-4.3*	***-13.4***	***-41.0***
Component 6 - Expanding eligibility for grants under the Entrepreneurs Program - women-led businesses	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 7 - Superannuation top-up for primary carers	*-26.8*	*-26.5*	*-26.2*	*-25.9*	*-24.8*	*-24.5*	*-24.1*	*-23.6*	*-23.2*	*-22.7*	*-21.1*	***-105.4***	***-269.4***
Component 9 - Paid parental leave	*-3.1*	-	-	-	-	-	-	-	-	-	-	***-3.1***	***-3.1***
Total – departmental	***-38.3***	***-29.8***	***-29.6***	***-29.4***	***-28.4***	***-28.2***	***-27.9***	***-27.5***	***-27.3***	***-26.9***	***-25.4***	***-127.1***	***-318.7***
Total – expenses	**-116.4**	**-353.8**	**-355.9**	**-359.7**	**-352.3**	**-338.6**	**-331.4**	**-324.1**	**-315.9**	**-307.5**	**-298.1**	**-1,185.8**	**-3,453.7**
Total (excluding PDI)	**384.5**	**352.1**	**452.8**	**652.0**	**762.6**	**879.7**	**1,090.5**	**1,401.6**	**1,613.8**	**1,826.5**	**2,040.4**	**1,841.4**	**11,456.5**
PDI impacts	***5.0***	***14.0***	***23.0***	***36.0***	***53.0***	***75.0***	***105.0***	***144.0***	***195.0***	***258.0***	***340.0***	***78.0***	***1,248.0***
Total (including PDI)	**389.5**	**366.1**	**475.8**	**688.0**	**815.6**	**954.7**	**1,195.5**	**1,545.6**	**1,808.8**	**2,084.5**	**2,380.4**	**1,919.4**	**12,704.5**

(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: Workplaces that Work for Women – 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													
Tax receipts													
Component 7 - Superannuation top-up for primary carers	*-*	*2.6*	*5.4*	*8.2*	*11.3*	*14.5*	*17.9*	*21.5*	*25.3*	*29.3*	*33.6*	***16.2***	***169.6***
Component 8 - Pay rises for female-dominated industries - Personal Income Tax Revenue	*1,400.0*	*2,600.0*	*3,700.0*	*4,800.0*	*5,700.0*	*6,600.0*	*7,700.0*	*9,000.0*	*10,300.0*	*11,700.0*	*13,200.0*	***12,500.0***	***76,700.0***
Component 8 - Pay rises for female-dominated industries - Company Tax Revenue	*-900.0*	*-1,900.0*	*-2,900.0*	*-3,800.0*	*-4,600.0*	*-5,400.0*	*-6,300.0*	*-7,300.0*	*-8,400.0*	*-9,600.0*	*-10,900.0*	***-9,500.0***	***-62,000.0***
Component 9 - Paid Parental Leave	*-2.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.2***	***-2.2***
Total – tax receipts	**497.8**	**702.6**	**805.4**	**1,008.2**	**1,111.3**	**1,214.5**	**1,417.9**	**1,721.5**	**1,925.3**	**2,129.3**	**2,333.6**	**3,014.0**	**14,867.4**
Non-tax receipts													
Component 4 - Loan interest received	*0.3*	*0.3*	*0.3*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	***1.1***	***2.5***
Total – non-tax receipts	***0.3***	***0.3***	***0.3***	***0.2***	***0.2***	***0.2***	***0.2***	***0.2***	***0.2***	***0.2***	***0.2***	***1.1***	***2.5***
Total – receipts	**498.1**	**702.9**	**805.7**	**1,008.4**	**1,111.5**	**1,214.7**	**1,418.1**	**1,721.7**	**1,925.5**	**2,129.5**	**2,333.8**	**3,015.1**	**14,869.9**
Payments													
Administered													
Component 1 - Low-income superannuation tax offset	*-*	*-54.1*	*-67.3*	*-73.8*	*-81.5*	*-80.5*	*-78.3*	*-75.5*	*-72.6*	*-69.7*	*-66.6*	***-195.2***	***-719.9***
Component 5 - Funding Working Womens' Centres	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	***-32.0***	***-88.0***
Component 7 - Superannuation top-up for primary carers	*-*	*-246.0*	*-242.0*	*-239.0*	*-235.0*	*-224.0*	*-220.0*	*-216.0*	*-211.0*	*-206.0*	*-201.0*	***-727.0***	***-2,240.0***
Component 9 - Paid Parental Leave	*-5.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-5.3***	***-5.3***
Total – administered	***-13.3***	***-308.1***	***-317.3***	***-320.8***	***-324.5***	***-312.5***	***-306.3***	***-299.5***	***-291.6***	***-283.7***	***-275.6***	***-959.5***	***-3,053.2***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Component 2 - Productivity Commission	*-5.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-5.2***	***-5.2***
Component 3 - WGEA reporting	*-3.2*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-4.1*	*-4.2*	*-4.3*	***-13.4***	***-41.0***
Component 6 - Expanding eligibility for grants under the Entrepreneurs Program - women-led businesses	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 7 - Superannuation top-up for primary carers	*-26.8*	*-26.5*	*-26.2*	*-25.9*	*-24.8*	*-24.5*	*-24.1*	*-23.6*	*-23.2*	*-22.7*	*-21.1*	***-105.4***	***-269.4***
Component 9 - Paid Parental Leave	*-3.1*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-3.1***	***-3.1***
Total – departmental	***-38.3***	***-29.8***	***-29.6***	***-29.4***	***-28.4***	***-28.2***	***-27.9***	***-27.5***	***-27.3***	***-26.9***	***-25.4***	***-127.1***	***-318.7***
Total – payments	**-51.6**	**-337.9**	**-346.9**	**-350.2**	**-352.9**	**-340.7**	**-334.2**	**-327.0**	**-318.9**	**-310.6**	**-301.0**	**-1,086.6**	**-3,371.9**
Total (excluding PDI)	**446.5**	**365.0**	**458.8**	**658.2**	**758.6**	**874.0**	**1,083.9**	**1,394.7**	**1,606.6**	**1,818.9**	**2,032.8**	**1,928.5**	**11,498.0**
PDI impacts	***4.0***	***13.0***	***22.0***	***34.0***	***51.0***	***72.0***	***101.0***	***139.0***	***189.0***	***251.0***	***331.0***	***73.0***	***1,207.0***
Total (including PDI)	**450.5**	**378.0**	**480.8**	**692.2**	**809.6**	**946.0**	**1,184.9**	**1,533.7**	**1,795.6**	**2,069.9**	**2,363.8**	**2,001.5**	**12,705.0**

(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: Workplaces that Work for Women – 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													
Tax receipts													
Component 7 - Superannuation top-up for primary carers	*-*	*2.6*	*5.4*	*8.2*	*11.3*	*14.5*	*17.9*	*21.5*	*25.3*	*29.3*	*33.6*	***16.2***	***169.6***
Component 8 - Pay rises for female-dominated industries - Personal Income Tax Revenue	*1,400.0*	*2,600.0*	*3,700.0*	*4,800.0*	*5,700.0*	*6,600.0*	*7,700.0*	*9,000.0*	*10,300.0*	*11,700.0*	*13,200.0*	***12,500.0***	***76,700.0***
Component 8 - Pay rises for female-dominated industries - Company Tax Revenue	*-900.0*	*-1,900.0*	*-2,900.0*	*-3,800.0*	*-4,600.0*	*-5,400.0*	*-6,300.0*	*-7,300.0*	*-8,400.0*	*-9,600.0*	*-10,900.0*	***-9,500.0***	***-62,000.0***
Component 9 - Paid Parental Leave	*-2.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.2***	***-2.2***
Total – tax receipts	**497.8**	**702.6**	**805.4**	**1,008.2**	**1,111.3**	**1,214.5**	**1,417.9**	**1,721.5**	**1,925.3**	**2,129.3**	**2,333.6**	**3,014.0**	**14,867.4**
Non-tax receipts													
Component 4 - Loan Principal repayments	*5.4*	*7.4*	*6.3*	*6.7*	*6.4*	*6.4*	*6.3*	*6.2*	*6.2*	*6.1*	*6.0*	***25.8***	***69.4***
Component 4 - Loan interest received	*0.3*	*0.3*	*0.3*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	***1.1***	***2.5***
Total – non-tax receipts	***5.7***	***7.7***	***6.6***	***6.9***	***6.6***	***6.6***	***6.5***	***6.4***	***6.4***	***6.3***	***6.2***	***26.9***	***71.9***
Total – receipts	**503.5**	**710.3**	**812.0**	**1,015.1**	**1,117.9**	**1,221.1**	**1,424.4**	**1,727.9**	**1,931.7**	**2,135.6**	**2,339.8**	**3,040.9**	**14,939.3**
Payments													
Administered													
Component 1 - Low-income superannuation tax offset	*-*	*-54.1*	*-67.3*	*-73.8*	*-81.5*	*-80.5*	*-78.3*	*-75.5*	*-72.6*	*-69.7*	*-66.6*	***-195.2***	***-719.9***
Component 4 - Loan Principal funded by initial and re-invested capital	*-10.0*	*-5.6*	*-7.6*	*-6.5*	*-6.9*	*-6.6*	*-6.7*	*-6.5*	*-6.5*	*-6.4*	*-6.3*	***-29.7***	***-75.6***
Component 5 - Funding Working Womens' Centres	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	*-8.0*	***-32.0***	***-88.0***

	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
Component 7 - Superannuation top-up for primary carers	*-*	*-246.0*	*-242.0*	*-239.0*	*-235.0*	*-224.0*	*-220.0*	*-216.0*	*-211.0*	*-206.0*	*-201.0*	***-727.0***	***-2,240.0***
Component 9 - Paid Parental Leave	*-5.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-5.3***	***-5.3***
Total – administered	***-23.3***	***-313.7***	***-324.9***	***-327.3***	***-331.4***	***-319.1***	***-313.0***	***-306.0***	***-298.1***	***-290.1***	***-281.9***	***-989.2***	***-3,128.8***
Departmental													
Component 2 - Productivity Commission	*-5.2*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-5.2***	***-5.2***
Component 3 - WGEA reporting	*-3.2*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	*-3.8*	*-3.9*	*-4.1*	*-4.2*	*-4.3*	***-13.4***	***-41.0***
Component 6 - Expanding eligibilitiy for grants under the Entrepreneurs Program - women-led businesses	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Component 7 - Superannuation top-up for primary carers	*-26.8*	*-26.5*	*-26.2*	*-25.9*	*-24.8*	*-24.5*	*-24.1*	*-23.6*	*-23.2*	*-22.7*	*-21.1*	***-105.4***	***-269.4***
Component 9 - Paid Parental Leave	*-3.1*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-3.1***	***-3.1***
Total – departmental	***-38.3***	***-29.8***	***-29.6***	***-29.4***	***-28.4***	***-28.2***	***-27.9***	***-27.5***	***-27.3***	***-26.9***	***-25.4***	***-127.1***	***-318.7***
Total – payments	**-61.6**	**-343.5**	**-354.5**	**-356.7**	**-359.8**	**-347.3**	**-340.9**	**-333.5**	**-325.4**	**-317.0**	**-307.3**	**-1,116.3**	**-3,447.5**
Total (excluding PDI)	**441.9**	**366.8**	**457.5**	**658.4**	**758.1**	**873.8**	**1,083.5**	**1,394.4**	**1,606.3**	**1,818.6**	**2,032.5**	**1,924.6**	**11,491.8**
PDI impacts	***4.0***	***13.0***	***22.0***	***34.0***	***51.0***	***72.0***	***101.0***	***139.0***	***189.0***	***251.0***	***331.0***	***73.0***	***1,207.0***
Total (including PDI)	**445.9**	**379.8**	**479.5**	**692.4**	**809.1**	**945.8**	**1,184.5**	**1,533.4**	**1,795.3**	**2,069.6**	**2,363.5**	**1,997.6**	**12,698.8**

(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.

Attachment B – Accounting 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 Commonwealth.

Budget impact[2]

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 with public debt is captured in all budget aggregates and is separately identified by the PBO.[3] Table B provides information about the detail provided in a costing.

Treatment of debt not expected to be repaid

All budget aggregates consider 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).

[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 consider the impact on PDI payments.

Attachment C – Pay Rises for Female Dominated Industries – Concordance between award and ABS Industry subdivision

Table C1: Concordance between award and ABS Industry subdivision

Awards affect by the policy proposal	ABS Labour Account Annual, by industries, by subdivision
Aged Care Award 2010	• Residential care services • Social assistance services
Children's Services Award 2010	• Social assistance services
Cleaning Services Award 2010	• Building cleaning, pest control & other support services
Educational Services (School) General Staff Award 2020	• Preschool & school education • Adult, community & other education
Educational Services (Teachers) Award 2020	• Preschool & school education • Adult, community & other education
General Retail Industry Award 2020	• Food retailing • Fuel retailing • Other store-based retailing • Non-store retailing & retail commission -based buying and/or selling
Health Professional and Support Services Award 2020	• Hospitals • Residential care services • Social assistance services
Hospitality Industry (General) 2020	• Food retailing • Food & beverage services
Nurses Award 2020	• Hospitals • Medical & other health care services • Residential care services • Social assistance services
Restaurant Industry Award 2020	• Food retailing • Food & beverage services
Textile, Clothing, Footwear and Associated Industries Award 2020	• Industry: Textile, leather, clothing & footwear manufacturing.

Parliamentary Budget Office

Rebuilding the Arts, Entertainment and Creative Sector	
Party:	Australian Greens

Summary of proposal:

The proposal has 9 components that would support the Australian arts and creative sector.

- Component 1 would double the funding given to the Australia Council for their grants programs.
- Component 2 would place artists in residence at every registered school and public library in Australia. Artists in residence would be paid at the JobKeeper level for up to two days a school term for up to one year.
- Component 3 would allocate $10 million a year to establish a 'Creativity Commission' that would provide oversight, advice and structural support to the creative sector and beyond.
- Component 4 would allocate $1 billion over the forward estimates to an Australian content fund named the 'Australian Stories Fund' to kick start Australia's screen industry (film, TV and documentaries).
- Component 5 would allocate $1 billion over the forward estimates to a new fund named the 'Live Performance Fund' to inject money into Australia's festival, music and live performance sector.
- Component 6 would allocate $100 million to a new 'Games Investment and Enterprise Fund'.
- Component 7 would provide a $400 million grant to establish a multi-disciplinary arts school in South Australia.
- Component 8 would establish a fund to underwrite insurance for the live performance industry. Under this fund, live events that are cancelled due to Covid-19 will be eligible to have their costs covered.
- Component 9 would create a pilot program for a payment, called The Artists Wage, which would provide a $772.60 per week payment to established and emerging artists and arts workers. The program would be made available up to 10,000 individuals for a full calendar year. Payments received from this program would be treated as taxable income.
  - The term artist would be used broadly to include visual artists, musicians, comedians, dancers, writers/authors, filmers/photographers/directors, composers, actors, and workers involved in the associated industries such as events managers or venue bookers.
  - To be eligible for the payment, a recipient of The Artist's Wage payment would be required to satisfy all of the following criteria. They would be required to:
    - be an Australian citizen, permanent resident or have a valid working visa
    - be over the age of 18 years
    - be a practising artists or artist engaged in new work
    - prove that they have been working professionally the Australian arts or music industry for the previous three years

- have an average income below $80,000 per year
- have an ABN
- provide names and details of two professional referees.

For components that specify capped funding amounts, related departmental expenses would be drawn from the capped amount.

Components 1 to 8 of this proposal would have effect from 1 July 2022. Component 9 would have effect from 1 January 2023.

Costing overview

This proposal would be expected to decrease the fiscal balance and underlying cash balance by around $3,710 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered and departmental expenses, partially offset by an increase in revenue over the period.

Component 8, which would establish a fund to underwrite insurance for the live performance industry, is unquantifiable. This is because there is a lack of data and a high level of uncertainty associated with estimating the cost of underwriting insurance, including the likelihood of events being cancelled due to COVID-19 and the total insurable value.

The proposal would have an 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	-1,357.4	-894.1	-695.1	-763.4	**-3,710.0**
Underlying cash balance	-1,357.4	-894.1	-695.1	-763.4	**-3,710.0**

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

Component 2

- The daily rate of payment would reflect the original JobKeeper payment's daily rate equivalent. This payment would not be subject to indexation and would be taxable income.
- The number of registered schools and public libraries would remain at their February 2021 levels over the medium-term.
- There would be a total of eight placement days taken up by artists for each registered school and public library over each financial year.

Component 6

- The funding allocated to the video games fund would be equally distributed between 2022-23 and 2032-33.

Component 7

- Consistent with other tertiary institutions in South Australia, the new arts school would be established through an act of the South Australian Government and therefore would not require additional departmental expenses.

Component 9

- The Artist’s Wage program would be fully subscribed.
- The average marginal tax rate of recipients in The Artist’s Wage pilot program would be 32.5%.
- Departmental expenses under this proposal would be greater in the first income year of the proposal due to expenses incurred setting up new systems and processes.
- Departmental expenses per recipient of The Artist’s Wage payment would be similar to the expenses per recipient of student Youth Allowance.

Methodology

Component 1

The financial implications for Component 1 were estimated using publicly available funding information for Australia Council from the Department of Infrastructure, Transport, Regional Development and Communications’ Portfolio Budget Statements 2022-23. The funding was then extended using relevant indexation parameters. The amount reflects appropriations only.

Component 2

The administered expense for Component 2 was calculated by multiplying the original JobKeeper daily rate equivalent by eight placement days every financial year per registered school and public library.

The revenue impact of Component 2 was derived by multiplying the payment amount by the estimated marginal tax rate of the recipients, which was based on the taxation statistics for selected creative and performing arts industries.

Components 3 to 7

The financial implications for Component 3 to 7 are based on specified capped amounts.

Departmental expenses were estimated based on the costs associated with administering similar programs.

Component 9

The administered expense for Component 9 was calculated as the annual amount of the wage payment multiplied by the maximum number of recipients in the pilot program.

The income tax revenue of Component 9 was calculated by multiplying the payment amount by the assumed average marginal tax rate. The timing of tax collections was then applied to this estimate.

The departmental expense of Component 9 was based on the costs of administering similar programs.

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 indexation parameters as at the 2022-23 Budget.

Services Australia provided the funding model unit price list from the Agency's Funding Model over the 2022-23 Budget forward estimates period.

Australian Curriculum, Assessment and Reporting Authority (2022), *School search*, Australian Schools List, accessed 1 March 2022.

Australian Taxation Office (2021) *Individual income tax rates*, ATO, accessed 21 February 2022.

Australian Taxation Office (2021), *Taxation Statistics 2018-19*, Australian Government, accessed 1 March 2022.

Department of Infrastructure, Transport, Regional Development and Communications (2022), *2021-22 Portfolio Budget Statements*, Australian Government, accessed 5 April 2022.

National Library of Australia (2022), *'Find a Library' a – Standard search*, National Library of Australia, accessed 1 March 2022.

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

Attachment A – Rebuilding the Arts Entertainment and Creative Sector – financial implications

Table A1: Rebuilding the Arts, Entertainment and Creative Sector – 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													
Component 2: Artists in residence	*2.0*	*2.0*	*2.0*	*3.0*	*3.0*	*3.0*	*3.0*	*3.0*	*3.0*	*3.0*	*3.0*	***9.0***	***30.0***
Component 9: Artists Wage pilot program	-	*65.3*	*65.3*	-	-	-	-	-	-	-	-	***130.6***	***130.6***
Total – revenue	**2.0**	**67.3**	**67.3**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**139.6**	**160.6**
Expenses													
Administered													
Component 2: Artists in residence	*-14.7*	*-14.7*	*-14.7*	*-14.7*	*-14.7*	*-14.7*	*-14.7*	*-14.7*	*-14.7*	*-14.7*	*-14.7*	***-58.8***	***-161.7***
Component 4: Australian Stories Fund	*-240.0*	*-246.0*	*-249.0*	*-249.0*	-	-	-	-	-	-	-	***-984.0***	***-984.0***
Component 5: Live Performance Fund	*-240.0*	*-246.0*	*-249.0*	*-249.0*	-	-	-	-	-	-	-	***-984.0***	***-984.0***
Component 6: Games Investment and Enterprise Fund	*-8.7*	*-8.9*	*-9.0*	*-9.0*	*-9.0*	*-9.0*	*-9.0*	*-9.0*	*-9.0*	*-9.0*	*-9.0*	***-35.6***	***-98.6***
Component 7: New arts school for South Australia	*-400.0*	-	-	-	-	-	-	-	-	-	-	***-400.0***	***-400.0***
Component 8: Pandemic and disaster insurance for live events	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 9: Artists Wage pilot program	*-201.0*	*-201.0*	-	-	-	-	-	-	-	-	-	***-402.0***	***-402.0***
Total – administered	***-1,104.4***	***-716.6***	***-521.7***	***-521.7***	***-23.7***	***-23.7***	***-23.7***	***-23.7***	***-23.7***	***-23.7***	***-23.7***	***-2,864.4***	***-3,030.3***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Departmental													
Component 1: Australia Council funding	*-221.0*	*-224.0*	*-228.0*	*-232.0*	*-234.0*	*-237.0*	*-239.0*	*-242.0*	*-245.0*	*-247.0*	*-250.0*	***-905.0***	***-2,599.0***
Component 2: Artists in residence	*-0.6*	*-0.2*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-1.0***	***-1.7***
Component 3: Establish a Creativity Commission	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	*-10.0*	***-40.0***	***-110.0***
Component 4: Australian Stories Fund	*-9.6*	*-4.0*	*-1.3*	*-1.3*	-	-	-	-	-	-	-	***-16.2***	***-16.2***
Component 5: Live Performance Fund	*-9.6*	*-4.0*	*-1.3*	*-1.3*	-	-	-	-	-	-	-	***-16.2***	***-16.2***
Component 6: Games Investment and Enterprise Fund	*-0.4*	*-0.1*	..	..	..	..	..	..	..	..	..	***-0.5***	***-0.5***
Component 9: Artists Wage pilot program	*-3.8*	*-2.5*	-	-	-	-	-	-	-	-	-	***-6.3***	***-6.3***
Total – departmental	***-255.0***	***-244.8***	***-240.7***	***-244.7***	***-244.1***	***-247.1***	***-249.1***	***-252.1***	***-255.1***	***-257.1***	***-260.1***	*-985.2*	***-2,749.9***
Total – expenses	**-1,359.4**	**-961.4**	**-762.4**	**-766.4**	**-267.8**	**-270.8**	**-272.8**	**-275.8**	**-278.8**	**-280.8**	**-283.8**	**-3,849.6**	**-5,780.2**
Total (excluding PDI)	**-1,357.4**	**-894.1**	**-695.1**	**-763.4**	**-264.8**	**-267.8**	**-269.8**	**-272.8**	**-275.8**	**-277.8**	**-280.8**	**-3,710.0**	**-5,619.6**

(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.

* Unquantifiable – not included in totals.

- Indicates nil.

Table A2: Rebuilding the Arts, Entertainment and Creative Sector – 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	*-15.0*	*-41.0*	*-60.0*	*-78.0*	*-92.0*	*-101.0*	*-112.0*	*-123.0*	*-136.0*	*-149.0*	*-174.0*	***-194.0***	***-1,081.0***
Underlying cash balance	*-14.0*	*-38.0*	*-58.0*	*-76.0*	*-90.0*	*-100.0*	*-110.0*	*-122.0*	*-134.0*	*-148.0*	*-171.0*	***-186.0***	***-1,061.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

Invest in Public Science and Innovation	
Party:	Australian Greens

Summary of proposal:

The proposal contains 12 separate components.

Component 1 would establish a Parliamentary Office of Science and Technology as an independent body to provide scientific advice to Parliament, modelled off the United Kingdom's office of the same name, and with peak workflow expected during Parliamentary periods.

Component 2 would establish an additional non-refundable tax offset of 20% for companies that hire science, technology, engineering and mathematics (STEM) PhD students or equivalent graduates in their first three years of employment.

Component 3 would provide block grant funding to universities. The amounts would be as if the Sustainable Research Excellence grants program were restored plus an increase of $1 billion in funding over the 2022-23 Budget forward estimates and $3 billion over the medium term.

Component 4 would increase funding for science organisations ($88.9 million for the Australian Research Council, $483.3 million for the National Health and Medical Research Council, which includes $15m to fund research into myalgic encephalomyelitis and chronic fatigue syndrome, and $33.3 million for the Cooperative Research Centres). It would also return savings from the 2014-15 Budget measure *Science and Research Agencies – reduced funding* to the Commonwealth Scientific and Industrial Research Organisation and the Australian Nuclear Science and Technology Organisation, divided evenly over three years from 2023-24.

Component 5 would support diversity in science and research and development (R&D), including evaluations of existing programs by providing $50 million annually.

Component 6 would increase funding for the Research Infrastructure Investment Strategy by $175 million annually.

Component 7 would increase funding for the Australian Research Council's Future Fellowships scheme by $70 million annually to support mid-career researchers to expand Australia's knowledge base and research capacity.

Component 8 would drive the development and implementation of a national open access publishing program by providing $46.2 million annually.

Component 9 would increase funding for existing teacher training in STEM education by $41.7 million annually.

Component 10 would assist universities and research institutes to transition researchers to ongoing employment by providing $50 million annually for a secure work for researchers fund.

Component 11 would commit $1 billion annually to a research translation fund (the fund), as specified by Science and Technology Australia in their 2020-21 Pre-Budget submission, to be disbursed by the Australian Research Council.

Component 12 would provide $20 million in capped funding for the public service to examine options to reduce upfront time commitment for grant applications.

Components 4 to 10 would be indexed annually in line with the Consumer Price Index (CPI).

Components 2, 3, 8, 9 and 10 would start from 1 January 2023. Components 1, 4, 5, 6, 7, 11 and 12 would start from 1 July 2023.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $5,540 million, the underlying cash balances by around $5,520 million and the headline cash balance by around $8,500 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 (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of Component 2 are sensitive to the assumptions about the current expenditure on and number of STEM PhD or equivalent graduates and their average salaries.

The financial implications for Component 11 are uncertain and particularly sensitive to assumptions on the speed at which capital is deployed and the rate of return on the fund. Consistent with *PBO Guidance 02/2015*, PDI expense impacts have been included in this costing because the equity injections provided under this proposal involve the transaction of financial assets.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of investment gains, PDI and equity amounts. In particular, only the headline cash balance includes transactions related to equity injections. The impact on net debt will be broadly consistent with movements in the headline cash balance.

The Parliamentary Budget Office (PBO) has not undertaken any analysis to assess whether the proposed expenditure would be sufficient to achieve the objectives of the policies under the proposal.

Table 1: Financial implications ($m)[(a)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-444.0	-1,602.8	-1,691.0	-1,805.8	**-5,543.6**
Underlying cash balance	-443.0	-1,598.8	-1,684.0	-1,797.8	**-5,523.6**
Headline cash balance	-443.0	-2,591.8	-2,677.0	-2,790.8	**-8,502.6**

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

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1: Parliamentary Office of Science and Technology

- The size of the organisation would be similar to the United Kingdom's office (eight staff) and have proportionally similar costs to that of the PBO.
- Parliamentary periods would be evenly spread out across financial years.
- Start-up costs in 2022-23 would be 50% of operating costs, in line with similar measures.

Component 2: STEM PhD tax incentive

- About 750 PhD STEM graduates would be newly employed in the private sector in R&D activities each year.
  - Approximately 80% of these graduates would be full-time-equivalent employees.
- Eligible graduates would have an average salary of $95,000 in 2022-23 and their salaries would grow in line with average weekly earnings projections.
- Eligible expenditure on STEM PhD or equivalent graduates would increase over the first three years of the proposal. This would be because in each of the first three years a new PhD cohort would finish their studies and their employment costs would become eligible for the collaboration premium rate.
- The proposed tax offset would operate in addition to the existing R&D tax offset.

Component 3: Provide block grant funding for universities

- The total grant payment that would be awarded under the Sustainable Research Excellence grants program in 2017 (if it had not ceased) would be proportional to the relative funding amounts under the Sustainable Research Excellence grants program in 2016 and the Research Support Program in 2017.

Component 11: Research translation fund

- Investment returns would be consistent with the benchmark return of the Medical Research Future Fund (MRFF). Management fees and risk of capital losses would be consistent with the expenses of the MRFF.

Methodology

Component 1: Parliamentary Office of Science and Technology

- Departmental expenditure includes start-up capital costs as described in *Key assumptions*, and was grown in line with the appropriate wage cost index.

Component 2: STEM PhD tax incentive

- The eligible expenditure on STEM PhD or equivalent graduates in their first three years of employment was based on:
  - the assumed number of students who graduate from Australian universities with STEM PhDs each year who are employed in the private sector working in R&D.
  - the assumed proportion who would be working on a full-time-equivalent basis
  - their assumed earnings.
- The total amount of additional R&D tax offset available was calculated by applying the specified premium percentage to the total eligible expenditure on these R&D activities. These figures were adjusted to account for the timing of company tax payments.

Component 3: Provide block grant funding for universities

- The financial impact of restoring the Sustainable Research Excellence grants program was estimated using payment data on the *Sustainable Research Excellence* grants program and the

Research Support Program. A ratio of payments under the *Sustainable Research Excellence* grants program in 2016 and the *Research Support Program* in 2017 was derived, after accounting for indexation.

- This ratio was applied to *Research Support Program* payments in 2017 and 2018 to estimate Sustainable Research Excellence grants program payments for these years. These calendar year estimates were averaged to derive an estimate for the financial year 2017-18 and then indexed by the consumer price index over the period to 2032-33, noting that this proposal commences on 1 January 2023.
- The additional $1 billion was evenly allocated to 2022-23, 2023-24, 2024-25 and 2025-26. The additional $2 billion over the 10-year period was evenly split between the remaining seven years to 2032-33.

Component 4: Increase funding for science organisations

- The financial impacts of the proposed capped funding increases were derived by applying the relevant indexation arrangements to the specified amounts. Departmental costs were based on similar-sized programs and deducted from each specified total funding envelope.
- The financial impact of reversing the 2014-15 Budget measure *Science and Research Agencies – reduced funding* was calculated as specified in the proposal.

Component 5 to Component 10: Capped funding

- The financial impacts of the proposed capped funding increases were derived by applying the relevant indexation arrangements to the specified amounts for each calendar year. Departmental costs were based on similar-sized programs and deducted from each specified total funding envelope.

Component 11: Research translation fund

- The financial impacts of establishing an investment fund consider the likely investment returns above the consumer price index that would be achieved, as well as the likely management, capital loss and departmental costs as described in *Key Assumptions*.
- Departmental expenses were based on similar-sized measures, and were grown in line with the appropriate wage cost index. Departmental expenses were deducted from the specified annual funding envelope.

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 Industry, Innovation and Science provided costing and staffing data for *the Science and Research Agencies – reduced funding* measure from the *Budget 2014-15.*

The Department of Finance and the Treasury provided the economic parameters as at the *Budget 2022-23*.

Information on the Medical Research Future Fund was provided by the Department of Finance.

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

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Graduate Careers Australia, *Postgraduate Destinations 2015: A report on the work and study outcomes of recent higher education postgraduates*, Graduate Careers Australia, 2015.

Office of the Chief Scientist *Australia's STEM Workforce: Science, Technology, Engineering and Mathematics*, Australian Government, 2020, accessed 29 April 2022.

Quality Indicators for Learning and Teaching (QILT) *2021 Graduate Outcomes Survey,* QILT, 2021, accessed 29 April 2022.

Science and Technology Australia, *2020-21 Pre-Budget Submission*, Science and Technology Australia, 2020, accessed 29 April 2022.

Attachment A – Invest in Public Science and Innovation – financial implications

Table A1: Invest in Public Science and Innovation – 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													
Tax revenue													
Component 2 - Company tax revenue	-	*-4.3*	*-14.7*	*-28.0*	*-38.4*	*-43.3*	*-45.9*	*-47.7*	*-49.5*	*-51.4*	*-53.4*	***-47.0***	***-376.6***
Non – tax revenue													
Component 11 - Investment earnings	-	*55.0*	*106.0*	*153.0*	*194.0*	*241.0*	*294.0*	*348.0*	*400.0*	*447.0*	*497.0*	***314.0***	***2,735.0***
Total – revenue	**-**	**50.7**	**91.3**	**125.0**	**155.6**	**197.7**	**248.1**	**300.3**	**350.5**	**395.6**	**443.6**	**267.0**	**2,358.4**
Expenses													
Administered													
Component 3 - Provide block grant funding for universities	*-370.0*	*-492.0*	*-499.0*	*-506.0*	*-547.0*	*-554.0*	*-560.0*	*-567.0*	*-574.0*	*-581.0*	*-589.0*	***-1,867.0***	***-5,839.0***
Component 4 - Increase funding for science organisatons	-	*-652.0*	*-669.0*	*-685.0*	*-654.0*	*-670.0*	*-686.0*	*-703.0*	*-721.0*	*-739.0*	*-758.0*	***-2,006.0***	***-6,937.0***
Component 5 - Support diversity in science and R&D	-	*-48.4*	*-49.8*	*-51.1*	*-52.4*	*-53.7*	*-55.0*	*-56.4*	*-57.9*	*-59.3*	*-60.9*	***-149.3***	***-544.9***
Component 6 - Support RIIS strategy	-	*-175.0*	*-180.0*	*-185.0*	*-189.0*	*-194.0*	*-198.0*	*-203.0*	*-208.0*	*-214.0*	*-219.0*	***-540.0***	***-1,965.0***
Component 7 - Support ARC's Future Fellowship scheme	-	*-68.2*	*-70.2*	*-72.1*	*-73.8*	*-75.6*	*-77.5*	*-79.4*	*-81.5*	*-83.6*	*-85.7*	***-210.5***	***-767.6***
Component 8 - Implement an open access publishing program	*-22.3*	*-46.0*	*-47.3*	*-48.6*	*-49.8*	*-51.0*	*-52.2*	*-53.6*	*-55.0*	*-56.4*	*-57.8*	***-164.2***	***-540.0***
Component 9 - Provide teacher training in STEM education	*-20.1*	*-41.4*	*-42.6*	*-43.7*	*-44.8*	*-45.9*	*-47.0*	*-48.2*	*-49.5*	*-50.8*	*-52.1*	***-147.8***	***-486.1***

	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
Component 10 - Secure work for researchers	*-24.2*	*-49.9*	*-51.3*	*-52.7*	*-54.0*	*-55.3*	*-56.7*	*-58.1*	*-59.6*	*-61.2*	*-62.7*	***-178.1***	***-585.7***
Component 11 - Research translation fund - Grant payments	-	-	*-50.0*	*-97.0*	*-140.0*	*-177.0*	*-220.0*	*-268.0*	*-318.0*	*-366.0*	*-409.0*	***-147.0***	***-2,045.0***
Component 11 - Research translation fund - Management fees	-	*-4.3*	*-8.5*	*-12.8*	*-17.1*	*-21.4*	*-25.6*	*-29.9*	*-34.2*	*-38.4*	*-42.7*	***-25.6***	***-234.9***
Total – administered	***-436.6***	***-1,577.2***	***-1,667.7***	***-1,754.0***	***-1,821.9***	***-1,897.9***	***-1,978.0***	***-2,066.6***	***-2,158.7***	***-2,249.7***	***-2,336.9***	***-5,435.5***	***-19,945.2***
Departmental													
Component 1 - Establish POST	-	*-2.5*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.8*	*-1.8*	*-1.8*	*-1.8*	***-5.9***	***-18.2***
Component 5 - Departmental	-	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	***-4.8***	***-16.5***
Component 7 - Departmental	-	*-1.8*	*-1.8*	*-1.8*	*-1.8*	*-1.8*	*-1.8*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	***-5.4***	***-18.4***
Component 8 - Departmental	*-0.8*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	***-5.6***	***-17.4***
Component 9 - Departmental	*-0.8*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	***-5.6***	***-17.0***
Component 10 - Departmental	*-0.8*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	***-5.6***	***-17.5***
Component 11 - Departmental	-	*-6.6*	*-6.7*	*-6.9*	*-7.0*	*-7.1*	*-7.2*	*-7.3*	*-7.5*	*-7.6*	*-7.7*	***-20.2***	***-71.6***
Component 12 - Departmental	-	*-20.0*	-	-	-	-	-	-	-	-	-	***-20.0***	***-20.0***
Total – departmental	***-2.4***	***-37.3***	***-16.6***	***-16.8***	***-17.0***	***-17.2***	***-17.4***	***-17.7***	***-17.9***	***-18.1***	***-18.2***	***-73.1***	***-196.6***
Total – expenses	**-439.0**	**-1,614.5**	**-1,684.3**	**-1,770.8**	**-1,838.9**	**-1,915.1**	**-1,995.4**	**-2,084.3**	**-2,176.6**	**-2,267.8**	**-2,355.1**	**-5,508.6**	**-20,141.8**
Total (excluding PDI)	**-439.0**	**-1,563.8**	**-1,593.0**	**-1,645.8**	**-1,683.3**	**-1,717.4**	**-1,747.3**	**-1,784.0**	**-1,826.1**	**-1,872.2**	**-1,911.5**	**-5,241.6**	**-17,783.4**
PDI impacts	***-5.0***	***-39.0***	***-98.0***	***-160.0***	***-227.0***	***-302.0***	***-385.0***	***-479.0***	***-582.0***	***-697.0***	***-828.0***	***-302.0***	***-3,802.0***
Total (including PDI)	**-444.0**	**-1,602.8**	**-1,691.0**	**-1,805.8**	**-1,910.3**	**-2,019.4**	**-2,132.3**	**-2,263.0**	**-2,408.1**	**-2,569.2**	**-2,739.5**	**-5,543.6**	**-21,585.4**

(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: Invest in Public Science and Innovation – 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													
Tax receipts													
Component 2 - Company tax revenue	-	*-4.3*	*-14.7*	*-28.0*	*-38.4*	*-43.3*	*-45.9*	*-47.7*	*-49.5*	*-51.4*	*-53.4*	***-47.0***	***-376.6***
Non-tax receipts													
Component 11 - Investment earnings	-	*55.0*	*106.0*	*153.0*	*194.0*	*241.0*	*294.0*	*348.0*	*400.0*	*447.0*	*497.0*	***314.0***	***2,735.0***
Total – receipts	**-**	**50.7**	**91.3**	**125.0**	**155.6**	**197.7**	**248.1**	**300.3**	**350.5**	**395.6**	**443.6**	**267.0**	**2,358.4**
Payments													
Administered													
Component 3 - Provide block grant funding for universities	*-370.0*	*-492.0*	*-499.0*	*-506.0*	*-547.0*	*-554.0*	*-560.0*	*-567.0*	*-574.0*	*-581.0*	*-589.0*	***-1,867.0***	***-5,839.0***
Component 4 - Increase funding for science organisatons	-	*-652.0*	*-669.0*	*-685.0*	*-654.0*	*-670.0*	*-686.0*	*-703.0*	*-721.0*	*-739.0*	*-758.0*	***-2,006.0***	***-6,937.0***
Component 5 - Support diversity in science and R&D	-	*-48.4*	*-49.8*	*-51.1*	*-52.4*	*-53.7*	*-55.0*	*-56.4*	*-57.9*	*-59.3*	*-60.9*	***-149.3***	***-544.9***
Component 6 - Support RIIS strategy	-	*-175.0*	*-180.0*	*-185.0*	*-189.0*	*-194.0*	*-198.0*	*-203.0*	*-208.0*	*-214.0*	*-219.0*	***-540.0***	***-1,965.0***
Component 7 - Support ARC's Future Fellowship scheme	-	*-68.2*	*-70.2*	*-72.1*	*-73.8*	*-75.6*	*-77.5*	*-79.4*	*-81.5*	*-83.6*	*-85.7*	***-210.5***	***-767.6***
Component 8 - Implement an open access publishing program	*-22.3*	*-46.0*	*-47.3*	*-48.6*	*-49.8*	*-51.0*	*-52.2*	*-53.6*	*-55.0*	*-56.4*	*-57.8*	***-164.2***	***-540.0***
Component 9 - Provide teacher training in STEM education	*-20.1*	*-41.4*	*-42.6*	*-43.7*	*-44.8*	*-45.9*	*-47.0*	*-48.2*	*-49.5*	*-50.8*	*-52.1*	***-147.8***	***-486.1***
Component 10 - Secure work for researchers	*-24.2*	*-49.9*	*-51.3*	*-52.7*	*-54.0*	*-55.3*	*-56.7*	*-58.1*	*-59.6*	*-61.2*	*-62.7*	***-178.1***	***-585.7***

	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
Component 11 - Research translation fund - Grant payments	-	-	*-50.0*	*-97.0*	*-140.0*	*-177.0*	*-220.0*	*-268.0*	*-318.0*	*-366.0*	*-409.0*	***-147.0***	***-2,045.0***
Component 11 - Research translation fund - Management fees	-	*-4.3*	*-8.5*	*-12.8*	*-17.1*	*-21.4*	*-25.6*	*-29.9*	*-34.2*	*-38.4*	*-42.7*	***-25.6***	***-234.9***
Total – administered	***-436.6***	***-1,577.2***	***-1,667.7***	***-1,754.0***	***-1,821.9***	***-1,897.9***	***-1,978.0***	***-2,066.6***	***-2,158.7***	***-2,249.7***	***-2,336.9***	***-5,435.5***	***-19,945.2***
Departmental													
Component 1 - Establish POST	-	*-2.5*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.8*	*-1.8*	*-1.8*	*-1.8*	***-5.9***	***-18.2***
Component 5 - Departmental	-	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	***-4.8***	***-16.5***
Component 7 - Departmental	-	*-1.8*	*-1.8*	*-1.8*	*-1.8*	*-1.8*	*-1.8*	*-1.9*	*-1.9*	*-1.9*	*-1.9*	***-5.4***	***-18.4***
Component 8 - Departmental	*-0.8*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	***-5.6***	***-17.4***
Component 9 - Departmental	*-0.8*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	***-5.6***	***-17.0***
Component 10 - Departmental	*-0.8*	*-1.6*	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	*-1.7*	***-5.6***	***-17.5***
Component 11 - Departmental	-	*-6.6*	*-6.7*	*-6.9*	*-7.0*	*-7.1*	*-7.2*	*-7.3*	*-7.5*	*-7.6*	*-7.7*	***-20.2***	***-71.6***
Component 12 - Departmental	-	*-20.0*	-	-	-	-	-	-	-	-	-	***-20.0***	***-20.0***
Total – departmental	***-2.4***	***-37.3***	***-16.6***	***-16.8***	***-17.0***	***-17.2***	***-17.4***	***-17.7***	***-17.9***	***-18.1***	***-18.2***	***-73.1***	***-196.6***
Total – payments	**-439.0**	**-1,614.5**	**-1,684.3**	**-1,770.8**	**-1,838.9**	**-1,915.1**	**-1,995.4**	**-2,084.3**	**-2,176.6**	**-2,267.8**	**-2,355.1**	**-5,508.6**	**-20,141.8**
Total (excluding PDI)	**-439.0**	**-1,563.8**	**-1,593.0**	**-1,645.8**	**-1,683.3**	**-1,717.4**	**-1,747.3**	**-1,784.0**	**-1,826.1**	**-1,872.2**	**-1,911.5**	**-5,241.6**	**-17,783.4**
PDI impacts	***-4.0***	***-35.0***	***-91.0***	***-152.0***	***-219.0***	***-293.0***	***-375.0***	***-467.0***	***-570.0***	***-684.0***	***-812.0***	***-282.0***	***-3,702.0***
Total (including PDI)	**-443.0**	**-1,598.8**	**-1,684.0**	**-1,797.8**	**-1,902.3**	**-2,010.4**	**-2,122.3**	**-2,251.0**	**-2,396.1**	**-2,556.2**	**-2,723.5**	**-5,523.6**	**-21,485.4**

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

\- Indicates nil.

Table A3: Invest in Public Science and Innovation – 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													
Tax receipts													
Component 2 - Company tax revenue	-	*-4.3*	*-14.7*	*-28.0*	*-38.4*	*-43.3*	*-45.9*	*-47.7*	*-49.5*	*-51.4*	*-53.4*	***-47.0***	***-376.6***
Non-tax receipts													
Component 11 - Investment earnings	-	*55.0*	*106.0*	*153.0*	*194.0*	*241.0*	*294.0*	*348.0*	*400.0*	*447.0*	*497.0*	***314.0***	***2,735.0***
Total – receipts	**-**	**50.7**	**91.3**	**125.0**	**155.6**	**197.7**	**248.1**	**300.3**	**350.5**	**395.6**	**443.6**	**267.0**	**2,358.4**
Payments													
Administered													
Component 3 - Provide block grant funding for universities	*-370.0*	*-492.0*	*-499.0*	*-506.0*	*-547.0*	*-554.0*	*-560.0*	*-567.0*	*-574.0*	*-581.0*	*-589.0*	***-1,867.0***	***-5,839.0***
Component 4 - Increase funding for science organisatons	-	*-652.0*	*-669.0*	*-685.0*	*-654.0*	*-670.0*	*-686.0*	*-703.0*	*-721.0*	*-739.0*	*-758.0*	***-2,006.0***	***-6,937.0***
Component 5 - Support diversity in science and R&D	-	*-48.4*	*-49.8*	*-51.1*	*-52.4*	*-53.7*	*-55.0*	*-56.4*	*-57.9*	*-59.3*	*-60.9*	***-149.3***	***-544.9***
Component 6 - Support RIIS strategy	-	*-175.0*	*-180.0*	*-185.0*	*-189.0*	*-194.0*	*-198.0*	*-203.0*	*-208.0*	*-214.0*	*-219.0*	***-540.0***	***-1,965.0***
Component 7 - Support ARC's Future Fellowship scheme	-	*-68.2*	*-70.2*	*-72.1*	*-73.8*	*-75.6*	*-77.5*	*-79.4*	*-81.5*	*-83.6*	*-85.7*	***-210.5***	***-767.6***
Component 8 - Implement an open access publishing program	*-22.3*	*-46.0*	*-47.3*	*-48.6*	*-49.8*	*-51.0*	*-52.2*	*-53.6*	*-55.0*	*-56.4*	*-57.8*	***-164.2***	***-540.0***
Component 9 - Provide teacher training in STEM education	*-20.1*	*-41.4*	*-42.6*	*-43.7*	*-44.8*	*-45.9*	*-47.0*	*-48.2*	*-49.5*	*-50.8*	*-52.1*	***-147.8***	***-486.1***
Component 10 - Secure work for researchers	*-24.2*	*-49.9*	*-51.3*	*-52.7*	*-54.0*	*-55.3*	*-56.7*	*-58.1*	*-59.6*	*-61.2*	*-62.7*	***-178.1***	***-585.7***

	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
Component 11 - Research translation fund - Grant payments	-	-	-50.0	-97.0	-140.0	-177.0	-220.0	-268.0	-318.0	-366.0	-409.0	***-147.0***	***-2,045.0***
Component 11 - Research translation fund - Management fees	-	-4.3	-8.5	-12.8	-17.1	-21.4	-25.6	-29.9	-34.2	-38.4	-42.7	***-25.6***	***-234.9***
Component 11 - Research translation fund - Capital injection	-	-993.0	-993.0	-993.0	-993.0	-993.0	-993.0	-993.0	-993.0	-992.0	-992.0	***-2,979.0***	***-9,928.0***
Total – administered	***-436.6***	***-2,570.2***	***-2,660.7***	***-2,747.0***	***-2,814.9***	***-2,890.9***	***-2,971.0***	***-3,059.6***	***-3,151.7***	***-3,241.7***	***-3,328.9***	***-8,414.5***	***-29,873.2***
Departmental													
Component 1 - Establish POST	-	-2.5	-1.7	-1.7	-1.7	-1.7	-1.7	-1.8	-1.8	-1.8	-1.8	***-5.9***	***-18.2***
Component 5 - Departmental	-	-1.6	-1.6	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7	-1.7	-1.7	***-4.8***	***-16.5***
Component 7 - Departmental	-	-1.8	-1.8	-1.8	-1.8	-1.8	-1.8	-1.9	-1.9	-1.9	-1.9	***-5.4***	***-18.4***
Component 8 - Departmental	-0.8	-1.6	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	***-5.6***	***-17.4***
Component 9 - Departmental	-0.8	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.7	-1.7	***-5.6***	***-17.0***
Component 10 - Departmental	-0.8	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	***-5.6***	***-17.5***
Component 11 - Departmental	-	-6.6	-6.7	-6.9	-7.0	-7.1	-7.2	-7.3	-7.5	-7.6	-7.7	***-20.2***	***-71.6***
Component 12 - Departmental	-	-20.0	-	-	-	-	-	-	-	-	-	***-20.0***	***-20.0***
Total – departmental	***-2.4***	***-37.3***	***-16.6***	***-16.8***	***-17.0***	***-17.2***	***-17.4***	***-17.7***	***-17.9***	***-18.1***	***-18.2***	***-73.1***	***-196.6***
Total – payments	**-439.0**	**-2,607.5**	**-2,677.3**	**-2,763.8**	**-2,831.9**	**-2,908.1**	**-2,988.4**	**-3,077.3**	**-3,169.6**	**-3,259.8**	**-3,347.1**	**-8,487.6**	**-30,069.8**
Total (excluding PDI)	**-439.0**	**-2,556.8**	**-2,586.0**	**-2,638.8**	**-2,676.3**	**-2,710.4**	**-2,740.3**	**-2,777.0**	**-2,819.1**	**-2,864.2**	**-2,903.5**	**-8,220.6**	**-27,711.4**
PDI impacts	***-4.0***	***-35.0***	***-91.0***	***-152.0***	***-219.0***	***-293.0***	***-375.0***	***-467.0***	***-570.0***	***-684.0***	***-812.0***	***-282.0***	***-3,702.0***
Total (including PDI)	**-443.0**	**-2,591.8**	**-2,677.0**	**-2,790.8**	**-2,895.3**	**-3,003.4**	**-3,115.3**	**-3,244.0**	**-3,389.1**	**-3,548.2**	**-3,715.5**	**-8,502.6**	**-31,413.4**

(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.

Parliamentary Budget Office

Publicly Owned, Fit-For-Purpose 21st Century Internet	
Party:	Australian Greens
Summary of proposal: This proposal would roll out free Standard speed (30 Mbps) internet broadband to households with a Health Care Card in Australia. This proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying balances by about $3,201 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses by $3,123 million, and an increase in departmental expenses by $77.6 million.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate Public Debt Interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The Parliamentary Budget Office (PBO) does not have sufficient expertise to reliably estimate the impact on the National Broadband Network (NBN) under the proposal - specifically, how implementing this proposal would result in fiscal implications for the NBN Corporation, for example on the net worth of the NBN or the future proceeds from the sale of the NBN. The PBO therefore assesses the follow-on impact to NBN under this proposal to be unquantifiable.

To determine the follow-on impact to NBN under this proposal would require a comprehensive assessment of the current NBN roll-out plans, existing infrastructure and service provision across all regions in Australia.

The financial implications are sensitive to estimates of households with Health Care Cards and the take up rates and the negotiated prices for the proposed plans. The financial implications are also sensitive to flow-on implications for tax revenue, which have not been included in this costing.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-766.6	-789.1	-811.7	-833.2	**-3,200.6**
Underlying cash balance	-766.6	-789.1	-811.7	-833.2	**-3,200.6**

(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 this proposal.

- All eligible households would opt-in to the proposed plans and have the required infrastructure to take up the proposed plans.
- Average costs for broadband plans would range around $60 per month, informed by market prices for similar plans. These costs would grow over the medium term in line with the consumer price index.
- This proposal would not impact on the NBN Corporation's normal operation.
- Around 10 per cent of households in Australia would have Health Care Cards, informed by data from the Department of Social Services (DSS) and the Australian Bureau of Statistics (ABS).

Methodology

The administered expenses were calculated by multiplying the estimated number of eligible households by the estimated unit plan costs under each option.

- The number of eligible households and the estimated unit plan costs were estimated as per *Key assumptions* above.

Departmental expenses were modelled based on experience from similar programs.

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

Data sources

Australian Bureau of Statistics (ABS), Household and Family Projections, Australia. ABS website, 2019, accessed 12 April 2022.

Finder, Internet Plans, n.d., accessed 12 April 2022.

The Department of Social Services provided the social security and welfare recipient estimates as at the Budget 2022-23.

Department of Social Services, *DSS Payment Demographic Data*, 2022, accessed 12 April 2022.

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

Attachment A – Publicly Owned, Fit-For-Purpose 21st Century Internet – financial implications

Table A1: Publicly Owned, Fit-For-Purpose 21st Century Internet – 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													
Aministered	*-748.0*	*-770.0*	*-792.0*	*-813.0*	*-832.0*	*-852.0*	*-873.0*	*-895.0*	*-917.0*	*-940.0*	*-964.0*	***-3,123.0***	***-9,396.0***
Departmental	*-18.6*	*-19.1*	*-19.7*	*-20.2*	*-20.7*	*-21.2*	*-21.7*	*-22.2*	*-22.8*	*-23.4*	*-24.0*	***-77.6***	***-233.6***
Total – expenses	**-766.6**	**-789.1**	**-811.7**	**-833.2**	**-852.7**	**-873.2**	**-894.7**	**-917.2**	**-939.8**	**-963.4**	**-988.0**	**-3,200.6**	**-9,629.6**
Total (excluding PDI)	**-766.6**	**-789.1**	**-811.7**	**-833.2**	**-852.7**	**-873.2**	**-894.7**	**-917.2**	**-939.8**	**-963.4**	**-988.0**	**-3,200.6**	**-9,629.6**

(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: Publicly Owned, Fit-For-Purpose 21st Century Internet – 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	*-9.0*	*-27.0*	*-45.0*	*-65.0*	*-87.0*	*-111.0*	*-138.0*	*-169.0*	*-204.0*	*-243.0*	*-292.0*	***-146.0***	***-1,390.0***
Underlying cash balance	*-8.0*	*-24.0*	*-43.0*	*-63.0*	*-84.0*	*-108.0*	*-135.0*	*-166.0*	*-200.0*	*-238.0*	*-286.0*	***-138.0***	***-1,355.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

Bringing Dental into Medicare	
Party:	Australian Greens

Summary of proposal:

The proposal would expand access to dental care to all Australians that are eligible for Medicare and it would allow for a significant number of clinically relevant services to be bulk-billed.

In particular it would:

- expand the Child Dental Benefits Scheme (CDBS) to provide all Australians under 18 years of age who are eligible for Medicare with unlimited routine and therapeutic dental care, including Orthodontics (items 811-881[1]).
- establish a Health Care Card Holders Dental Benefits scheme to allow all Australians eligible for Medicare to be bulk-billed for a clinically relevant service within the following categories:
  - Diagnostic services (items 011–091)
  - Preventive, Prophylactic and Bleaching services (items 111–171)
  - Periodontics (items 213–251)
  - Oral surgery (items 311–399)
  - Endodontics (items 411–458)
  - Restorative services (items 511–597)
  - Prosthodontics (items 611–779)
  - Orthodontics (items 811–881)
  - General services (items 911–972)
  - Miscellaneous (items 981 - 999).

The policy would take effect from 1 July 2023.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period by around $23,890 million. In fiscal balance terms, this reflects an increase in administered expenses of $23,600 million and departmental expenses of $291 million.

The underlying cash balance impact differs from the fiscal balance impact due to differences between when appointments are held and subsidies are paid to health care providers. Departmental expenses

[1] https://www.ada.org.au/Dental-Professionals/Publications/Schedule-and-Glossary/The-Australian-Schedule-of-Dental-Services-and-(1)/Australian_Schedule_and_Dental_Glossary_2015_FA2_W.aspx

reflect the cost of delivering the proposal and processing subsidies for the new dental scheme, which increase as the number of eligible recipients increase.

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

The financial implications of this proposal are sensitive to the projected number of eligible patients and assumptions in relation to take-up rate, and changes in service demand and cost of dental care in response to this proposal. These become more uncertain over the medium term. The Parliamentary Budget Office (PBO) has not assessed:

- whether the supply of qualified dentists including associated health care workers is sufficient for the significantly increased demand of dental care services
- the impact to private health care premiums and consequently insurance rebates provided by the Australian Government
- the profitability and financial viability of private dental care providers, who would be required to provide bulk-billed dental care services (we have also not included any impact on tax collections for these impacts)
- any broader implications for the hospital and aged care systems under the proposal.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-7,731.0	-7,980.0	-8,180.0	**-23,891.0**
Underlying cash balance	-	-7,631.0	-7,980.0	-8,180.0	**-23,791.0**

(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.
- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The cost of dental care services would be in line with current Medicare schedule fee indexation arrangements.
- Eighty per cent of dental care services would be routine dental care which consists of low to medium cost dental care services.
- There would be sufficient qualified dentists and dental care workers for the significantly increased demand for dental care services.
- All proposed dental care services would be bulk-billed through Medicare.
- The take-up of the expanded dental coverage to all Australians eligible for Medicare would be 65% of those eligible for Medicare, based on current dental attendance rates for the Australian population and data for the CDBS.
  - The eligible recipients under the Department of Veterans' Affairs are assumed to be covered within the natural variance of the up-take parameter and are not considered separately.

Methodology

Administered expenses were calculated by multiplying the projected number of Australians eligible for Medicare by the assumed take-up rate and cost of dental services, and subtracting the current Medicare expenses on dental services.

Small start-up departmental costs were factored in, comparable to similar previous budget measures.

Ongoing departmental expenses for administering the program were grown by the appropriate wage cost index (net of the efficiency dividend) and were based on the costs of administering the dental scheme. Departmental expenses in the first year of the proposal include additional funding for Services Australia to expand the dental scheme.

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

Data sources

The Department of Finance and the Treasury provided the consumer price index and population projections as at the *Budget 2022-23*.

The Department of Health and Services Australia provided details on the Child Dental Benefits Schedule.

Australian Institute of Health and Welfare, 2021. *Oral health and dental care in Australia*, accessed 11 April 2022.

Australian Dental Association, 2020. *Dental Fee Survey 2019*.

Grattan Institute, 2019. *Filling the gap – A universal dental scheme for Australia*, accessed 11 April 2022.

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

Attachment A – Bringing Dental into Medicare – financial implications

Table A1: Bringing Dental into Medicare – 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	-	*-7,600.0*	*-7,900.0*	*-8,100.0*	*-8,500.0*	*-8,800.0*	*-9,200.0*	*-9,500.0*	*-9,900.0*	*-10,300.0*	*-10,700.0*	***-23,600.0***	***-90,500.0***
Departmental	-	*-131.0*	*-80.0*	*-80.0*	*-80.0*	*-81.0*	*-82.0*	*-83.0*	*-84.0*	*-85.0*	*-86.0*	***-291.0***	***-872.0***
Total (excluding PDI)	**-**	**-7,731.0**	**-7,980.0**	**-8,180.0**	**-8,580.0**	**-8,881.0**	**-9,282.0**	**-9,583.0**	**-9,984.0**	**-10,385.0**	**-10,786.0**	**-23,891.0**	**-91,372.0**

(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.

- Indicates nil.

Table A2: Bringing Dental into Medicare – 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	-	*-7,500.0*	*-7,900.0*	*-8,100.0*	*-8,400.0*	*-8,800.0*	*-9,200.0*	*-9,500.0*	*-9,900.0*	*-10,300.0*	*-10,700.0*	***-23,500.0***	***-90,300.0***
Departmental	-	*-131.0*	*-80.0*	*-80.0*	*-80.0*	*-81.0*	*-82.0*	*-83.0*	*-84.0*	*-85.0*	*-86.0*	***-291.0***	***-872.0***
Total (excluding PDI)	**-**	**-7,631.0**	**-7,980.0**	**-8,180.0**	**-8,480.0**	**-8,881.0**	**-9,282.0**	**-9,583.0**	**-9,984.0**	**-10,385.0**	**-10,786.0**	**-23,791.0**	**-91,172.0**

(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: Bringing Dental into Medicare – 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	-	*-90.0*	*-270.0*	*-450.0*	*-660.0*	*-900.0*	*-1,180.0*	*-1,500.0*	*-1,850.0*	*-2,260.0*	*-2,720.0*	***-810.0***	***-11,880.0***
Underlying cash balance	-	*-80.0*	*-240.0*	*-430.0*	*-640.0*	*-880.0*	*-1,150.0*	*-1,460.0*	*-1,810.0*	*-2,210.0*	*-2,660.0*	***-750.0***	***-11,560.0***

(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 glossary[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 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.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Free Mental Health Care	
Party:	Australian Greens

Summary of proposal:

This proposal would broaden access to mental health care services and consists of 3 components.

- **Component 1** would increase the Better Access Initiative to unlimited psychology or psychiatric therapy sessions and raise the Medicare Benefits Schedule (MBS) rebates for patients with a diagnosed mental illness. Within any 12-month period, patients would be eligible for unlimited sessions. Patients would need a referral from their general practitioner (GP) every 10 treatment sessions under their mental health treatment plan.
  - Registered psychologists and psychiatrists would need to bulk-bill their services.
    - For psychiatric therapy sessions, rebates for MBS items 291, 296, 297 and 299 would be raised to 100% of the schedule fees (currently 85%).
    - For psychology therapy sessions, rebates for MBS items 80000, 80005, 80010, 80015 would be increased to match the 2021-22 rates recommended by the Australian Psychology Society[1].
- **Component 2** would implement a national rollout of an Individual Placement and Support (IPS) program that is funded to meet demand.
  - Any person who is currently with mental illness and not employed would be eligible. Participants would be required to fulfil the same mutual obligation requirements for income support payments.
  - Program costs would be indexed by average weekly earnings.
- **Component 3** would increase the number of mental health peer workers by 1,000 workers to undertake a national rollout of a peer workforce.
  - Peer workers would generally be people with lived experience of mental illness who provide support to others undergoing recovery.

The proposal would take effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal balance by around $2,901 million and the underlying cash balance by around $2,887 million over the 2022-23 Budget forward estimates period. This is predominantly driven by increases in administered expenses, due to significant increases in MBS rebates for therapy services, projected growth in mental health treatment demand and increased mental health support.

[1] $203 for MBS items 80000 and 80005 and $267 for MBS items 80010 and 80015

The underlying cash balance impact differs from the fiscal balance impact due to claims processing lags, which would see a proportion of claims processed in the following year after the service is provided and the expense is recorded.

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

The financial implications of Component 1 are sensitive to the assumed number of patients accessing the Better Access Initiative scheme, the growth in demand for mental health treatment and providers' behavioural responses to raising the MBS rebates. There are also significant uncertainties around the proposal's potential interaction with a range of mental health measures introduced at the Budget 2022-23, including *Prioritising Mental Health*.

The financial implications of Component 2 are highly uncertain and extremely sensitive to the assumption on the number of IPS sites that would need to be established to meet demand, which is subject to a high level of uncertainty as relevant data and evidence are still being accumulated as the IPS program matures over time. Financial implications are also sensitive to cost estimates underpinning the current trial program which this component is based on.

The Parliamentary Budget Office (PBO) also considered the broader effects, including the potential flow-on impacts from this proposal to the public health system, social security payments and taxation revenue. The PBO has not included these broader effects in this costing as these effects are highly uncertain due to the intricate interactions between these systems.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-584.4	-667.1	-769.0	-880.5	**-2,901.0**
Underlying cash balance	-573.4	-666.1	-768.0	-879.5	**-2,887.0**

(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 this proposal.

Component 1 – Better Access Initiative

- The number of patients accessing the Better Access Initiative scheme would grow in line with projections for Australia's population and the increasing share of people receiving mental health specific Medicare-funded services.
- The increase in rebates or offered schedule fees would lead service providers to bulk bill items and there would be no decrease in supply.
- The MBS schedule fees would grow by the appropriate wage cost index.
- The mental health measures introduced at the Budget 2022-23, including *Prioritising Mental Health* would reduce demand for Component 1 services by around 3%. This is informed by research on youth mental health by the Australian Institute of Health and Welfare.

Component 2 – National rollout of IPS program

- There would be at least one IPS site at each of the 562 Local Government Areas (LGAs) when the program is fully established.
  - While the exact demand for the IPS program over the medium term is hard to gauge as the current program is yet to mature, ensuring each LGA has one to 2 IPS sites would be critical in ensuring easy access for participants who are suffering from mental illness.
- The start-up and ongoing costs per additional site would be similar to the approximate actual and projected start-up and ongoing per-site costs incurred by the IPS program since its inception.
- There would be a staged rollout over 4 years.
  - The Productivity Commission Report into Mental Health recommended a staged rollout.
- Departmental costs would be 3% of administered costs and account for start-up costs in 2022-23, consistent with experience from similar programs.

Component 3 – Additional mental health peer workers

- The average salary per peer worker would be around $60,000 in 2020-21, informed by recent job advertisements for peer support workers using glassdoor and similar websites.
- Salaries would grow in line with average weekly earnings over time.
- Departmental costs would not be significant and would be met from within existing resources.

Methodology

The methodology for Component 1 is consistent with the Department of Health's costing approach for the 2020-21 Budget measure *Covid-19 Response Package – supporting mental health* (the Budget measure) and uses the same MBS liability factor to calculate the wedge between the fiscal and underlying cash balances.

The administered expenses for Component 1 are the sum of the below 3 elements, adjusted for the impacts of the 2022-23 Budget measures.

- The cost of unlimited therapy sessions without raised rebates were calculated by multiplying the additional session volume for each relevant MBS item group by the average session cost.
  - The additional therapy session volumes were estimated based on the Budget measure costing model provided by the Department of Health, including the underlying data and assumptions. The estimates represent a continuation of the actual service patterns observed since 2011 for the Better Access Initiative scheme, including the number of patients, additional therapy sessions and associated MBS services delivered.
  - The additional GP session volumes were measured based on the additional therapy session volume and the requirement of a GP referral for every 10 therapy sessions.
  - The average per group session costs were computed by dividing total projected Medicare rebates (without a premium increase) of relevant MBS items to their projected session volume.
- The cost of raising the rebates without additional therapy sessions were calculated by multiplying the differences between MBS premiums and average rebates of each relevant MBS item by projected session volumes (without additional therapy sessions).

- The cost of raising the rebates for additional therapy sessions were calculated by multiplying the additional session volumes by annual differences between the higher average MBS premiums and the average MBS rebates.

The administered expenses for Component 2 were calculated by estimating the number of additional sites required and multiplying this by the estimated start-up and ongoing costs per site. Both elements were estimated as per *Key assumptions*.

The administered expenses for Component 3 were calculated by multiplying the specified additional workers by their estimated growth adjusted salaries.

The departmental expenses for all components were based on similar Budget measures.

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

Data sources

The Department of Health provided information on the Better Access scheme, the costing model for the Budget measure and information on individual psychological therapy services.

The Department of Health provided the costing models for the 2022-23 Budget measure – *Prioritising Mental Health*.

The Department of Finance and the Treasury provided economic parameters and population projections as at the *Budget 2022-23*.

The Department of Health, 2021. *Medicare Benefits Schedule items report*, accessed 14 April 2022.

Australian Institute of Health and Welfare, 2021. *Mental health services in Australia*, accessed 23 February 2022.

Australian Bureau of Statistics, 2021. *Labour Force, Australia, October 2021*, accessed 14 April 2022.

Australian Bureau of Statistics, 2020. *Volume 3- Non ABS Structures, June 2020*, accessed 14 April 2022.

Glassdoor, 2021. *Peer Support Worker Salaries*, accessed 14 April 2022.

KPMG, 2020. *IPS Trial Literature Review – For the Department of Social Services*, accessed 14 April 2022.

Productivity Commission, 2020. *Mental Health*, accessed 14 April 2022.

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

Attachment A – Free Mental Health Care – financial implications

Table A1: Free Mental Health Care – 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													
Component 1 – Department of Health	*-342.0*	*-357.0*	*-384.0*	*-413.0*	*-443.0*	*-475.0*	*-508.0*	*-542.0*	*-578.0*	*-615.0*	*-654.0*	***-1,496.0***	***-5,311.0***
Component 1 – Department of Veterans' Affairs	*-2.6*	*-2.7*	*-2.9*	*-3.1*	*-3.4*	*-3.6*	*-3.9*	*-4.1*	*-4.4*	*-4.7*	*-5.0*	***-11.3***	***-40.4***
Component 2 – National rollout of IPS program	*-165.0*	*-231.0*	*-301.0*	*-378.0*	*-287.0*	*-300.0*	*-312.0*	*-322.0*	*-333.0*	*-347.0*	*-363.0*	***-1,075.0***	***-3,339.0***
Component 3 – Mental health peer workers	*-63.7*	*-65.7*	*-68.0*	*-70.6*	*-73.1*	*-75.7*	*-78.5*	*-81.5*	*-84.8*	*-88.2*	*-91.8*	***-268.0***	***-841.6***
Total – administered	***-573.3***	***-656.4***	***-755.9***	***-864.7***	***-806.5***	***-854.3***	***-902.4***	***-949.6***	***-1,000.2***	***-1,054.9***	***-1,113.8***	***-2,850.3***	***-9,532.0***
Departmental													
Component 1 – Department of Health	*-1.4*	*-1.4*	*-1.5*	*-1.7*	*-1.8*	*-1.9*	*-2.0*	*-2.2*	*-2.3*	*-2.5*	*-2.6*	***-6.0***	***-21.3***
Component 1 – Services Australia	*-2.2*	*-2.3*	*-2.5*	*-2.7*	*-2.9*	*-3.1*	*-3.3*	*-3.5*	*-3.7*	*-4.0*	*-4.2*	***-9.7***	***-34.4***
Component 2 – National rollout of IPS program	*-7.5*	*-7.0*	*-9.1*	*-11.4*	*-8.7*	*-9.1*	*-9.4*	*-9.7*	*-10.1*	*-10.5*	*-11.0*	***-35.0***	***-103.5***
Total – departmental	***-11.1***	***-10.7***	***-13.1***	***-15.8***	***-13.4***	***-14.1***	***-14.7***	***-15.4***	***-16.1***	***-17.0***	***-17.8***	***-50.7***	***-159.2***
Total (excluding PDI)	**-584.4**	**-667.1**	**-769.0**	**-880.5**	**-819.9**	**-868.4**	**-917.1**	**-965.0**	**-1,016.3**	**-1,071.9**	**-1,131.6**	**-2,901.0**	**-9,691.2**

(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.

Table A2: Free Mental Health Care – 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													
Component 1 – Department of Health	*-331.0*	*-356.0*	*-383.0*	*-412.0*	*-442.0*	*-473.0*	*-506.0*	*-541.0*	*-577.0*	*-614.0*	*-653.0*	***-1,482.0***	***-5,288.0***
Component 1 – Department of Veterans' Affairs	*-2.6*	*-2.7*	*-2.9*	*-3.1*	*-3.4*	*-3.6*	*-3.9*	*-4.1*	*-4.4*	*-4.7*	*-5.0*	***-11.3***	***-40.4***
Component 2 – National rollout of IPS program	*-165.0*	*-231.0*	*-301.0*	*-378.0*	*-287.0*	*-300.0*	*-312.0*	*-322.0*	*-333.0*	*-347.0*	*-363.0*	***-1,075.0***	***-3,339.0***
Component 3 – Mental health peer workers	*-63.7*	*-65.7*	*-68.0*	*-70.6*	*-73.1*	*-75.7*	*-78.5*	*-81.5*	*-84.8*	*-88.2*	*-91.8*	***-268.0***	***-841.6***
Total – administered	***-562.3***	***-655.4***	***-754.9***	***-863.7***	***-805.5***	***-852.3***	***-900.4***	***-948.6***	***-999.2***	***-1,053.9***	***-1,112.8***	***-2,836.3***	***-9,509.0***
Departmental													
Component 1 – Department of Health	*-1.4*	*-1.4*	*-1.5*	*-1.7*	*-1.8*	*-1.9*	*-2.0*	*-2.2*	*-2.3*	*-2.5*	*-2.6*	***-6.0***	***-21.3***
Component 1 – Services Australia	*-2.2*	*-2.3*	*-2.5*	*-2.7*	*-2.9*	*-3.1*	*-3.3*	*-3.5*	*-3.7*	*-4.0*	*-4.2*	***-9.7***	***-34.4***
Component 2 – National rollout of IPS program	*-7.5*	*-7.0*	*-9.1*	*-11.4*	*-8.7*	*-9.1*	*-9.4*	*-9.7*	*-10.1*	*-10.5*	*-11.0*	***-35.0***	***-103.5***
Total – departmental	***-11.1***	***-10.7***	***-13.1***	***-15.8***	***-13.4***	***-14.1***	***-14.7***	***-15.4***	***-16.1***	***-17.0***	***-17.8***	***-50.7***	***-159.2***
Total (excluding PDI)	**-573.4**	**-666.1**	**-768.0**	**-879.5**	**-818.9**	**-866.4**	**-915.1**	**-964.0**	**-1,015.3**	**-1,070.9**	**-1,130.6**	**-2,887.0**	**-9,668.2**

(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.

Table A3: Free Mental Health Care – 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	*-7.0*	*-21.0*	*-37.0*	*-57.0*	*-78.0*	*-102.0*	*-130.0*	*-161.0*	*-198.0*	*-239.0*	*-291.0*	***-122.0***	***-1,321.0***
Underlying cash balance	*-6.0*	*-19.0*	*-35.0*	*-55.0*	*-76.0*	*-99.0*	*-126.0*	*-158.0*	*-193.0*	*-234.0*	*-285.0*	***-115.0***	***-1,286.0***

(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 glossary[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 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.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Putting Money into Hospitals Instead of Private Health Insurance	
Party:	Australian Greens

Summary of proposal:

This proposal would phase out the Private Health Insurance Rebate over three years from 1 July 2022 to allow for money to be reinvested into the public health system. The policy would also remove the Medicare Levy Surcharge and Lifetime Health Cover.

The phase-out would occur as follows:

Rebate percentage	2021-22 (%) (current)	2022–23 (%)	2023-24 (%)	2024-25 (%)	2025-26 (%)
Base tier under 65	24.608	15.000	5.000	-	-
Base tier 65-69	28.710	19.000	9.000	-	-
Base tier 70+	32.812	23.000	13.000	3.000	-
Tier 1 under 65	16.405	6.000	-	-	-
Tier 1 65-69	20.507	11.000	-	-	-
Tier 1 70+	24.608	15.000	5.000	-	-
Tier 2 under 65	8.202	-	-	-	-
Tier 2 65-69	12.303	-	-	-	-
Tier 2 70+	16.405	-	-	-	-

Costing overview

The proposal would be expected to increase the fiscal balance by around $20,330 million and increase the underlying cash balance by around $19,590 million over the 2022-23 Budget forward estimates period.

These impacts are primarily due to a decrease in Private Health Insurance Rebate expenses, reflecting the combined effect of lower rebate rates for recipients affected by the proposal and an assumed decrease in the number of people using private health insurance from the resultant higher out of pocket cost. There would also be a decrease in revenue due to the removal of the Medicare Levy Surcharge.

The difference between the fiscal and underlying cash balances is due to the timing of when the Private Health Insurance Rebate is incurred and paid through the Australian Taxation Office, which is in the next income year, as individuals file their tax returns.

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

The financial implications of this costing are sensitive to changes in health insurance premiums, the consumer price index, and behavioural responses to changes in the cost of private health insurance.

This proposal may result in a significant decrease in private health insurance coverage. This would in turn put additional pressure on the public health system and public health expenditure. However, these broader flow-on impacts are highly uncertain and as such have not been included in this costing.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	2,698	4,705	6,101	6,827	**20,331**
Underlying cash balance	2,428	4,455	5,951	6,757	**19,591**

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

- As the proposal would increase out-of-pocket costs of private health insurance, there would be a decrease in the number of people taking out coverage, with higher income policy holders assumed to be less responsive to price changes and therefore more likely to maintain their cover than those on low incomes. This is only relevant over the period where the Private Health Insurance Rebate is being phased out under the proposal (2022-23 to 2024-25).
- The majority of Private Health Insurance Rebate expenses administered by the Department of Health are delivered in the same financial year in which they accrue, with a small proportion delivered in the following financial year. Additionally, there is an amount paid through the Australian Taxation Office as individuals file their tax returns.

Methodology

The financial implications of the proposal were estimated based on the current number of Private Health Insurance Rebate recipients and average rebate amounts by income tiers, with adjustments for the assumed behavioural change of people ceasing private health insurance coverage as a result of the proposal.

Projected income distributions of individuals and families with and without private health insurance were generated based on de-identified 2018-19 personal income tax data. Average private health insurance premiums were estimated using data from the Private Health Insurance Administration Council and projected over the medium term.

Private Health Insurance Rebate amounts were estimated under both current and proposed policy settings. Behavioural responses to the increase in net private health insurance premiums were taken into account. The total Private Health Insurance Rebate expense estimates under the proposal were then compared to the total under the baseline scenario to determine the cost of the proposal. The reduction in the Medicare Levy Surcharge revenue was derived from the revenue in the budget baseline.

The PBO has estimated departmental expenses based on recent budget measures with similar administrative complexity. Departmental expenses of $2 million were included for the implementation of the new policy. There is no ongoing departmental expense reduction as a result of abolishing the rebate. It is assumed that the same number of staff is still required to carry out other functions associated with the oversight and regulation of the private health insurance sector.

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 Australian Taxation Office provided de-identified personal income tax and superannuation contribution unit record data for 2018-19.

Australian Prudential Regulation Authority (APRA), *Private Health Insurance Quarterly Statistics*, APRA, June 2021, accessed 27 April 2022.

Australian Government, *Portfolio Budget Statements 2022–23 Budget Related Paper No. 1.7 Health Portfolio*, Australian Government, 2022.

Australian Government, *Portfolio Budget Statements 2022–23 Budget Related Paper No. 1.13 Treasury Portfolio*, Australian Government, 2022.

TC Cheng, *Working Paper No. 26/11: Measuring the effects of removing subsidies for private insurance on public expenditure for health care*, Melbourne Institute of Applied Economic and Social Research, University of Melbourne, 2011.

RP Ellis and E Savage, *Run for cover now or later? The impact of premiums, threats and deadlines on private health insurance in Australia*, International Journal of Health Care Finance and Economics, 8:257-277, 2008.

A Robson, H Ergas, and F Paolucci, *The Analytics of the Australian Private Health Insurance Rebate and the Medicare Levy Surcharge*, Agenda, 18(2):27-47, 2011.

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

Attachment A – Putting Money into Hospitals Instead of Private Health Insurance – financial implications

Table A1: Putting Money into Hospitals Instead of Private Health Insurance – 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													
Medicare Levy Surcharge	-	-505	-589	-623	-655	-688	-727	-771	-820	-871	-922	***-1,717***	***-7,171***
Total – revenue	**-**	**-505**	**-589**	**-623**	**-655**	**-688**	**-727**	**-771**	**-820**	**-871**	**-922**	**-1,717**	**-7,171**
Expenses													
Administered													
Private Health Insurance Rebate	2,700	5,210	6,690	7,450	7,680	7,920	8,180	8,460	8,760	9,090	9,420	***22,050***	***81,560***
Total – administered	***2,700***	***5,210***	***6,690***	***7,450***	***7,680***	***7,920***	***8,180***	***8,460***	***8,760***	***9,090***	***9,420***	***22,050***	***81,560***
Departmental													
Initial implement expense	-2	-	-	-	-	-	-	-	-	-	-	***-2***	***-2***
Total – departmental	***-2***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-2***	***-2***
Total – expenses	**2,698**	**5,210**	**6,690**	**7,450**	**7,680**	**7,920**	**8,180**	**8,460**	**8,760**	**9,090**	**9,420**	**22,048**	**81,558**
Total (excluding PDI)	**2,698**	**4,705**	**6,101**	**6,827**	**7,025**	**7,232**	**7,453**	**7,689**	**7,940**	**8,219**	**8,498**	**20,331**	**74,387**

(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: Putting Money into Hospitals Instead of Private Health Insurance – 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													
Medicare Levy Surcharge	-	-505	-589	-623	-655	-688	-727	-771	-820	-871	-922	***-1,717***	***-7,171***
Total – receipts	**-**	**-505**	**-589**	**-623**	**-655**	**-688**	**-727**	**-771**	**-820**	**-871**	**-922**	**-1,717**	**-7,171**
Payments													
Administered													
Private Health Insurance Rebate	2,430	4,960	6,540	7,380	7,650	7,890	8,150	8,430	8,730	9,050	9,380	***21,310***	***80,590***
Total – administered	***2,430***	***4,960***	***6,540***	***7,380***	***7,650***	***7,890***	***8,150***	***8,430***	***8,730***	***9,050***	***9,380***	***21,310***	***80,590***
Departmental													
Initial implement expense	-2	-	-	-	-	-	-	-	-	-	-	***-2***	***-2***
Total – departmental	***-2***	-	-	-	-	-	-	-	-	-	-	***-2***	***-2***
Total – payments	**2,428**	**4,960**	**6,540**	**7,380**	**7,650**	**7,890**	**8,150**	**8,430**	**8,730**	**9,050**	**9,380**	**21,308**	**80,588**
Total (excluding PDI)	**2,428**	**4,455**	**5,951**	**6,757**	**6,995**	**7,202**	**7,423**	**7,659**	**7,910**	**8,179**	**8,458**	**19,591**	**73,417**

(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: Putting Money into Hospitals Instead of Private Health Insurance – 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	*30*	*110*	*230*	*380*	*550*	*740*	*970*	*1,220*	*1,500*	*1,830*	*2,200*	***750***	***9,760***
Underlying cash balance	*20*	*100*	*210*	*360*	*530*	*720*	*940*	*1,190*	*1,470*	*1,790*	*2,160*	***690***	***9,490***

(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 glossary[2].

(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)

Parliamentary Budget Office

Hospital Funding and Waiting List Blitz	
Party:	Australian Greens

Summary of proposal:

The proposal has 3 components and would have effect from 1 July 2022.

Component 1 would fund 50% of the annual growth in the efficient cost of activity-based and block-funded hospital services on an ongoing basis and would maintain the activity-based funding model.

- Under the baseline policy, the Australian Government will fund 45% of the annual growth in the efficient cost of activity-based and block-funded hospital services over the period to 2032-33, with annual funding growth capped at 6.5%.

Component 2 would establish an independent national health agency (the new agency) to support the integration of health services at a regional level.

- The new agency would take over the functions of the Independent Hospital Pricing Authority, the Administrator of the National Health Funding Pool, the Australian Institute of Health and Welfare, the Australian Digital Health Agency, and the Australian Commission on Safety and Quality in Health Care. These agencies would be abolished.
- The new agency would also have responsibility for stewardship and funding decision making for primary care and dental care, with these functions transferring from the Department of Health.
- All new agency staff would be co-located in Canberra.
- The new agency would be distinct from the Commonwealth, state and territory health departments, and would report directly to the National Cabinet or the Health National Cabinet Reform Committee.

Component 3 would provide one-off payments to the states and territories to help eliminate public hospital waiting lists for particular categories of clinical urgency. These payments would be spread over 2 years from 1 July 2022, with 80% paid in 2022-23.

- The payment would be based on the number of patients on elective surgery waiting lists who have been waiting longer than clinically indicated for their category as at 30 June 2022. All patients in clinical urgency categories 1, 2 and 3 would be eligible.
- The payment rate per patient would be based on the national efficient price for each category of surgery as per the Independent Hospital Pricing Authority's cost determinations.
- The requestor has sought a breakdown of costs by state and territory, alongside national total costs.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $2,385 million over the 2022-23 Budget forward estimates period. This reflects an increase in administered expenses of around $2,040 million and an increase in departmental expenses of around $345 million, including capital expenses of around $140 million.

The 2022-23 Budget baseline does not include ongoing funding beyond 2022-23 for the Australian Digital Health Agency[1], whereas ongoing funding is included under the proposal. This is a key contributor to the financial implications for Component 2.

Departmental expenses for Components 1 and 3 are not expected to be significant and have not been included.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables and distributional analysis for Component 3) over the period to 2032-33 is provided at Attachment A.

The estimates for Component 1 are sensitive to projections of demand for hospital services and the efficient price of those services. The funding estimates across states and territories are also sensitive to the proposal's interactions with arrangements around funding caps, reconciliation and redistribution. The financial implications of Component 1 are relatively small as Commonwealth funding growth in the baseline is expected to reach the 6.5% cap for most years over the policy period, leaving very limited scope for additional funding under the proposal.

The estimates for Component 2 are sensitive to the level of funding provided for the abolished agencies under the budget baseline. The financial implications are also sensitive to assumptions of redundancy levels and costs, lease-break costs and capital expenses, and parameter variations in the consumer price index and wage cost index.

The estimates for Component 3 are highly sensitive to the estimated cost per surgery and number of eligible patients. The eligible patient data underpinning this costing are collected at the state and territory level. It is not clear whether the method of classifying patients and assessing wait times is applied consistently across states and territories. The estimated state and territory impacts are also sensitive to variations in the types of surgeries that are performed in each state and territory, as such variations could cause inconsistencies when state and territory patient data are mapped to price data that are only available at the national level. The costing makes no judgement about whether the states and territories will be able to fully utilise the funding provided to achieve elimination of waiting lists, which will also be dependent upon the surge capacity available in hospital systems.

Further, there are heightened uncertainties around the degree to which COVID-19, and any associated interruption to elective surgeries, would impact the number of patients on elective surgery waiting lists as at 30 June 2022.

[1] Commonwealth of Australia, 2022. *Portfolio Budget Statements 2022-23 Health Portfolio,* Canberra.

Table 1: Financial implications ($m)[a][b]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-1,290.0	-573.5	-257.1	-264.8	**-2,385.4**
Underlying cash balance	-1,290.0	-573.5	-257.1	-264.8	**-2,385.4**

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

Component 1 – Fund 50% of the efficient growth in activity-based and block-funded hospital services

- Based on information from the Department of Health, growth rates for activity-based and block funded components under the current activity-based funding model would be as follows:
  - The national efficient price would grow by around 2.4% per year.
  - The national weighted activity units would grow by around 4% per year.
  - The national efficient cost would grow by around 3.3% per year.
- The amounts provided for public health activities under the *2020-25 National Health Reform Agreement* would continue.

Component 2 – Establish an independent national health agency

- The new agency would sign a new lease agreement in Canberra and there would be lease-break costs incurred on all current lease arrangements for the agencies being abolished.
- Current Sydney-based staff would be offered redundancies and existing Canberra based staff undertaking functions that would be transferred would move to the new agency. Natural attrition has been factored into redundancy estimates.
- The overall staffing level under the proposal would be in line with those employed to perform the current functions assumed by the new agency.
- The new agency would be funded by the Australian Government without assistance from state and territory governments.

Component 3 – Payments to states and territories to reduce public hospital waiting lists

- Over the period to 30 June 2023, the number of eligible patients in each state and territory would increase by the average annual increase observed between 2016-17 and 2018-19. Using the pre-COVID-19 data instead of the most up-to-date data is to remove the undue COVID-19 impact on elective waiting list growth.
  - The actual data to 2020-21 were extracted from Australian Institute of Health and Welfare (AIHW) elective surgery waiting times reports.
- The average cost per surgery for eligible patients would be $9,317 in 2022-23 and $9,547 in 2023-24, calculated as the product of the national efficient price in the relevant year and the average price weight across all relevant elective surgeries conducted in 2019-20.

- The average price weight would be around 1.6, calculated as the weighted average cost over all category 1, 2 and 3 surgical procedures reported by the AIHW, excluding transplants and neonatal surgeries as these surgeries would be performed within the clinically indicated time.
- The national efficient price would increase annually from the 2022-23 determination by the Independent Hospital Pricing Authority of $5,797 in accordance with estimates provided by the Department of Health.

- The composition of surgery types for those eligible under the proposal would be the same as the composition of surgeries performed in 2018-19 to reflect pre-COVID-19 times.
- Existing methodologies for hospitals and physicians to classify patients into each clinical urgency category would remain unchanged.

Methodology

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

Component 1

The financial implications of this proposal represent the difference between the 2022-23 Budget baseline and the specified change to funding arrangements. Efficient growth in hospital services was estimated using the Department of Health's hospital funding model.

The financial implications for Component 1 are the product of the change in Commonwealth funding share under the proposal and the total change in activity-based funding and block funding, subject to the overall 6.5% cap on annual growth in Commonwealth funding.

Component 2

The baseline administered and departmental expenses over the 2022-23 Budget forward estimates period were obtained from the Department of Health. The budget baseline funding for each agency was projected out over the period to 2032-33. Some of the current functions that would be assumed by the new agency do not have ongoing funding under the budget baseline and their funding is subject to future decisions by the Australian Government.

The administered and departmental expenses under the proposal have been derived from baseline expenses by accounting for:

- the ongoing nature of the new agency
- voluntary redundancy costs, lease-break costs, capital expenses and other departmental costs, which were based on similar budget measures
- savings from consolidating the corporate functions of the amalgamated agencies.

Administered expenses were grown by the consumer price index. Departmental expenses were estimated by growing the appropriate wage cost index net of the efficiency dividend as at the *Budget 2022-23*.

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

Component 3

Administered expenses in each state and territory were calculated by multiplying the assumed number of eligible patients by the assumed average cost per surgery as discussed in *Key assumptions*.

The specified cost split of 80% in 2022-23 and 20% in 2023-24 was applied to the estimated administered expenses at the state level.

Total administered expenses at the national level are the sum of the administered expenses in all states and territories.

Data sources

The Department of Health provided the *Budget 2022-23* hospital funding model and details on the agencies to be abolished under the proposal.

The Department of Finance provided the consumer price index, wage cost index and efficiency dividend data as at the *Budget 2022-23*.

Commonwealth of Australia, 2022. *2022-23 Budget*, Canberra: Commonwealth of Australia.

Australian Institute of Health and Welfare, 2022. *Elective surgery waiting times supplementary tables*, accessed 14 April 2022.

Australian Institute of Health and Welfare, 2019. *Australian refined diagnosis-related groups (AR-DRG) version 9.0 data cube, 2018-19*, accessed 14 April 2022.

Australian Institute of Health and Welfare, 2019. *Elective surgery waiting times 2018-19: Australian hospital statistics.*

Australian Institute of Health and Welfare, 2018. *Elective surgery waiting times 2017-18: Australian hospital statistics.*

Australian Institute of Health and Welfare, 2017. *Elective surgery waiting times 2016-17: Australian hospital statistics.*

Bureau of Health Information, 2020. *Healthcare Quarterly, July to September 2020*, accessed 25 April 2022.

Independent Hospital Pricing Authority. *National Efficient Price Determination 2022-23*, accessed 25 April 2022.

Attachment A – Hospital Funding and Waiting List Blitz – financial implications

Table A1: Hospital Funding and Waiting List Blitz – 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													
Component 1 – Increase hospital funding	*-*	*-48.5*	*-7.1*	*-6.8*	*-8.7*	*-9.2*	*-9.8*	*-10.3*	*-4.6*	*-4.9*	*-3.9*	***-62.4***	***-113.8***
Component 2 – Abolish existing agencies	*1,060.0*	*870.0*	*880.0*	*900.0*	*920.0*	*940.0*	*960.0*	*990.0*	*1,010.0*	*1,040.0*	*1,070.0*	***3,710.0***	***10,640.0***
Component 2 – Establish independent agency	*-1,060.0*	*-1,060.0*	*-1,080.0*	*-1,100.0*	*-1,130.0*	*-1,160.0*	*-1,190.0*	*-1,220.0*	*-1,250.0*	*-1,270.0*	*-1,300.0*	***-4,300.0***	***-12,820.0***
Component 3 – Eliminate hospital waiting lists	*-1,110.0*	*-280.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1,390.0***	***-1,390.0***
Total – administered	***-1,110.0***	***-518.5***	***-207.1***	***-206.8***	***-218.7***	***-229.2***	***-239.8***	***-240.3***	***-244.6***	***-234.9***	***-233.9***	***-2,042.4***	***-3,683.8***
Departmental													
Component 2 – Abolish existing agencies	*249.0*	*182.0*	*185.0*	*179.0*	*180.0*	*181.0*	*182.0*	*183.0*	*185.0*	*186.0*	*187.0*	***795.0***	***2,079.0***
Component 2 – Establish independent agency	*-290.0*	*-237.0*	*-235.0*	*-237.0*	*-239.0*	*-240.0*	*-242.0*	*-244.0*	*-245.0*	*-247.0*	*-250.0*	***-999.0***	***-2,706.0***
Component 2 – Capital costs	*-139.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-139.0***	***-139.0***
Total – departmental	***-180.0***	***-55.0***	***-50.0***	***-58.0***	***-59.0***	***-59.0***	***-60.0***	***-61.0***	***-60.0***	***-61.0***	***-63.0***	***-343.0***	***-766.0***
Total (excluding PDI)	**-1,290.0**	**-573.5**	**-257.1**	**-264.8**	**-277.7**	**-288.2**	**-299.8**	**-301.3**	**-304.6**	**-295.9**	**-296.9**	**-2,385.4**	**-4,449.8**

(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: Hospital Funding and Waiting List Blitz – 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	*-15.0*	*-36.0*	*-46.0*	*-53.0*	*-61.0*	*-70.0*	*-80.0*	*-91.0*	*-103.0*	*-117.0*	*-140.0*	***-150.0***	***-812.0***
Underlying cash balance	*-13.0*	*-33.0*	*-45.0*	*-52.0*	*-60.0*	*-69.0*	*-79.0*	*-90.0*	*-102.0*	*-115.0*	*-138.0*	***-143.0***	***-796.0***

(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 glossary[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 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 A3: Hospital Funding and Waiting List Blitz – Distributional analysis for Component 3 – 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
New South Wales	*-304.0*	*-77.0*	-	-	-	-	-	-	-	-	-	***-381.0***	***-381.0***
Victoria	*-321.0*	*-82.0*	-	-	-	-	-	-	-	-	-	***-403.0***	***-403.0***
Queensland	*-137.0*	*-35.0*	-	-	-	-	-	-	-	-	-	***-172.0***	***-172.0***
Western Australia	*-115.0*	*-29.0*	-	-	-	-	-	-	-	-	-	***-144.0***	***-144.0***
South Australia	*-116.0*	*-28.0*	-	-	-	-	-	-	-	-	-	***-144.0***	***-144.0***
Tasmania	*-73.0*	*-18.0*	-	-	-	-	-	-	-	-	-	***-91.0***	***-91.0***
Australian Capital Territory	*-27.0*	*-7.0*	-	-	-	-	-	-	-	-	-	***-34.0***	***-34.0***
Northern Territory	*-17.0*	*-4.0*	-	-	-	-	-	-	-	-	-	***-21.0***	***-21.0***
Total	**-1,110.0**	**-280.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1,390.0**	**-1,390.0**

(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.

\- Indicates nil.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Making Telehealth Permanent	
Party:	Australian Greens
Summary of proposal: The proposal would fund the COVID-19 temporary Medicare Benefits Schedule (MBS) telehealth and phone consultation services on an ongoing basis. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to decrease the fiscal balance by around $518 million and the underlying cash balance by around $513 million over the 2022-23 Budget forward estimates period. This is predominantly driven by increases in administered expenses. The underlying cash balance impact differs from the fiscal balance due to claims processing lags, which would see a small proportion of claims processed in the year after the year in which the service is provided and the expense is recorded.

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

The COVID-19 temporary MBS telehealth and phone consultation services were first introduced in the *Mid-Year Economic and Fiscal Outlook 2021-22*. A lot of these items have since been made permanent by the Australian Government, significantly reducing the financial impact of this proposal.

The financial impact of this proposal is mainly driven by the increase in demand for MBS services arising from the improved convenience and accessibility of telehealth services. The estimated financial implications of this proposal are sensitive to the assumptions on the supply and demand of the relevant MBS telehealth services and any substitution effects on other MBS services.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-128.6	-125.6	-130.7	-132.7	**-517.6**
Underlying cash balance	-123.6	-125.6	-130.7	-132.7	**-512.6**

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

- The relevant MBS telehealth service volumes would grow in line with those for the corresponding MBS service groups projected by the Department of Health.

- The relevant aspects of the proposal would be consistent with the following assumptions underpinning the 2020-21 Budget measure COVID 19 Response Package — *guaranteeing Medicare and access to medicines — extension* and the *2021-22 Budget measure COVID 19 Response Package — guaranteeing Medicare and access to medicines — extension* (the Budget measures):
  - the total number of patients accessing MBS telehealth services in 2020-21 and 2021-22
  - the distribution of service volumes across the relevant MBS items
  - the MBS liability factor, which drives the wedge between the fiscal and underlying cash balances
  - the ratio of departmental to administered expenses
  - the proportion of administered expenses for the Department of Veteran's Affairs.

Methodology

The methodology for this costing is consistent with the Department of Health's costing approach for the Budget measures.

- The baseline telehealth services were provided by the Department of Health as at the *Budget 2022-23* and projected over the medium term as per *Key assumptions*.
- The impact on the proposal's service volume was estimated using the projected service volume of all COVID-19 temporary telehealth services minus the telehealth service volume projected in the baseline because of the Budget measures.
- Administered expenses were calculated by multiplying the estimated service volume for each relevant MBS item by its schedule fee, which grows by the wage cost index 5 over the medium term.

The Budget measures inform the departmental expenses and the Department of Veteran's Affairs costs.

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 Health provided information on the temporary COVID-19 MBS telehealth services and the associated costing models as at the *Budget 2020-21* and *Budget 2021-22*.

The Department of Health provided the MBS service volume over the forward estimates period and further details on current telehealth and telephone MBS items as at the *Budget 2022-23*.

The Department of Finance provided the economic parameters as at the *Budget 2022-23.*

Australian Bureau of Statistics, 2021. *Household Impacts of COVID-19 Survey*.

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

Attachment A – Making Telehealth Permanent – financial implications

Table A1: Making Telehealth Permanent – 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 expenses	*-127.0*	*-124.0*	*-129.0*	*-131.0*	*-137.0*	*-143.0*	*-149.0*	*-156.0*	*-163.0*	*-170.0*	*-177.0*	***-511.0***	***-1,606.0***
Departmental expenses	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.8*	*-1.8*	*-1.9*	*-2.0*	*-2.1*	*-2.2*	*-2.3*	***-6.6***	***-20.7***
Total (excluding PDI)	**-128.6**	**-125.6**	**-130.7**	**-132.7**	**-138.8**	**-144.8**	**-150.9**	**-158.0**	**-165.1**	**-172.2**	**-179.3**	**-517.6**	**-1,626.7**

(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.

Table A2: Making Telehealth Permanent – 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 expenses	*-122.0*	*-124.0*	*-129.0*	*-131.0*	*-137.0*	*-143.0*	*-149.0*	*-156.0*	*-162.0*	*-170.0*	*-177.0*	***-506.0***	***-1,600.0***
Departmental expenses	*-1.6*	*-1.6*	*-1.7*	*-1.7*	*-1.8*	*-1.8*	*-1.9*	*-2.0*	*-2.1*	*-2.2*	*-2.3*	***-6.6***	***-20.7***
Total (excluding PDI)	**-123.6**	**-125.6**	**-130.7**	**-132.7**	**-138.8**	**-144.8**	**-150.9**	**-158.0**	**-164.1**	**-172.2**	**-179.3**	**-512.6**	**-1,620.7**

(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.

Table A3: Making Telehealth Permanent – 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	*-1.4*	*-4.3*	*-7.3*	*-10.4*	*-13.9*	*-17.9*	*-22.5*	*-27.8*	*-33.7*	*-40.5*	*-49.1*	***-23.4***	***-228.8***
Underlying cash balance	*-1.2*	*-3.9*	*-6.9*	*-10.1*	*-13.5*	*-17.4*	*-22.0*	*-27.1*	*-33.0*	*-39.7*	*-48.0*	***-22.1***	***-222.8***

(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 glossary[2].

(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)

Parliamentary Budget Office

Safer Drug Use	
Party:	Australian Greens

Summary of proposal:

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

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

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

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

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

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

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

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

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

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

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

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

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

Costing overview

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

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

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

Table 1: Financial implications ($m)[(a)(b)]

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

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Uncertainties

Component 1

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

Component 2

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

Component 3

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

Component 4

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

Component 6

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

Component 7

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

Assumptions are based on recent research in Australia and analysis of countries where legalisation of recreational cannabis has recently occurred. The actual outcomes may differ significantly due to differences in policy specifications and market characteristics between Australia and overseas. The costing estimates could vary significantly with changes in the assumptions.

Key assumptions

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

Component 1

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

Component 2

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

Component 3

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

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

Component 4

- Music festival attendances would recover from COVID-19 impacts by 2022-23 returning to the level observed in 2018-19 and grow at a constant rate of 1.1% beyond that.
- The Australian Government would purchase 10 infrared spectroscopes for testing pills at festivals in 2022-23, the first year of the proposal.
- The costs of setting up drug testing sites at festivals would include furniture, staff travel, staff accommodation and drug disposal fees and would grow in line with the consumer price index.
  - These costs would be drawn from the Australian Capital Territory's pill testing pilot carried out at the 2017 "Groovin' the Moo" music festival with Harm Reduction Australia[1].
- The rate of drug testing at music festivals is assumed to be consistent with the pill testing pilot.

Component 5

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

Component 6

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

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

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

Component 7

Demand

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

Production

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

Sales

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

Other assumptions

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

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

Methodology

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

Component 1

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

Component 2

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

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

Component 3

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

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

Component 4

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

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

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

Component 5

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

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

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

Component 6

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

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

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

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

Component 7

GST

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

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

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

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

Cannabis excise

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

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

Company tax

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

Production and retailer licence fees

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

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

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

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

Departmental expenses

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

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

Data sources

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Attachment A - Safer Drug Use – financial implications

Table A1: Safer Drug Use – Fiscal balance ($m)[(a)]

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

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

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

\- Indicates nil.

Table A2: Safer Drug Use – Underlying cash balance ($m)[(a)]

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

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

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

- Indicates nil.

Table A3: Safer Drug Use – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	**Total to 2025-26**	**Total to 2032-33**
Fiscal balance	*-3.0*	*10.0*	*55.0*	*118.0*	*191.0*	*278.0*	*377.0*	*480.0*	*586.0*	*694.0*	*804.0*	***180.0***	***3,590.0***
Underlying cash balance	*-3.0*	*8.0*	*50.0*	*110.0*	*182.0*	*268.0*	*365.0*	*467.0*	*573.0*	*681.0*	*790.0*	***165.0***	***3,491.0***

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary[4].

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

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

Parliamentary
Budget Office

Tackling Future Pandemics	
Party:	Australian Greens

Summary of proposal:

The proposal contains three components.

- **Component 1** – Establish a national centre for disease control as a new independent statutory body permanently resourced to fulfil a national coordination, advisory, capacity building, and research function. The centre would be responsible for assessing risks relating to communicable diseases and providing briefings, public education, and policy advice on disease threats.
- **Component 2** – Provide $1 billion, including departmental costs, in order to build a publicly owned vaccine manufacturing facility. Additional funding required for ongoing operation of the facility would be split 50:50 with State and Territory governments. Vaccine doses produced in excess of domestic requirements would be sold or donated overseas with a 50:50 split.
- **Component 3** – Provide $250 million over two years in order to fund vaccine research.

All components are to commence on 1 July 2023.

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by around $1,203 million over the 2022-23 Budget forward estimates period, primarily due to an increase in administered expenses.

The proposal would have an 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.

Uncertainty and sensitivities

Component 1

The financial implications of Component 1 are sensitive to assumptions around the number of staff required to fulfil the centre's functions, as well as the establishment costs.

Component 2

The financial implications of Component 2 are very uncertain and highly sensitive to assumptions around the speed with which the facility could be constructed, the facility's ultimate manufacturing capacity, and the costs associated with vaccine manufacturing.

The Parliamentary Budget Office (PBO) has made no assessment of the labour market impacts of creating these facilities or the costs associated with employing staff sufficiently qualified to operate them. Additionally, there has been no assessment as to whether the relevant supply chains for vaccine manufacture in Australia could handle such an increase in capacity. The PBO has also made no assessment as to the capacity of State and Territory governments to jointly fund ongoing operational costs.

Component 3

The PBO has made no assessment of whether the funds allocated to this component are sufficient to achieve the policy goals of the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-401.8	-462.2	-338.5	**-1,202.5**
Underlying cash balance	-	-401.8	-462.2	-338.5	**-1,202.5**

(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.
- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1

- As specified, the centre for disease control would be established as a separate independent statutory body and so would be responsible for all of its own establishment and administration costs. The costing does not include any potential savings from the transfer of existing similar functions to the new body from other agencies.
- Capital costs would be incurred in 2023-24 to secure and fit out the required office space.
- The average staffing level (ASL) and total expenses for the centre would be similar to the ASLs of other health agencies with a similar remit on a national level.
  - It would take two years for the centre to reach its ASL cap of 400 staff.
- Staffing expenses would grow in line with the relevant wage cost index and account for the efficiency dividend.
- Non-staffing departmental expenses would grow in line with the consumer price index.

Component 2

- The number of vaccines produced annually is based on the budget specified and an analysis of the capital costs associated with production of the Pfizer and Moderna COVID-19 vaccines.
- New facilities will phase into full production at a rate proportional to the capital expenditure.
- The per-dose cost of the vaccines would be similar to those associated with the large-scale production of the mRNA COVID-19 vaccines from Pfizer and Moderna, and those associated with viral vector flu vaccines for which World Health Organisation data is available.
- Excess vaccine doses produced by the facilities surplus to domestic requirements would equal approximately 90 per cent of the facility’s output.
- All labour, raw materials, and logistical support required to build and operate vaccine manufacturing facilities of this scale in Australia would be available.

- As specified, 50% of the non-departmental ongoing operational costs would be funded by the States and Territories, rather than the Australian Government. The Australian Government would retain the revenue from the sale of any excess vaccine doses.

Methodology

Component 1

- Departmental expenses were estimated based on an analysis of statutory bodies with comparable functions.
- Non-staffing departmental expenses in 2023-24 were adjusted to account for additional start-up capital costs, before other departmental costs were grown by the specified indices over the medium-term period.

Component 2

- The cost to build the facilities is based on a $1 billion fixed cost fund as specified in the request, including departmental costs.
- The cost to operate the facility is based on the assumed levels of vaccine output multiplied by an average per-dose cost of vaccine based on international data for a variety of mRNA and viral vector vaccines.
- Vaccine output is based on the production of similar sized facilities, including an allowance to reflect increased difficulties that may be encountered in Australia due to a lack of experience with large scale vaccine production.
- The revenue from the sale of excess vaccines is calculated by assuming that 50% of excess vaccines are sold at cost price.
- The ratio of departmental to administered expenses is based on analysis of various existing infrastructure budget measures.

Component 3

- The ratio of departmental to administered expenses is based on analysis of previous budget measures of a similar size.

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

Aged Care Quality and Safety Commission (ACQSC) (2020) *Annual Report 2019-20*, ACQSC, accessed 1 May 2022.

Department of Health (2019) *Budget 2019-20 - Portfolio Budget Statements 2019-20*, Australian Government.

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

Department of Health (July 2021) *Vaccine Operations Centre - Weekly Operational Updates*, Department of Health, accessed 1 May 2022.

CSL Limited (May 2021) *Update on CSL COVID-19 Vaccine Manufacturing Numbers,* CSL Limited, accessed 1 May 2022.

Kis Z and Rizvi Z (May 2021) *How to Make Enough Vaccine for the World in One Year*, Public Citizen, accessed on 1 May 2022.

Martonosi S, Behzad B, and Cummings K (September 2021) *Pricing the COVID-19 vaccine: A mathematical approach*, Omega, accessed on 1 May 2022.

Plotkin S, Robinson JM, Cunningham G, Iqbal R, and Larsen S (July 2017) *The complexity and cost of vaccine manufacturing – An overview*, Vaccine, accessed on 1 May 2022.

Attachment A – Tackling Future Pandemics – financial implications

Table A1: Tackling Future Pandemics – 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**
Non – tax revenue													
Component 2 - Sale of excess vaccine doses at cost price	-	-	*320.0*	*410.0*	*560.0*	*860.0*	*1,770.0*	*1,810.0*	*1,860.0*	*1,900.0*	*1,950.0*	***730.0***	***11,440.0***
Total – revenue	**-**	**-**	**320.0**	**410.0**	**560.0**	**860.0**	**1,770.0**	**1,810.0**	**1,860.0**	**1,900.0**	**1,950.0**	**730.0**	**11,440.0**
Expenses													
Administered													
Component 2 - Construction of vaccine manufacturing facility	-	*-181.0*	*-182.0*	*-196.0*	*-198.0*	*-198.0*	-	-	-	-	-	***-559.0***	***-955.0***
Component 2 - Operation of vaccine manufacturing facility	-	-	*-330.0*	*-450.0*	*-620.0*	*-950.0*	*-1,940.0*	*-1,990.0*	*-2,040.0*	*-2,090.0*	*-2,150.0*	***-780.0***	***-12,560.0***
Component 3 - Funding for vaccine research	-	*-121.0*	*-123.0*	-	-	-	-	-	-	-	-	***-244.0***	***-244.0***
Total – administered	**-**	***-302.0***	***-635.0***	***-646.0***	***-818.0***	***-1,148.0***	***-1,940.0***	***-1,990.0***	***-2,040.0***	***-2,090.0***	***-2,150.0***	***-1,583.0***	***-13,759.0***
Departmental													
Component 1 - National Centre for Disease Control	-	*-76.6*	*-82.8*	*-84.0*	*-85.2*	*-86.5*	*-87.7*	*-89.1*	*-90.4*	*-91.8*	*-93.2*	***-243.4***	***-867.3***
Component 2 - Administer vaccine manufacturing facility	-	*-19.2*	*-62.4*	*-18.5*	*-14.5*	*-21.2*	*-39.2*	*-40.2*	*-41.2*	*-42.3*	*-43.3*	***-100.1***	***-342.0***
Component 3 - Administer vaccine research funding	-	*-4.0*	*-2.0*	-	-	-	-	-	-	-	-	***-6.0***	***-6.0***
Total – departmental	**-**	***-99.8***	***-147.2***	***-102.5***	***-99.7***	***-107.7***	***-126.9***	***-129.3***	***-131.6***	***-134.1***	***-136.5***	***-349.5***	***-1,215.3***
Total – expenses	**-**	**-401.8**	**-782.2**	**-748.5**	**-917.7**	**-1,255.7**	**-2,066.9**	**-2,119.3**	**-2,171.6**	**-2,224.1**	**-2,286.5**	**-1,932.5**	**-14,974.3**
Total (excluding PDI)	**-**	**-401.8**	**-462.2**	**-338.5**	**-357.7**	**-395.7**	**-296.9**	**-309.3**	**-311.6**	**-324.1**	**-336.5**	**-1,202.5**	**-3,534.3**

(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: Tackling Future Pandemics – 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	-	*-5.0*	*-14.0*	*-24.0*	*-33.0*	*-43.0*	*-54.0*	*-65.0*	*-77.0*	*-90.0*	*-105.0*	***-43.0***	***-510.0***
Underlying cash balance	-	*-4.0*	*-13.0*	*-23.0*	*-32.0*	*-42.0*	*-53.0*	*-63.0*	*-75.0*	*-88.0*	*-103.0*	***-40.0***	***-496.0***

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Women's Health	
Party:	Australian Greens

Summary of proposal:

The proposal consists of 4 components and would start from 1 July 2022.

Component 1 would conduct a one-off national survey of maternity health experiences in public hospitals, similar to the New South Wales (NSW) Maternity Care Survey.

Component 2 would cover the one-off fit out costs to establish 5 Birthing on Country hubs. These would be located in the greater Brisbane, Nowra, Alice Springs, Tennant Creek and East Arnhem land regions.

Component 3 would provide ongoing funding for 3 midwives, 2 family support workers, a driver and an administration officer at each of the 5 Birthing on Country hubs.

Component 4 would provide ongoing funding to provide free tampons and pads in all public high schools and primary schools, using a sustainable supplier. The per-student funding for the proposal would be consistent with reported experiences from a sustainable Australian supplier and indexed to the consumer price index.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $94.8 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 (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to assumptions for Components 2 and 3, which are primarily informed by estimates for the Birthing on Country Brisbane and Nowra sites, and Component 4 which is based on the costs of providing sanitary products on a national scale and the demand for sanitary products in public schools.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-32.6	-31.0	-15.3	-15.9	**-94.8**
Underlying cash balance	-32.6	-31.0	-15.3	-15.9	**-94.8**

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

- For Component 1, the one-off national survey would have similar per-respondent costs as the NSW Maternity Care Survey and would incur modest set-up costs.
- For Component 2, the average costs per hub, including fit-out, would be $10 million over 2 years which is based on the estimates for the Birthing on Country Brisbane and Nowra sites.
  - These capital costs would be incurred equally in the first 2 years of the proposal.
- For Component 3, the ongoing staffing costs would be based on the estimates for the Birthing on Country Brisbane and Nowra sites.
  - The costs would be incurred from 2024-25 after the 5 hubs become operational.
  - The estimated costs would grow in line with the average weekly ordinary time earnings.
- For Component 4, the ongoing costs would be based on estimated demand in public schools and lower cost of supplies associated with a large-scale national rollout.
  - The number of students eligible for this proposal would be consistent with projected female enrolments in public schools and age-based menstruation capability based on information from the United States' National Centre for Health Statistics.
  - Eligible school students would only access a fraction of their annual sanitary product requirements from school.
  - Initial required stock of product dispensers would be fully rolled out over the first 12 months, with ongoing costs for product refills and replacement of damaged dispensers.
  - The state and territory governments would be responsible for administering the program on an ongoing basis, with no additional departmental costs for the Australian Government.

Methodology

Each component was modelled separately. Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Component 1

The administered costs were obtained by keeping the per-respondent costs the same as the NSW survey and then upscaling the estimates by the ratio of national births relative to NSW births.

- These costs were obtained from the Bureau of Health Information's financial statements.
- The PBO also added some set-up costs.

Components 2 and 3

- The administered costs were obtained as per discussions in *Key assumptions* above.

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

Component 4

The administered costs were calculated by multiplying the estimated number of eligible students by the estimated per-student cost of period products and dispensers.

- The annual per-student cost of period products was based on real world supplier data, adjusted for the expected price reduction associated with supplying products on a national scale.
- The cost of dispensers was estimated based on a ratio of the number of students serviced per dispenser and the rate and cost of dispenser replacement due to damage, based on real world supplier data.
- Administrative costs associated with rollout and refilling of the products have been included through an additional margin on the per-student product cost. This margin is based on the cost of similar programs delivered within Australia and internationally.

Data sources

The economic parameters, including population by age and gender projections, were provided by the Department of Finance and the Treasury as at the *Budget 2022-23*.

The Department of Education, Skills and Employment provided data on the estimated number of enrolments for government schools in each state as at the *Budget 2022-23.*

Product and dispenser pricing information was sourced from Pixii, an Australian supplier of eco-friendly period products. Reported prices are as at June 2021.

Information on the probability of menstruation by age was taken from Martinez GM., *Trends and patterns in menarche in the United States, 1995 through 2013–2017, National Health Statistics Report no 146*. Hyattsville, MD: National Centre for Health Statistics, 2020, accessed 15 March 2022.

Congress of Aboriginal and Torres Strait Islander Nurses and Midwives, 2018, *Submission to the Senate Select Committee on Stillbirth Research and Education*, Parliament of Australia Submission no. 263, accessed 12 April 2022.

HealthStats NSW, 2021. *Babies in NSW*, accessed 8 April 2022.

The Bureau of Health Information, 2020. *Independent Auditor's Report*, accessed 8 April 2022.

Waminda, 2019. *Birthing on Country and Community Hub – Demonstration Site Feasibility Scoping Paper*, accessed 8 April 2022.

Attachment A – Women's Health – financial implications

Table A1: Women's Health – 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													
Component 1 – One-off national maternity health experiences survey in public hospitals	*-1.8*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-1.8***	***-1.8***
Component 2 – One-off capital costs to establish 5 Birthing on Country hubs	*-25.0*	*-25.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-50.0***	***-50.0***
Component 3 – Funding for staff at each of the 5 Birthing on Country hubs	*-*	*-*	*-9.0*	*-9.3*	*-9.6*	*-10.0*	*-10.3*	*-10.7*	*-11.2*	*-11.6*	*-12.1*	***-18.3***	***-93.8***
Component 4 – Funding for free period products in public schools	*-5.8*	*-6.0*	*-6.3*	*-6.6*	*-6.8*	*-7.1*	*-7.3*	*-7.6*	*-7.9*	*-8.1*	*-8.4*	***-24.7***	***-77.9***
Total – administered	***-32.6***	***-31.0***	***-15.3***	***-15.9***	***-16.4***	***-17.1***	***-17.6***	***-18.3***	***-19.1***	***-19.7***	***-20.5***	***-94.8***	***-223.5***
Departmental													
All components	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Total – departmental	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Total (excluding PDI)	**-32.6**	**-31.0**	**-15.3**	**-15.9**	**-16.4**	**-17.1**	**-17.6**	**-18.3**	**-19.1**	**-19.7**	**-20.5**	**-94.8**	**-223.5**

(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: Women's Health – 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	*-0.4*	*-1.1*	*-1.6*	*-2.0*	*-2.5*	*-3.0*	*-3.5*	*-4.2*	*-4.9*	*-5.7*	*-6.9*	***-5.1***	***-35.8***
Underlying cash balance	*-0.3*	*-1.0*	*-1.6*	*-2.0*	*-2.4*	*-2.9*	*-3.5*	*-4.1*	*-4.8*	*-5.6*	*-6.7*	***-4.9***	***-34.9***

(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 glossary[2].

(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)

Prioritising Prevention	
Party:	Australian Greens
Summary of proposal: The proposal would establish a National Preventative Health Commission that would provide preventative and public health oversight and advice to government. The Commission would offer grants for health promotion initiatives and campaigns. Funding for the Commission would be equal to the sum of funding for the Victorian Health Promotion Foundation (VicHealth) and the former Australian National Health Agency, and would be indexed over time by changes in the consumer price index. Departmental funding was specified to be in addition to the capped amount. The proposal would commence from 1 July 2022.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying balances by around $382 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of around $293.9 million and an increase in departmental expenses of around $88.1 million.

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

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-91.5	-94.2	-96.9	-99.4	**-382.0**
Underlying cash balance	-91.5	-94.2	-96.9	-99.4	**-382.0**

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

- It was assumed the departmental expenses for this costing would be proportional to the ratio of departmental funding to total funding for the Victorian Health Promotion Foundation.

Methodology

Administered funding was allocated as specified in the policy.

Departmental expenses were calculated based on the ratio of departmental funding to total funding. This was calculated using data sourced from the 2020-21 Victorian Health Promotion Foundation Annual Report.

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 Treasury provided medium-term economic and policy parameter projections as at the *Pre-election Economic and Fiscal Outlook 2022*.

A Biggs (2014) *Bills Digest No. 86, 2013-14, Australian National Preventative Health Agency (Abolition) Bill 2014*, Parliamentary Library, accessed 10 June 2022.

Victorian Health Promotion Foundation (2021) *2020-21 Victorian Health Promotion Foundation Annual Report*, Victorian Health Promotion Foundation, accessed 10 June 2022.

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

Attachment A – Prioritising Prevention– financial implications

Table A1: Prioritising Prevention – 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													
National Preventative Health Commission	*-70.4*	*-72.5*	*-74.5*	*-76.5*	*-78.3*	*-80.2*	*-82.1*	*-84.2*	*-86.3*	*-88.5*	*-90.7*	***-293.9***	***-884.2***
Departmental													
Departmental costs	*-21.1*	*-21.7*	*-22.4*	*-22.9*	*-23.5*	*-24.1*	*-24.6*	*-25.3*	*-25.9*	*-26.5*	*-27.2*	***-88.1***	***-265.2***
Total – expenses	**-91.5**	**-94.2**	**-96.9**	**-99.4**	**-101.8**	**-104.3**	**-106.7**	**-109.5**	**-112.2**	**-115.0**	**-117.9**	**-382.0**	**-1,149.4**
Total (excluding PDI)	**-91.5**	**-94.2**	**-96.9**	**-99.4**	**-101.8**	**-104.3**	**-106.7**	**-109.5**	**-112.2**	**-115.0**	**-117.9**	**-382.0**	**-1,149.4**

(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.

Table A2: Prioritising Prevention – 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	*-1.0*	*-3.2*	*-5.4*	*-7.8*	*-10.3*	*-13.2*	*-16.5*	*-20.2*	*-24.4*	*-29.0*	*-34.8*	***-17.4***	***-165.8***
Underlying cash balance	*-0.9*	*-2.9*	*-5.1*	*-7.5*	*-10.0*	*-12.9*	*-16.1*	*-19.8*	*-23.9*	*-28.5*	*-34.1*	***-16.4***	***-161.7***

(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 glossary[2].

(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)

Ending Violence Against Women	
Party:	Australian Greens

Summary of proposal:

The proposal consists of 6 components to support initiatives to address violence against women and children.

- Component 1: National Plan for Elimination of Violence Against Women - increase funding for all existing programs under the National Plan to Reduce Violence against Women and their Children by providing $12 billion over 12 years.
- Component 2: Provide $477 million to support the national rollout of Our Watch's Respectful Relationships education program. This funding to be distributed as $88 million in 2022-23, $158 million in 2023-24 and $231 million in 2024-25.
- Component 3: Survivor grants - increase the Escaping Violence Payment grant to up to $10,000.
  - The costs for administering the higher payments would be included as part of existing funding for the Escaping Violence Payments Grants program.
- Component 4: Trial of a Domestic Violence Disclosure Scheme - provide funding to support a national trial of a Domestic Violence Disclosure Scheme through police services in each jurisdiction for 12 months. This funding would be equal to 30% of the estimated establishment and annual operating costs.
- Component 5: Illawarra Trauma Recovery Centre - provide funding to establish the Illawarra Women's Trauma Recovery Centre and cover operating expenses for the first five years, with the following allocation.
  - Year 1: Provide $1.5 million towards capital expenses, $5.1 million towards operating expenses and $300,000 towards rent.
  - Years 2 to 5: Provide $5.1 million towards operating expenses and $300,000 towards rent.
- Component 6: Adopt all recommendations in the Independent Review into Commonwealth Parliamentary Workplaces Set the Standard report, to ensure all staff working in parliamentary workplaces are safe and respected.

All components of the proposal have a start date of 1 January 2023.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $4,348 million over the 2022-23 Budget forward estimates period. The financial implications of this proposal represent an increase entirely in administered expenses.

The proposal would have an ongoing impact beyond the 2022-23 Budget forwards estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The cost of the Domestic Violence Disclosure Scheme under Component 4 is based on the estimated cost per recipient of a similar scheme run in South Australia. There is uncertainty around the representativeness of the costs of a state-run scheme for a national scheme. For instance, the cost per recipient and incidences of domestic violence may be quite different in rural and remote areas than in urban areas.

- The policy specification is for funding of 30% of the total cost of the Domestic Violence Disclosure Scheme. The Parliamentary Budget Office (PBO) has not assessed how the scheme would operate at 30% of the funding, for instance whether it would only meet a smaller proportion of total demand, or whether additional funding would be provided by state and territory governments.

The PBO has also not undertaken any analysis to assess whether the proposed expenditure for any component would be sufficient to achieve the objectives of the policy proposal.

Table 1:– Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-625.7	-1,230.5	-1,361.4	-1,130.4	**-4,348.0**
Underlying cash balance	-625.7	-1,230.5	-1,361.4	-1,130.4	**-4,348.0**

(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.
- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 3

- The number of women expected to access the Escaping Violence Payment follows the same assumption as the 2021-22 Budget measure *Women's Safety*.
  - It is estimated 12,000 women will access financial support to leave a violent relationship each year.

Component 4

- The average cost per applicant of the national Domestic Violence Disclosure Scheme would be the same as a similar state-run scheme currently implemented in South Australia.
- The proportion of the Australian population that would apply for the national Domestic Violence Disclosure Scheme would be the same as the proportion of the South Australian population that applied for a similar state-run scheme.
- The Domestic Violence Disclosure Scheme would operate through existing police resources and would not require the establishment of a new government department.

Component 6

- The 2022-23 Budget Measure *Response to the Independent Review into Commonwealth Parliamentary Workplaces – Additional Resourcing*, along with past budget measures, will be sufficient to adopt all recommendations of the Set the Standard report.

Methodology

Components 1, 2 & 5

Capped funding has been distributed as specified in the proposal.

Component 3

For Component 3, the number of women expected to access the grant payment per year was multiplied by the value of the increased grant under this proposal. The increased grant payment is not expected to require additional departmental resources.

Component 4

For Component 4, the total cost of the national Domestic Violence Disclosure Scheme is estimated as the average cost per applicant in 2022-21 multiplied by the number of applicants, based on the data in a press release by South Australian Premier Steven Marshall and the assumptions listed above.

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 Treasury and the Department of Finance provided economic parameters as at the *Pre-election economic and fiscal outlook 2022*.

The cost of the Domestic Violence Reporting Scheme and the number of applicants was taken from a press release by Premier Steven Marshall, available at: : https://www.premier.sa.gov.au/news/media-releases/news/$600,000-boost-to-extend-dv-disclosure-scheme-and-life-saving-app.

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Victorian Government, 2020. *Victorian Budget 2020/21: Putting People First. Service Delivery: Budget Paper No. 3.* Available at: https://s3-ap-southeast-

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

2.amazonaws.com/budgetfiles202021.budget.vic.gov.au/2020-21+State+Budget+-+Service+Delivery.pdf.

Victorian Government, 2021. *Department program: Respectful Relationships.* Available at: https://www.education.vic.gov.au/about/programs/Pages/respectfulrelationships.aspx.

Attachment A – Ending violence against women– financial implications

Table A1: Ending violence against women– 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													
Component 1 - National Plan for Reduction of Violence against Women and Children	*-500.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	*-1,000.0*	***-3,500.0***	***-10,500.0***
Component 2 - Respectful Relationships Education Program	*-88.0*	*-158.0*	*-231.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-477.0***	***-477.0***
Component 3 - Escaping Violence Payments	*-33.0*	*-65.0*	*-125.0*	*-125.0*	*-128.0*	*-131.0*	*-134.0*	*-138.0*	*-141.0*	*-145.0*	*-148.0*	***-348.0***	***-1,313.0***
Component 4 - National trial of a Domestic Violence Disclosure Scheme	*-1.3*	*-1.3*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2.6***	***-2.6***
Component 5 - Illawara Women's Trauma Recovery Centre	*-3.4*	*-6.2*	*-5.4*	*-5.4*	*-5.4*	*-2.7*	*-*	*-*	*-*	*-*	*-*	***-20.4***	***-28.5***
Component 6 - Recommendations of the Independent Review into Commonwealth Parliamentary Workplaces	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-***	***-***
Total – expenses	**-625.7**	**-1,230.5**	**-1,361.4**	**-1,130.4**	**-1,133.4**	**-1,133.7**	**-1,134.0**	**-1,138.0**	**-1,141.0**	**-1,145.0**	**-1,148.0**	**-4,348.0**	**-12,321.1**
Total (excluding PDI)	**-625.7**	**-1,230.5**	**-1,361.4**	**-1,130.4**	**-1,133.4**	**-1,133.7**	**-1,134.0**	**-1,138.0**	**-1,141.0**	**-1,145.0**	**-1,148.0**	**-4,348.0**	**-12,321.1**

(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: Ending violence against women – 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	*-7.0*	*-28.0*	*-58.0*	*-88.0*	*-117.0*	*-149.0*	*-184.0*	*-224.0*	*-267.0*	*-314.0*	*-371.0*	***-181.0***	***-1,807.0***
Underlying cash balance	*-6.0*	*-26.0*	*-55.0*	*-84.0*	*-113.0*	*-145.0*	*-180.0*	*-219.0*	*-262.0*	*-309.0*	*-364.0*	***-171.0***	***-1,763.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

Abolish punitive social security programs	
Party:	Australian Greens
Summary of proposal: The proposal would abolish the following compulsory income support measures from 1 July 2022: • Youth Jobs Prepare-Trial-Hire (PaTH) program • Work for the Dole • Community Development Program • Cashless Debit Card • All compulsory Income Management measures – Income support recipients would still be able to voluntarily access the income management program. • ParentsNext program. A disaggregation of the financial implications of each measure being abolished was also requested.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $2,368 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 (including separate public debt interest tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to labour force projections, indexation growth factors, and growth in the number of eligible income support recipients over the period to 2032-33. They are also sensitive to flow-on impacts to other social security payments. Additionally, it is uncertain how current transitions from existing to new programs will impact the cost and administration of existing measures, including:

- the transition from the *jobactive* program to the New Employment Services Model in July 2022
- the transition from the Community Development Program to a new remote jobs program in 2023.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	604.4	596.2	583.7	584.1	**2,368.4**
Underlying cash balance	604.4	596.2	583.7	584.1	**2,368.4**

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

- Abolishing the Work for the Dole and Youth Jobs PaTH programs would not have ongoing departmental funding implications for the Department of Education, Skills and Employment (DESE), as its contract management workload across the New Employment Services Model is expected to remain largely unchanged.
- The proportion of people voluntarily accessing Income Management would remain at historical trends.
- There would be no flow-on impacts to other social security payments as a result of this proposal.
- Costs for the Cashless Debit Card and ParentsNext programs would grow over the medium term according to the relevant indexation factors.
- The proportion of people voluntarily accessing the ParentsNext program would be similar to that of the Income Management program.

Methodology

As the budget baseline financial implications of the Cashless Debit Card and Income Management programs are not-for-publication, the PBO has formed its own estimate of the savings expected from the program based on publicly available information, supported by historical information from the Department of Social Services and Services Australia. These figures are PBO estimates and may not match the amounts reflected in the budget baseline.

- Given the extensive interaction between the Cashless Debit Card and Income Management programs, the financial implications for these programs have been combined.

Financial implications relating to the abolition of the Youth Jobs PaTH program and Work for the Dole were calculated using modelling provided by DESE.

Financial implications of the ParentsNext were estimated based on figures provided by DESE.

Financial implications of the Community Development Program were estimated based on figures provided by the National Indigenous Australians Agency.

Termination costs for each program, including decommissioning costs and the delayed payment of entitlements to existing participants, were calculated using modelling provided by DESE as at the 2019-20 Budget, scaled to match the relevant elements of each program's expenditure estimated at the 2022 Pre-election Economic and Fiscal Outlook.

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

The Department of Education, Skills and Employment provided modelling for the New Employment Services Model as at the *Pre-election Economic and Fiscal Outlook 2022*, and abolition estimates for the Youth Jobs PaTH and Work for the Dole programs as at the 2019-20 Budget.

The Department of Education, Skills and Employment provided funding data for the Youth Jobs PaTH, Work for the Dole and ParentsNext programs as at the *Pre-election Economic and Fiscal Outlook 2022*.

The National Indigenous Australians Agency provided modelling for the Community Development Program, as at the 2022-23 Budget.

Department of Social Services (2022) *Australian Government Income Management Program*, DSS, Australian Government, accessed 3 May 2022.

Department of Social Services (2022) *Australian Government Cashless Debit Card Program*, DSS, Australian Government, accessed 3 May 2022.

Senate Community Affairs Legislation Committee (2021) *2021-22 Supplementary Budget Estimates, Social Services Portfolio*, Parliament of Australia, accessed 4 May 2022.

Department of Social Services (2021) *Documents relating to the Cashless Debit Card*, DSS, Australian Government, accessed 5 May 2022.

Australian Associated Press (2021) *Cashless welfare card cost is way off the money*, accessed 5 May 2022.

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

Attachment A – Abolish punitive social security programs – financial implications

Table A1: Abolish punitive social security programs – 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													
Youth Jobs PaTH	*41.0*	*73.8*	*70.4*	*70.4*	*71.1*	*71.2*	*73.1*	*73.1*	*73.1*	*73.1*	*73.1*	***255.6***	***763.4***
Work for the Dole	*31.1*	*42.3*	*39.3*	*40.1*	*39.7*	*39.9*	*42.6*	*42.6*	*42.6*	*45.5*	*45.5*	***152.8***	***451.2***
Community Development Program	*382.0*	*309.0*	*309.0*	*309.0*	*309.0*	*309.0*	*309.0*	*309.0*	*309.0*	*309.0*	*309.0*	***1,309.0***	***3,472.0***
Income Management and Cashless Debit Card	*39.7*	*38.6*	*39.4*	*40.4*	*41.4*	*42.4*	*43.4*	*44.5*	*45.6*	*46.8*	*47.9*	***158.1***	***470.1***
ParentsNext	*91.0*	*102.0*	*100.0*	*98.0*	*101.0*	*103.0*	*106.0*	*108.0*	*111.0*	*114.0*	*117.0*	***391.0***	***1,151.0***
Total – administered	***584.8***	***565.7***	***558.1***	***557.9***	***562.2***	***565.5***	***574.1***	***577.2***	***581.3***	***588.4***	***592.5***	***2,266.5***	***6,307.7***
Departmental													
Youth Jobs PaTH	*-4.2*	-	-	-	-	-	-	-	-	-	-	***-4.2***	***-4.2***
Work for the Dole	*-7.3*	-	-	-	-	-	-	-	-	-	-	***-7.3***	***-7.3***
Community Development Program	*-7.7*	-	-	-	-	-	-	-	-	-	-	***-7.7***	***-7.7***
Income Management and Cashless Debit Card	*46.1*	*30.5*	*25.6*	*26.2*	*26.4*	*26.5*	*26.7*	*26.9*	*27.1*	*27.3*	*27.5*	***128.4***	***316.8***
ParentsNext	*-7.3*	-	-	-	-	-	-	-	-	-	-	***-7.3***	***-7.3***
Total – departmental	***19.6***	***30.5***	***25.6***	***26.2***	***26.4***	***26.5***	***26.7***	***26.9***	***27.1***	***27.3***	***27.5***	***101.9***	***290.3***
Total (excluding PDI)	**604.4**	**596.2**	**583.7**	**584.1**	**588.6**	**592.0**	**600.8**	**604.1**	**608.4**	**615.7**	**620.0**	**2,368.4**	**6,598.0**

(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.

\- Indicates nil.

Table A2: Abolish punitive social security programs – 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	*7.0*	*21.0*	*34.0*	*48.0*	*64.0*	*80.0*	*99.0*	*120.0*	*143.0*	*168.0*	*200.0*	***110.0***	***984.0***
Underlying cash balance	*6.0*	*19.0*	*33.0*	*47.0*	*62.0*	*78.0*	*97.0*	*117.0*	*140.0*	*165.0*	*197.0*	***105.0***	***961.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

No One in Poverty	
Party:	Australian Greens

Summary of proposal:

The proposal would increase the single maximum base payment rate to $88 per day for payments specified below:

- JobSeeker Payment
- Parenting Payment
- Age Pension
- Carer's Payment
- Disability Support Pension
- Farmhouse Allowance
- ABSTUDY
- AUSTUDY
- Youth Allowance
- Crisis Payments.

In addition, the following changes would apply.

- The partner rate would be 75% of the new single rate (each member of a couple would have a maximum base rate of 75% of the single rate) unless this is lower than the earlier partner rate (in which case those recipients are grandfathered).
- Supplementary payments (primarily the Energy Supplement and the pension supplement) would be incorporated into the base income support payment rates.
- There would be no change to existing Commonwealth Rent Assistance arrangements.
- Income support payments would be indexed twice per year to the higher of average weekly earnings (AWE) and consumer price index (CPI).
- The payment rates of all payments would be benchmarked every six months (at the same time as indexation) against the Melbourne Institute's Poverty Lines (single person, in workforce, including housing costs - $612.65 per week for the September 2021 Quarter).
- The partner income test taper rate would reduce from 60 cents to 27 cents per dollar of income.
- The income free area for all payments would be set to $300 per fortnight. For each dollar of income above $300 per fortnight, payment will be reduced by 60 cents.

- An additional disability and illness supplement would apply to people with a disability or illness that prevents them from undertaking full-time paid work. This should include everyone with a partial capacity to work on JobSeeker or other payments. The value of the supplement would not be assessable income for determining income support entitlements and would be indexed twice per year to the higher of AWE and CPI. The initial rate of the supplement is to be set at a rate of $50 per week for singles and $155 per week for couples.
- Families, including single parents would still be eligible for FTB payments and supplements as under the current system.

The following requirements would be removed:

- mutual obligations
- the liquid assets waiting period
- the one week waiting period
- the third-party verification claim
- the parental income and asset test for those not living at home (those living at home would still be subject to it).

The newly arrived residents' waiting period would be reduced to a maximum of six months.

The age of eligibility of JobSeeker would be lowered to 18.

The number of Centrelink staff would be increased by 5,000 permanent ongoing staff.

Under the proposal no income support recipient would be worse off (grandfathering provisions would be enacted if required).

The proposal has a start date of 1 July 2023.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $134,500 million over the 2022-23 Budget forward estimates period. This impact reflects increases in administered and departmental expenses, partly offset by increased personal income tax revenue.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate Public Debt Interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The estimates in this costing are largely based on de-identified Services Australia administrative transfer payment data. However, the results of this analysis are sensitive to a range of factors such as the number of newly eligible recipients resulting from increased payment rates and the behavioural response of workers and students in response to the proposal.

- A person could be working full time at the minimum wage and still be eligible to receive the JobSeeker Payment. For these people, their effective marginal tax rates could be close to 100% depending on their income levels. This could act as an incentive to reduce their work hours or discourage additional work hours.
- Reducing work hours may also be attractive to students receiving Youth Allowance.

- In addition, the estimated financial implications are sensitive to uncertainties associated with the indexation rates, population growth and median household income growth rates used to project the payment data over this period.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-15.0	-42,713.8	-44,543.0	-47,244.0	**-134,515.8**
Underlying cash balance	-15.0	-42,713.8	-44,543.0	-47,244.0	**-134,515.8**

(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 this proposal.

- There would be an additional number of people entering the social security system because the income cut-off points of the various payments would be extended.
  - Extending the income cut-off point may result in a person who, under the baseline setting, is not eligible to receive a payment becoming eligible to receive a small amount of payment (including as little as one dollar in theory).
  - The PBO uses information on payment recipients on income close to the cut-off point under the baseline payment arrangements to help inform the number and distribution of the additional number of payment recipients under the increased payment scenario.
  - An analysis of personal income tax data of individuals with taxable incomes between the old and new income cut-off points has also been undertaken to help inform the calculation of the likely increase in eligible payment recipients under the proposal.
- In extending the income eligibility threshold, it is likely that some potential recipients near the income cut-off point may choose to either reduce their work hours or not undertake additional working hours that they otherwise would have. The extent of this effect is highly uncertain and therefore has not been included in the estimated financial implications of this proposal.
- The changes would not affect take up of the age pension versus other benefits.
- The numbers of recipients who have a payment withheld due to failing a mutual obligation check, not meeting the liquid assets or as a result of adhering to waiting periods would be consistent over the medium term.
- The Poverty Lines would grow in line with CPI over the medium term as suggested by the Melbourne Institute.
- The Illness and Disability supplement would be an additional payment to eligible recipients (rather than being incorporated into the base rate of payment).
- The specified increase in Centrelink staff would be sufficient to meet the additional departmental expenses required. In addition, there would be offsetting savings from fewer staff required to undertake compliance and eligibility checks.
- Funding for implementation costs would be required in 2022-23.

Methodology

A combination of the Policy Evaluation Model (PoEM) and bespoke models were used to calculate revenue and administered expense estimates under the proposal.

PoEM is a micro-simulation model of administered transfer payments developed by the Department of Social Services and provided to the PBO for use in costing policy proposals. The PBO used PoEM as at the 2022-23 Budget and extended PoEM over the medium term to 2032-33.

Bespoke models, based on publicly available data and data provided by the Department of Social Services (DSS) and the Department of Education, Skills and Employment (DESE) were used to estimate the financial impact of:

- the Farmhouse Allowance, ABSTUDY and Crisis Payments
- people from outside of the social security system that would enter into the system as a result of the proposed increases in the income support payment rates
- the removal of mutual obligation requirements, liquid asset waiting period, one week waiting period and the third-party verification requirement
- reducing the newly arrived residents waiting period to a maximum of 6 months
- the behavioural response of students and secondary earners in dual-income households
- the permanent increase of 5,000 Centrelink staff
- the reduction in staff in the DESE and Services Australia reflective of the reduced need to carry out compliance and eligibility checks.

The fortnightly minimum income floor levels for singles on 1 July 2023 (the proposal start date) were calculated using the latest available data and uprating by projected growth in average wages. The specified indexation mechanism was then applied to determine the maximum payment rates (indexed twice per year to the higher of AWE or CPI).

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 DSS provided:

- expenditure and population forecasts for income support recipients as at *Budget 2022-23*
- data on individuals who are ineligible for income support payments due to not meeting various eligibility criteria.

DESE provided data on the number of recipients who received a financial penalty for failing to meet a mutual obligation requirement in 2018-19 and 2019-20.

The Australian Taxation Office provided personal income tax files for the 2018-19 financial year.

Organisation for Economic Co-operation and Development (OECD), *Income Distribution Database: by Country*, OECD, 2020, accessed 10 May 2022.

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

Australian Bureau of Statistics, *2017-18 Household Income and Wealth, Australia,* Australian Government, 2019, accessed 10 May 2022.

Australian Bureau of Statistics, *Personal Income in Australia*, Australian Government*, accessed 10 May 2022.*

The Department of Finance provided indexation parameters as at *Budget 2022-23*.

J Daley et al, *The Recovery Book: What Australian governments should do now*, Grattan Institute, 2020, accessed 10 May 2022.

J Borland, *New finding: boosting JobSeeker wouldn't keep Australians away from paid work*, The Conversation, 2020, accessed 10 May 2022.

Services Australia provided annual unit payment administration costs as at *Budget 2022-23*.

Department of Social Services, *DSS Demographics December 2021*, Australian Government, 2021, accessed 10 May 2022.

Melbourne Institute, *Poverty Lines: Australia, September Quarter 2021*, Melbourne Institute, 2021, accessed 9 May 2022.

Attachment A – No One in Poverty – financial implications

Table A1: No One in Poverty – 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													
Personal tax income	-	3,400.0	4,200.0	5,200.0	6,400.0	7,800.0	9,300.0	11,000.0	12,800.0	14,600.0	16,200.0	**12,800.0**	**90,900.0**
Total – revenue	**-**	**3,400.0**	**4,200.0**	**5,200.0**	**6,400.0**	**7,800.0**	**9,300.0**	**11,000.0**	**12,800.0**	**14,600.0**	**16,200.0**	**12,800.0**	**90,900.0**
Expenses													
Administered													
JobSeeker Payment	-	-10,100.0	-10,300.0	-11,100.0	-11,700.0	-12,300.0	-12,900.0	-13,700.0	-14,500.0	-15,300.0	-16,200.0	**-31,500.0**	**-128,100.0**
Parenting Payment	-	-2,840.0	-3,020.0	-3,230.0	-3,470.0	-3,710.0	-3,980.0	-4,290.0	-4,640.0	-4,950.0	-5,220.0	**-9,090.0**	**-39,350.0**
Age pension	-	-16,300.0	-17,700.0	-19,400.0	-21,100.0	-22,700.0	-23,900.0	-25,100.0	-26,500.0	-28,000.0	-29,600.0	**-53,400.0**	**-230,300.0**
Carer's Payment	-	-2,030.0	-2,220.0	-2,430.0	-2,700.0	-2,970.0	-3,170.0	-3,380.0	-3,630.0	-3,890.0	-4,150.0	**-6,680.0**	**-30,570.0**
Disability Support Pension	-	-5,480.0	-5,860.0	-6,310.0	-6,770.0	-7,230.0	-7,540.0	-7,880.0	-8,320.0	-8,790.0	-9,280.0	**-17,650.0**	**-73,460.0**
Farmhouse Allowance	-	-3.2	-3.3	-3.5	-3.6	-3.8	-4.0	-4.2	-4.4	-4.6	-4.8	**-10.0**	**-39.4**
Family Tax Benefit	-	143.0	152.0	165.0	177.0	190.0	204.0	218.0	234.0	253.0	272.0	**460.0**	**2,008.0**
ABSTUDY	-	-25.8	-26.9	-28.2	-29.6	-31.0	-32.4	-33.9	-35.6	-37.4	-39.3	**-80.9**	**-320.1**
AUSTUDY	-	-612.0	-612.0	-615.0	-644.0	-673.0	-705.0	-741.0	-780.0	-822.0	-890.0	**-1,839.0**	**-7,094.0**
Youth Allowance	-	-5,700.0	-5,870.0	-6,090.0	-6,370.0	-6,640.0	-6,930.0	-7,250.0	-7,610.0	-7,980.0	-8,470.0	**-17,660.0**	**-68,910.0**
Crisis Payments	-	-22.2	-23.2	-24.7	-26.2	-27.7	-29.4	-31.3	-33.5	-35.7	-38.0	**-70.1**	**-291.9**
Disability and illness supplement	-	-2,250.0	-2,350.0	-2,450.0	-2,540.0	-2,640.0	-2,770.0	-2,920.0	-3,100.0	-3,330.0	-3,620.0	**-7,050.0**	**-27,970.0**
Removal or lessening of compliance obligations	-	-369.0	-382.0	-397.0	-411.0	-426.0	-441.0	-458.0	-477.0	-496.0	-516.0	**-1,148.0**	**-4,373.0**
Total – administered	**-**	**-45,589.2**	**-48,215.4**	**-51,913.4**	**-55,587.4**	**-59,161.5**	**-62,197.8**	**-65,570.4**	**-69,396.5**	**-73,382.7**	**-77,756.1**	**-145,718.0**	**-608,770.4**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
Service Australia	*-15.0*	*-526.0*	*-529.0*	*-532.0*	*-535.0*	*-538.0*	*-541.0*	*-544.0*	*-547.0*	*-550.0*	*-553.0*	***-1,602.0***	***-5,410.0***
Department of Education, Skills and Employment	-	*1.4*	*1.4*	*1.4*	*1.4*	*1.4*	*1.5*	*1.5*	*1.5*	*1.5*	*1.5*	***4.2***	***14.5***
Total – departmental	***-15.0***	***-524.6***	***-527.6***	***-530.6***	***-533.6***	***-536.6***	***-539.5***	***-542.5***	***-545.5***	***-548.5***	***-551.5***	***-1,597.8***	***-5,395.5***
Total – expenses	**-15.0**	**-46,113.8**	**-48,743.0**	**-52,444.0**	**-56,121.0**	**-59,698.1**	**-62,737.3**	**-66,112.9**	**-69,942.0**	**-73,931.2**	**-78,307.6**	**-147,315.8**	**-614,165.9**
Total (excluding PDI)	**-15.0**	**-42,713.8**	**-44,543.0**	**-47,244.0**	**-49,721.0**	**-51,898.1**	**-53,437.3**	**-55,112.9**	**-57,142.0**	**-59,331.2**	**-62,107.6**	**-134,515.8**	**-523,265.9**

(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. 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: No One in Poverty – 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	..	*-500.0*	*-1,500.0*	*-2,600.0*	*-3,800.0*	*-5,200.0*	*-6,800.0*	*-8,600.0*	*-10,600.0*	*-12,900.0*	*-15,600.0*	***-4,600.0***	***-68,100.0***
Underlying cash balance	..	*-400.0*	*-1,400.0*	*-2,400.0*	*-3,600.0*	*-5,000.0*	*-6,600.0*	*-8,400.0*	*-10,400.0*	*-12,700.0*	*-15,300.0*	***-4,200.0***	***-66,200.0***

(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 glossary[2].

(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.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Lower the Pension Age	
Party:	Australian Greens

Summary of proposal:

This proposal would reduce the Age Pension age eligibility to 65 as per the progression below.

	Current	Proposal
2023-24	67 years	66 years
2024-25	67 years	65 years and six months
2025-26	67 years	65 years and six months
2026-27 and onwards	67 years	65 years

The proposal would have effect from 1 July 2023, and would apply the higher Age Pension rates as per ECR558 – *No One in Poverty* to newly eligible Age Pensioners who do not receive an increase in income support under that policy.

Adding the financial impact of this costing (ECR559) to ECR558 provides the combined cost of lowering the Age Pension age of eligibility and all of the changes to the income support payments under ECR558.

Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by around $9,100 million over the 2022-23 Budget forward estimates period. This impact reflects a net increase in administered expenses and departmental expenses that would be slightly offset by an increase of personal income tax revenue.

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

The estimates in this costing are based on de-identified Services Australia administrative transfer payment data. The estimated financial implications of this proposal are sensitive to indexation and population growth rates used to project the payment data through to 2032-33. The estimates are also sensitive to the assumption that transfer payment recipients would not change their behaviour in response to the proposal.

As specified in the request, this costing provides the incremental cost of lowering the Age Pension age in conjunction with the changes outlined in ECR558. It should not be read alone.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-2,305.0	-3,305.3	-3,485.7	**-9,096.0**
Underlying cash balance	-	-2,305.0	-3,305.3	-3,485.7	**-9,096.0**

(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.
- Indicates nil.

Key assumptions

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

- The take up rate of the Age Pension for the newly eligible population would be comparable to Age Pension take-up rates for those aged around the existing earliest age of eligibility.
- The impact on recipients administered by the Department of Veteran Affairs is deemed immaterial and therefore is not included in this costing.
- No affected recipients would change their earned income in response to the proposal.
  - The extent of this effect is highly uncertain and therefore has not been included in the estimated financial implications of this proposal.

Methodology

Administered expense and revenue estimates under the proposal were estimated using the Policy Evaluation Model (PoEM) as at the Budget 2022-23.

- PoEM is a microsimulation model of administered transfer payments developed by the Department of Social Services and provided to the PBO for use in costing policy proposals.
- The PBO extended PoEM over the medium-term period using updated parameters.

The number of affected people from 2025-26 was estimated based on population projections from the Treasury.

The ongoing departmental impact was calculated by multiplying the number of estimated additional recipients by the estimated annual cost of administering payments to each new recipient. Departmental implementation costs were not included in this costing given this costing interacts with ECR558.

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

The Department of Social Services provided expenditure and population forecasts for income support recipients as at the *Budget 2022-23*.

The Department of Social Services provided the Policy Evaluation Model (PoEM) as at the *Budget 2022-23*.

Services Australia provided the annual unit payment administration costs as at the *Budget 2022-23*.

Department of Social Services, DSS Demographics December 2021, 2021, accessed 10 April 2022.

Attachment A – Lower the Pension Age – financial implications

Table A1: Lower the Pension Age – 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													
Personal income tax	-	*126.0*	*180.0*	*190.0*	*253.0*	*266.0*	*277.0*	*286.0*	*290.0*	*295.0*	*306.0*	***496.0***	***2,469.0***
Total – revenue	**-**	**126.0**	**180.0**	**190.0**	**253.0**	**266.0**	**277.0**	**286.0**	**290.0**	**295.0**	**306.0**	**496.0**	**2,469.0**
Expenses													
Administered	-	*-2,420.0*	*-3,470.0*	*-3,660.0*	*-4,860.0*	*-5,110.0*	*-5,320.0*	*-5,500.0*	*-5,570.0*	*-5,670.0*	*-5,880.0*	***-9,550.0***	***-47,460.0***
Departmental	-	*-11.0*	*-15.3*	*-15.7*	*-20.3*	*-20.8*	*-21.1*	*-21.2*	*-20.9*	*-20.6*	*-20.7*	***-42.0***	***-187.6***
Total – expenses	**-**	**-2,431.0**	**-3,485.3**	**-3,675.7**	**-4,880.3**	**-5,130.8**	**-5,341.1**	**-5,521.2**	**-5,590.9**	**-5,690.6**	**-5,900.7**	**-9,592.0**	**-47,647.6**
Total (excluding PDI)	**-**	**-2,305.0**	**-3,305.3**	**-3,485.7**	**-4,627.3**	**-4,864.8**	**-5,064.1**	**-5,235.2**	**-5,300.9**	**-5,395.6**	**-5,594.7**	**-9,096.0**	**-45,178.6**

(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: Lower the Pension Age – 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	-	*-30.0*	*-90.0*	*-170.0*	*-270.0*	*-400.0*	*-550.0*	*-720.0*	*-910.0*	*-1,120.0*	*-1,350.0*	***-290.0***	***-5,610.0***
Underlying cash balance	-	*-20.0*	*-80.0*	*-160.0*	*-260.0*	*-380.0*	*-530.0*	*-700.0*	*-880.0*	*-1,090.0*	*-1,320.0*	***-260.0***	***-5,420.0***

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Accessible Australia	
Party:	Australian Greens

Summary of proposal:

This proposal has 5 components which would take effect from 1 July 2022.

Component 1: Ensure the National Disability Insurance Scheme (NDIS) works for disabled people.

a. Invest $300 million over 4 years to enhance the compliance and investigative capacity of the NDIS Quality and Safeguards Commission.
b. Redirect the $160 million committed to corporations to run independent assessments to the National Disability Insurance Agency (NDIA).
c. Remove the current age requirements so that people over the age of 65 can make access requests for the NDIS and become participants of the NDIS.

Component 2: Accessible transport, infrastructure, and communications.

a. Invest $1 billion over 4 years to boost accessible public transport across Australia.
b. Provide $3 billion over 4 years to establish a new Accessible Infrastructure Fund, including a $30 million Accessible Nature Fund, available to state and local governments to retrofit existing public places and infrastructure to accessibility standards, and increase access to nature and tourism activities for people with disabilities.
c. Invest $30 million over 4 years, followed by ongoing funding to increase the availability of Australian Sign Language (AUSLAN) interpreters, improve relay and translation services and expand the regulatory requirement for audio description and captioning services to commercial television channels.
d. Provide $1.49 million over 2 years, followed by ongoing annual funding of $2 million indexed by the consumer price index (CPI) to establish a National Disability Telecommunications Service. This would be a national resource for communications products and services information, training, and support.
e. Invest $5 million over 4 years to re-establish a safe, dedicated online platform for the promotion of discussion, debate, and cultural development within the disability community, similar to the ABC's defunded Ramp Up.

Component 3: Increase Commonwealth funding for disability advocacy bodies by $30 million over 4 years, which includes $2m to fund the Queensland Disability Network to operate the Targeted Outreach project, followed by ongoing funding.

Component 4: Provide funding for inclusive education training and upskilling for principals, teachers and university lecturers.

a. Invest an initial commitment of $10 million over 4 years to co-design a National Inclusive Education Transition Plan with disabled people, families, disability representative organisations, teachers and their representative unions, and education experts.
b. Incorporate a one-semester unit covering inclusive education in all tertiary teacher training. Building inclusive education into tertiary qualifications.

c. Provide $400 million over 4 years, followed by ongoing funding to all pre-service and in-service teachers and principals to train, retrain and regularly upskill in inclusive education practices.

Component 5: Invest $15 million over 4 years, followed by ongoing funding to ensure emergency responders and disaster relief services receive disability awareness training.

Departmental expenses would be met outside the capped funding amounts.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $9.19 billion over the 2022-23 Budget forward estimates period. This impact reflects a net increase in administered expenses of around $9.03 billion and an increase in departmental expenses of $160 million.

The proposal would have 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	-2,238.2	-2,148.2	-2,319.5	-2,479.6	**-9,185.5**
Underlying cash balance	-2,238.2	-2,148.2	-2,319.5	-2,479.6	**-9,185.5**

(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.
- Indicates nil.

Sensitivity and uncertainty

The financial implications for Component 1c are extremely sensitive to:

- the estimated number of NDIS participants over the medium term
- the take-up rate of NDIS assessments as a result of the proposal
- the prevalence of disability for those aged 65 years and older
- the broader flow-on effects from the proposed bulk-billed NDIS assessments
- the number of applicants using existing MBS health assessment services who would switch to this new assessment service in response to the proposal.

The Parliamentary Budget Office (PBO) considered the broader effects of the proposal, including the flow-on impacts to the NDIS and the public health system. These effects are highly uncertain and have not been included in this costing.

In relation to the components of this proposal where funding was proposed as specified capped amounts, the PBO has not assessed whether this amount would be sufficient to deliver the specified outcome.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

Component 1b

- Only the funding in 2022-23 for the NDIS Independent Assessment program would be returned to the NDIA.
  - The Australian Government provided 3 years of funding from 2020-21 to 2022-23 for the NDIS Independent Assessment program, but terminated the program in 2021-22.

Component 1c

- The proportion of people over the age of 65 that would access the NDIS would be the same as for those aged 55 to 64 on 31 December 2021, and would grow in line with the total uptake of the NDIS in proportion to the population.
- The average cost per new NDIS participant would be broadly similar to those aged 55-64 years.
- All new participants over the age of 65 would be diverted from aged care packages, at the highest care level.
  - 80% of new recipients would be from residential care while the remaining 20% would be from home care (level 4), consistent with the current distribution of individuals between residential and home care.

Component 4b

- There would be nil financial impact, as students will substitute one of their existing courses to study the inclusive education training as part of their university studies.
- The cost to set up the new course will be met within existing university arrangements.
- The training would be able to be completed without back-filling teaching positions.

Methodology

Components 1a, 1b, 2, 3, 4a, 4c and 5

- The financial impacts are the specified capped amounts over the forward estimates period.
- Ongoing funding for Components 2c, 3, 4c and 5 would be indexed to CPI from 2026-27.

Component 1c

- Administered costs were estimated by multiplying the projected additional recipients aged 65 and over by the average annualised payment amount, less savings from aged care.
- Projected additional recipients aged over 65 were calculated by multiplying the proportion of people over the age of 65 accessing the NDIS (as outlined above on page 4) by the projected population.
- The average annualised payment amount was calculated based on actual payments as at 31 December 2021, grown by a combination of wages (75%) and the consumer price index (25%), and a small amount of additional growth reflecting a growing utilisation of the scheme among the participants as they become increasingly skilled to navigate the scheme.
- Savings from aged care were based on the average cost per recipient multiplied by the number of recipients moving to the NDIS.

- The PBO's NDIS participant baseline projection was updated to reflect the 2022-23 Budget forward estimates figures provided by the Department of Social Services. Projections over the medium term are based on growth factors derived from the Scheme Actuary's *Annual Financial Sustainability Report July 2021* published by the NDIA.

Departmental expenses were estimated based on previous Budget measures, unless otherwise 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 and the Treasury provided economic parameters and population projections as at the Pre-election Economic and Fiscal Outlook 2022.

The Department of Health provided aged care recipient and expenditure data projections as at the Pre-election Economic and Fiscal Outlook 2022.

Parliamentary Budget Office (PBO), *Beyond the budget 2021-22: Fiscal outlook and scenarios*, PBO, accessed 9 May 2022.

National Disability Insurance Agency (NDIA), *Average payments data 31 December 2021*, NDIA, Australian Government, accessed 9 May 2022.

NDIA, *NDIS Quarterly Report to disability ministers*, NDIA, Australian Government, accessed 9 May 2022.

Australian Bureau of Statistics (ABS) *Disability, Ageing and Carers, Australia*, ABS, Australian Government, 2019, accessed 9 May 2022.

Australian Institute of Health and Welfare (AIHW), *Autism in Australia*, AIHW, Australian Government, 2017, accessed 9 May 2022.

L Gordon, L Holden, R Ware, M Taylor and N Lennox, *Comprehensive health assessments for adults with intellectual disability living in the community*, Australian Family Physician, 41(12):969-972, December 2012, accessed 9 May 2022.

NDIA, *National Disability Insurance Scheme:* Annual *Financial Sustainability Report Summary – Interim update*. NDIA, Australian Government, July 2021, accessed 9 May 2022.

The Help Centre, *Price list of assessment*, The Help Centre website, 2021, accessed 9 May 2022.

Department of Education, Skills and Employment (DESE), *Selected Higher Education Statistics: 2017, 2018 and 2019 Student data*, DESE, Australian Government, accessed 9 May 2022.

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

Attachment A – Accessible Australia – financial implications

Table A1: Accessible Australia – 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													
Component 1a	*-75.0*	*-75.0*	*-75.0*	*-75.0*	-	-	-	-	-	-	-	***-300.0***	***-300.0***
Component 1b	*160.0*	-	-	-	-	-	-	-	-	-	-	***160.0***	***160.0***
Component 1c	*-1,040.0*	*-950.0*	*-1,120.0*	*-1,280.0*	*-1,430.0*	*-1,570.0*	*-1,720.0*	*-1,880.0*	*-2,010.0*	*-2,170.0*	*-2,320.0*	***-4,390.0***	***-17,490.0***
Component 2a	*-250.0*	*-250.0*	*-250.0*	*-250.0*	-	-	-	-	-	-	-	***-1,000.0***	***-1,000.0***
Component 2b	*-750.0*	*-750.0*	*-750.0*	*-750.0*	-	-	-	-	-	-	-	***-3,000.0***	***-3,000.0***
Component 2c	*-7.5*	*-7.5*	*-7.5*	*-7.5*	*-7.7*	*-7.9*	*-8.1*	*-8.3*	*-8.5*	*-8.7*	*-8.9*	***-30.0***	***-88.1***
Component 2d	*-0.7*	*-0.7*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.2*	*-2.3*	*-2.3*	*-2.4*	*-2.4*	***-5.5***	***-21.4***
Component 2e	*-1.25*	*-1.25*	*-1.25*	*-1.25*	-	-	-	-	-	-	-	***-5.0***	***-5.0***
Component 3	*-7.5*	*-7.5*	*-7.5*	*-7.5*	*-7.7*	*-7.9*	*-8.1*	*-8.3*	*-8.5*	*-8.7*	*-8.9*	***-30.0***	***-88.1***
Component 4a	*-2.5*	*-2.5*	*-2.5*	*-2.5*	-	-	-	-	-	-	-	***-10.0***	***-10.0***
Component 4b	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 4c	*-100.0*	*-100.0*	*-100.0*	*-100.0*	*-102.0*	*-105.0*	*-107.0*	*-110.0*	*-113.0*	*-116.0*	*-119.0*	***-400.0***	***-1,172.0***
Component 5	*-3.75*	*-3.75*	*-3.75*	*-3.75*	*-3.8*	*-3.9*	*-4.0*	*-4.1*	*-4.2*	*-4.3*	*-4.5*	***-15.0***	***-44.0***
Total – administered	***-2,078.2***	***-2,148.2***	***-2,319.5***	***-2,479.6***	***-1,553.3***	***-1,696.9***	***-1,849.4***	***-2,013.0***	***-2,146.5***	***-2,310.1***	***-2,463.7***	**-9,025.5**	**-23,058.6**
Departmental													
NDIA	*-160.0*	-	-	-	-	-	-	-	-	-	-	***-160.0***	***-160.0***
Total – departmental	***-160.0***	-	-	-	-	-	-	-	-	-	-	***-160.0***	***-160.0***
Total – expenses	**-2,238.2**	**-2,148.2**	**-2,319.5**	**-2,479.6**	**-1,553.3**	**-1,696.9**	**-1,849.4**	**-2,013.0**	**-2,146.5**	**-2,310.1**	**-2,463.7**	**-9,185.5**	**-23,218.6**
Total (excluding PDI)	**-2,238.2**	**-2,148.2**	**-2,319.5**	**-2,479.6**	**-1,553.3**	**-1,696.9**	**-1,849.4**	**-2,013.0**	**-2,146.5**	**-2,310.1**	**-2,463.7**	**-9,185.5**	**-23,218.6**

(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: Accessible Australia – 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	*-25.0*	*-76.0*	*-128.0*	*-185.0*	*-237.0*	*-285.0*	*-342.0*	*-410.0*	*-489.0*	*-581.0*	*-701.0*	***-414.0***	***-3,459.0***
Underlying cash balance	*-22.0*	*-70.0*	*-122.0*	*-179.0*	*-231.0*	*-280.0*	*-336.0*	*-402.0*	*-480.0*	*-570.0*	*-687.0*	***-393.0***	***-3,379.0***

(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 glossary[2].

(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)

Parliamentary
Budget Office

Justice for All	
Party:	Australian Greens

Summary of proposal:

This proposal consists of 2 components.

Component 1 would provide additional Australian Government funding for legal assistance providers: Aboriginal and Torres Strait Islander Legal Services, Legal Aid Commissions, community legal centres, and women's legal services.

The current contribution of Australian Government funding would be doubled and an additional $310 million per year would also be provided, indexed to the consumer price index. The proposal would start on 1 July 2022 and end on 30 June 2025 when the *National Legal Assistance Partnership 2020-25* agreement ends.

Component 2 would establish an ongoing Environment and Heritage Legal Defence Fund from 1 July 2022. Funding would be double the 2021-22 Budget funding of the *Expensive Commonwealth Criminal Cases Fund* (ECCCF) and be indexed to the relevant wage cost index (WCI).

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by $2,570 million over the 2022-23 Budget forward estimates period.

This proposal would not have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including a separate public debt interest (PDI) table) 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	-833.7	-850.9	-867.6	-18.0	**-2,570.2**
Underlying cash balance	-833.7	-850.9	-867.6	-18.0	**-2,570.2**

(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.

Key assumptions

The Parliamentary Budget Office (PBO) has assumed that Component 2 would require an additional 0.25 full time equivalent Australian Public Service (APS) 6 and Executive Level (EL) 1 staff to administer the Environment and Heritage Legal Defence Fund.

Methodology

Each component was modelled separately. Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.[1]

Component 1

The financial implications were estimated by doubling the Australian Government contribution for 2022-23, 2023-24 and 2024-25 under the *National Legal Assistance Partnership 2020-25* agreement and adding an additional $310 million. The additional $310 million per year, commencing in 2022-23, is indexed over the remainder of the 2022-23 Budget forward estimates period in line with the CPI.

Component 2

The administered expenses over the 2021-22 forward estimates were calculated as being equal to double the 2021-22 Budget estimates for the ECCCF. For the 2025-26 year, the 2022-23 Budget estimate for the ECCCF was used. These estimates were indexed to the relevant WCI over the period to 2032-33, consistent with the current arrangements for the ECCCF. Departmental expenses were estimated using the departmental cost calculator provided by the Department of Finance and the assumption outlined above.

Data sources

The economic parameters were provided by the Department of Finance and the Treasury as at the *Budget 2022-23*.

Australian Government (2022) *Federal Financial Relations Budget Paper No. 3 2022-23*, Australian Government.

Attorney-General's Department (2022) *National Legal Assistance Partnership 2020-25*, Australian Government, accessed 3 June 2022.

Attorney-General's Department (2021) *Attorney-General's Portfolio Budget Statement 2021-22,* Australian Government.

Attorney-General's Department (2022) *Attorney-General's Portfolio Budget Statement 2022-23*, Australian Government.

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

Attachment A – Justice for All – financial implications

Table A1: Justice for All – 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													
Component 1 - Supporting Legal Assistance Providers	*-817.0*	*-834.0*	*-850.0*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	***-2,501.0***	***-2,501.0***
Component 2 - Environment & Heritage Legal Defence Fund	*-16.6*	*-16.8*	*-17.5*	*-17.9*	*-18.2*	*-18.5*	*-18.7*	*-19.0*	*-19.3*	*-19.6*	*-19.9*	***-68.8***	***-202.0***
Departmental													
Component 2 - Environment & Heritage Legal Defence Fund	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.4***	***-1.1***
Total – departmental	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.4***	***-1.1***
Total (excluding PDI)	**-833.7**	**-850.9**	**-867.6**	**-18.0**	**-18.3**	**-18.6**	**-18.8**	**-19.1**	**-19.4**	**-19.7**	**-20.0**	**-2,570.2**	**-2,704.1**

(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: Justice for All – 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	*-9.4*	*-28.8*	*-48.9*	*-60.0*	*-61.9*	*-64.1*	*-66.4*	*-69.0*	*-71.8*	*-75.0*	*-84.1*	***-147.1***	***-639.4***
Underlying cash balance	*-8.3*	*-26.4*	*-46.5*	*-58.7*	*-61.7*	*-63.8*	*-66.1*	*-68.7*	*-71.5*	*-74.6*	*-83.0*	***-139.9***	***-629.3***

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

LGBTIQA+ Equality	
Party:	Australian Greens

Summary of proposal:

The proposal has 22 components and would take effect from 1 July 2022. Funding for ongoing capped expenses would be indexed by the Consumer Price Index (CPI), while departmental expenses would be indexed in line with broader departmental approaches.

Component 1: Schools

- Element A would remove provisions that enable discrimination in schools on religious grounds.
- Element B would fund training (via state and territory governments) to enable every current and new teacher to receive training on Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning, Asexual (LGBTIQA+) inclusion, and refreshers every five years.
- Element C would create and implement guidelines and an inclusive curriculum for schools.
- Element D would remove the School Chaplains Program and invest $61.4 million in secular, unbiased and inclusive support for students through counsellors and anti-bullying initiatives such as the Safe Schools Program.

Component 2: Health

- Element A would establish a national LGBTIQA+ health and wellbeing action plan to ensure access to holistic and comprehensive health services, including ensuring accessibility for rural and remote patients, and national standards and training for health professionals to ensure they can provide world class care to LGBTIQA+ patients, particularly patients who are intersex or transgender.
- Element B would provide funding of $2.5 million per year for an agreement with states and territories to improve training for medical professionals, including through national standards.
- Element C would provide immediate federal funding of $5 million per year for the LGBTIQA+ Health Alliance.
- Element D would provide $70 million grants funding over 4 years from 1 July 2022 for LGBTIQA+ community-controlled health organisations.
- Element E would provide $200 million capped funding over 4 years from 1 July 2022 to implement the remaining priorities in the LGBTIQA+ Health Alliance 2021 policy priorities, including crisis intervention for mental health and suicide prevention, support for health and wellbeing for LGBTIQA+ elders, and increased participation for people with disability.
- Element F would work to reduce restrictions on blood donations, including through providing $1 million per year for 4 years to the Therapeutic Goods Administration and Lifeblood Australia to work on processes to remove discriminatory barriers to blood donations, and additional funding to Lifeblood to administer new systems if required.
- Element G would provide $5 million capped one-off funding in 2022-23 for research into the viability and desirability of moving to individual risk assessment of donors.

Component 3: the Australian Federation of Aids Organisations (AFAO) Agenda 2025 proposal, including (https://www.afao.org.au/our-work/agenda-2025/)

- Element A would create a Medicare Benefits Schedule (MBS) item for rapid human immunodeficiency virus (HIV) testing so doctors can give initial results while awaiting lab confirmation.
- Element B would create an MBS item so doctors can provide patients with an HIV self-test they can use at home between clinical visits.
- Element C would establish minimum service levels and a national partnership agreement with states and territories for community-led education and services, surveillance and public sexual health care.
- Element D would provide $53 million capped funding per year, to address remaining components of the agenda.

Component 4: Standard of living action plan

Component 4 would provide $20 million capped funding over 4 years from 1 July 2022 to research and develop an action plan on standard of living issues (employment, education, housing and income levels) that impact LGBTIQA+ people as a result of stigmatisation and discrimination. This component is ongoing and the funding would continue over the medium term.

Component 5: LGBTIQA+ Human Rights Commissioner

Component 5 would appoint an LGBTIQA+ Human Rights Commissioner.

Component 6: Government commitment to equality

- Element A would appoint a Minister for Equality, with a department and a whole-of-government LGBTIQA+ ministerial advisory group.
- Element B would provide $2.5 million capped funding per year for departments and agencies to develop reference or advisory groups on specific portfolio issues that impact LGBTIQA+ communities.
- Element C would provide a $17.5 million grants funding per year for community groups, including consultation with advisory group about priorities and a transparent allocation process.
- Element D would protect rights in law.
- Element E would remove discrimination exemptions for religious organisations.
- Element F would ensure that all services (including health and social services) that receive government funding must be required to agree to anti-discriminatory practice.

Component 7: Improve data collection

Component 7 would provide $2.5 million capped funding per year to improve data collection, including through the use of the new Australian Bureau of Statistics 2020 Standard on Sex, Gender, Variations in Sex Characteristics and Sexual Orientation Variables.

Component 8: Public education campaign

Component 8 would provide $10 million capped funding over 4 years from 1 July 2022 for a public education campaign about the importance of inclusion for trans and gender diverse people.

Component 9: Community leadership development

Component 9 would provide $1 million capped funding per year for community leadership development including capability and training for trans and gender diverse community groups.

Component 10: BI+

- Element A would establish strong BI+ representation in the LGBTIQA+ Ministerial advisory group.
- Element B would invest $0.75 million capped funding per year for bisexual-specific mental health programs and services.
- Element C would provide $1 million capped funding over 4 years from 1 July 2022 for a public awareness campaign to reduce biphobia in the community.
- Element D would improve access to family and intimate partner violence services for BI+ people.
- Element E would fund research into the BI+ community.

Component 11: Foreign affairs and defence

- Element A would provide $2.5 million capped funding per year for inclusion training and communications in the Australian Defence Force and other uniformed services.
- Element B would establish an aid program from within existing resources to support LGBTIQA+ communities internationally.
- Element C would ensure that Australia adopts an approach of advocating for LGBTIQA+ human rights in bilateral and multilateral fora, including advocating for law reform in our region and in the Commonwealth of Nations. This would be met from within existing departmental resources.

Component 12: Refugees and asylum seekers

- Element A would establish an internal target for LGBTIQA+ refugees for people who have fled persecution from their home countries based on sexuality, gender identity or intersex status. This is expected to be met from within existing departmental resources.
- Element B would allocate $1 million capped funding per year to ensure adequate and appropriate training for departmental staff so they are equipped to appropriately assess applications from LGBTIQA+ people seeking asylum.
- Element C would invest $10 million capped funding per year into local organisations and sponsors groups working on LGBTIQA+ refugee resettlement within the private sponsorship of refugees program.

Component 13: Redress scheme

Component 13 would provide $100 million in capped funding over 4 years from 1 July 2022 for the public service to examine and begin implementation of a redress scheme for people who have undergone forced or coercive medical practices.

Component 14: Intersex research

Component 14 would provide $3 million capped funding per year, indexed to CPI for additional research to better understand and support the needs of intersex individuals.

Component 15: Health, welfare and allied professionals

Component 15 would provide $4 million capped funding per year, indexed to CPI for health, welfare and allied professionals.

Component 16: Training and empowering community leaders

Component 16 would provide $1 million capped funding per year for training to empower community leaders through capacity building and training.

Component 17: **Fund faith-based organisations**

Component 17 would provide $1 million a year, indexed to CPI, to fund faith-based organisations and survivor groups to conduct self-advocacy and fund expanded scope of existing LGBTIQA+ organisations to deliver self-advocacy outcomes for conversion practices.

Component 18: **Inquiry into the ex-gay/ex-trans/conversion movement**

Component 18 would establish a national, government-led inquiry into the extent of the movement, prevalence, practices and impacts on survivors of the ex-gay/ex-trans/conversion movement on the experience of LGBTIQA+ Australians. The inquiry would also examine:

- options for the inclusion of compulsory content and clauses that systematically refute the ideology and practices associated with the conversion movement, with associated audit controls, in all tertiary courses that contain a counselling component
- options for licensing and standards for counsellors through a government regulator(s) to protect LGBTIQA+ Australians from conversion practices
- options for how to better regulate and prevent the promotion, broadcast and advertising of conversion practices and ideology
- an investigation of the proliferation of conversion ideology in schools.

Component 19: **Funding to work with survivors**

Component 19 would provide $4 million per year, indexed to CPI, for practitioners who have not had the necessary training or experience to work with survivors, using evidence-based training materials.

Component 20: **Public health and awareness campaigns**

Component 20 would provide $500,000 per year over 3 years from 1 July 2022, to conduct public health and awareness campaigns to target those at risk of the movement's influence, and refute its ideology, key messages, assertions and false and misleading claims.

Component 21: **Research into specific faith and culturally diverse communities**

Component 21 would provide $1 million per year, indexed to CPI, to conduct applied research into specific faith and culturally diverse communities to develop culturally appropriate interventions and communications strategies that raise awareness about the harm caused by conversion practices, and support the development of best practice spiritual care for LGBTIQA+ people.

Component 22: **Redress scheme for survivors**

Component 22 would provide $50 million per year over 2 years from 1 July 2022, for the public service to consult and implement a redress scheme for survivors of sexual orientation and gender identity change efforts.

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around $1,199 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of around $1,008 million and an increase in departmental expenses of around $190 million.

The financial implications of the proposal are sensitive to a number of factors:

- Component 1B is sensitive to the estimated number of teachers in the public school system, as well as the cost of providing LGBTIQA+ inclusion training.
- Component 2A is sensitive to the composition of the team within the Department of Health to develop the action plan.
- Component 3C is sensitive to costs relating to the negotiations between states and territories and the Australian Government.
- Component 6A is sensitive to the actual structure, composition and operational arrangements of the advisory group and supporting size.
- Component 10D is sensitive to estimates of the number of BI+ people in Australia.

The Parliamentary Budget Office has not undertaken any analysis to assess whether the proposed expenditure would be sufficient to achieve the objectives of the policy proposals.

For components relating to the removal of discrimination provisions, the PBO has not assessed whether the Australian Government can achieve the desired objective.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-382.4	-303.7	-255.0	-257.4	**-1,198.6**
Underlying cash balance	-382.4	-303.7	-255.0	-257.4	**-1,198.6**

(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 this proposal.

Component 1A

- Removing provisions that enable discrimination in schools on religious grounds would be met from within existing resources.

Component 1B

- The course would run for 4 weeks at a cost of $355.3 per teacher, indexed to the Consumer Price Index (CPI).
  - This cost has been based on the costs of a similar inclusive education course at the Queensland University of Technology.
- The training would be rolled out to all government schools, and all teachers in those schools would be in scope for training.

- The growth in the number of government school teachers over the medium term would be similar to the average annual growth over the past 10 years.

Components 1C, 6F and 10E

- For each of these components, only one year of funding would be required, consisting of 2 x Australian Parliamentary Service level 5 (APS5) and 1 x Australian Parliamentary Service level 6 (APS6) staff for 2022-23.

Component 1D

- As this component represents a transfer of funding between programs, there would be zero cost to implement.

Component 2A

- A new unit in the Department of Health would be established to develop and draft the action plan.
- The action plan would be developed within 12 months.
- Once the action plan is established there would be no ongoing costs.
- The cost of meeting and consulting with stakeholders would be $200,000.
- The cost of publishing the action plan would be $100,000.

Component 3A

- The administered cost of the new MBS item would be ongoing.
- The indexation of the schedule fee of the new MBS item would be consistent with current MBS indexation arrangements.

Component 3B

- The administered cost of the new MBS item would be ongoing.
- The indexation of the schedule fee of the new MBS item would be consistent with current MBS indexation arrangements.
- The costs of a self-test would be the same of the rapid test specified in Component 3a.

Component 3C

- All required legislation and agreements giving effect to this component would be passed before the implementation of the policy.

Component 6E

- Removing discrimination exemptions for religious organisations would be met from within existing resources.

Component 6F

- Only one year of funding would be required, consisting of 2 x Australian Parliamentary Service level 5 (APS5) and 1 x Australian Parliamentary Service level 6 (APS6) staff for 2022-23 to establish the policy.

Component 10D

- Costs would be absorbed into Component 6A when the Ministerial Advisory Group is created.

Component 12A

- Establishing the internal target would be met from within existing resources.

Component 14

- The Productivity Commission would conduct an inquiry related to this component.
  - The cost would be in line with similar inquiries.
  - The inquiry would take one year to complete.

Components 6B, 6C, 7, 10B, 11A, 16

Consistent with PBO general election guidance, in the absence of a public statement to the contrary the PBO has assumed that these policies are ongoing[1].

Methodology

Components 1A, 1D, 6E, 10A, 11B, 11C and 12A are not expected to have a financial impact as they either represent a transfer of existing funding or would be met from within existing departmental expenses.

Component 1B

- Expenses were calculated by multiplying the costs of a similar inclusive education course at the Queensland University of Technology, indexed to CPI, by the projected number of government school teachers. The number of government school teachers was estimated by multiplying the current level of teachers as reported by the Australian Curriculum Assessment and Reporting Authority and multiplying each year by the average annual 10-year historical growth rate.

Components 1C, 6F and 10E

- The financial implications for these components were estimated using a departmental cost calculator provided by the Department of Finance. This calculator includes the direct costs (such as salaries and superannuation), as well as indirect costs incurred by the department to accommodate additional staff (such as ICT and HR services).

Component 2A

- The departmental cost was based on the 2018-19 costs of Working Group meetings in the Prime Minister's Indigenous Advisory Council, indexed in line with the CPI.

Component 3A

- The cost was estimated based on publicly released estimates from the costs of a rapid HIV test on the MBS in 2015. This involves taking their estimated cost of a rapid HIV test and multiplying it by their estimated number of tests per year and indexing costs to the wage cost index.

Component 3B

- Costs of self-tests were modelled as having the same cost as the rapid tests in Component 3A.

Component 3C

- Administered costs were based on the costs of a similar preventative health program, the 2021-22 Budget measure *Expansion of the BreastScreen Australia program*. Departmental costs were

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[1] PBO general election guidance 2 of 4, 2021 The election commitments report: overview.

estimated based on the expense ratio for preventative health programs in the Department of Health Portfolio Budget Statement.

Component 5

- The departmental cost was based on the costs of the Federal Law Enforcement Commissioner, indexed to WCI 3.

Component 6A

- The departmental cost of the ministerial advisory group was estimated based on the costs of the Prime Minister's Indigenous Advisory Council, indexed to CPI. The cost of the Minister for Equality appointment was estimated by taking the published base salary of a Minister of Parliament and growing it by its historical growth rate. Departmental expenses were adjusted by the net effect of wage cost index and the efficiency dividend.

Component 6D

- The administered costs were based on the costs of a similar program, the 2021-22 Budget measure *A Roadmap for Respect@Work response implementation*.

Component 10D

- The departmental and administered costs for Component 10D are based on the costs of the Fourth Action Plan to reduce violence against women and their children, scaled to 3.2%, based on the estimates of the number of homosexual or bisexual people in Australia published by the Australian Institute of Health and Welfare and indexed in line with CPI.

Components 14 and 18

- In line with arrangements for the Productivity Commission and public service spending, all funds are classified as departmental for these Components.

Capped components (2B, 2C, 2D, 2E, 2F, 2G, 3D, 4, 6B, 6C, 7, 8, 9, 10B, 10C, 11A, 12B, 12C, 13, 15, 16, 17)

Associated departmental expenses for specified administered expenses were estimated based on the cost of similar programs.

All components

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

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

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Attachment A – LGBTIQA+ Equality – financial implications

Table A1: LGBTIQA+ Equality – 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													
Component 1b	*-71.5*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-76.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-81.7*	***-74.6***	***-237.8***
Component 2b	*-2.5*	*-2.6*	*-2.6*	*-2.7*	*-2.8*	*-2.8*	*-2.9*	*-3.0*	*-3.1*	*-3.1*	*-3.2*	***-10.4***	***-31.3***
Component 2c	*-5.0*	*-5.1*	*-5.3*	*-5.4*	*-5.6*	*-5.7*	*-5.8*	*-6.0*	*-6.1*	*-6.3*	*-6.4*	***-20.8***	***-62.7***
Component 2d	*-17.5*	*-17.5*	*-17.5*	*-17.5*	-	-	-	-	-	-	-	***-70.0***	***-70.0***
Component 2e	*-50.0*	*-50.0*	*-50.0*	*-50.0*	-	-	-	-	-	-	-	***-200.0***	***-200.0***
Component 2f	*-1.0*	*-1.0*	*-1.0*	*-1.0*	-	-	-	-	-	-	-	***-4.0***	***-4.0***
Component 2g	*-5.0*	-	-	-	-	-	-	-	-	-	-	***-5.0***	***-5.0***
Component 3a	*-3.3*	*-3.3*	*-3.4*	*-3.4*	*-3.5*	*-3.6*	*-3.6*	*-3.7*	*-3.7*	*-3.8*	*-3.9*	***-13.4***	***-39.2***
Component 3b	*-3.3*	*-3.3*	*-3.4*	*-3.4*	*-3.5*	*-3.6*	*-3.6*	*-3.7*	*-3.7*	*-3.8*	*-3.9*	***-13.4***	***-39.2***
Component 3c	*-15.8*	*-16.0*	*-16.2*	*-16.4*	*-16.6*	*-16.8*	*-17.0*	*-17.2*	*-17.4*	*-17.6*	*-17.8*	***-64.4***	***-184.8***
Component 3d	*-53.0*	*-54.6*	*-56.1*	*-57.6*	*-59.0*	*-60.4*	*-61.8*	*-63.4*	*-65.0*	*-66.6*	*-68.3*	***-221.3***	***-665.8***
Component 4	*-5.0*	*-5.0*	*-5.0*	*-5.0*	-	-	-	-	-	-	-	***-20.0***	***-20.0***
Component 6a	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	***-3.6***	***-10.8***
Component 6b	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	***-10.0***	***-27.5***
Component 6c	*-17.5*	*-17.5*	*-17.5*	*-17.5*	*-17.5*	*-17.5*	*-17.5*	*-17.5*	*-17.5*	*-17.5*	*-17.5*	***-70.0***	***-192.5***
Component 6d	*-5.9*	*-6.1*	*-6.3*	*-6.5*	*-6.6*	*-6.8*	*-6.9*	*-7.1*	*-7.3*	*-7.5*	*-7.6*	***-24.8***	***-74.6***
Component 8	*-2.5*	*-2.5*	*-2.5*	*-2.5*	-	-	-	-	-	-	-	***-10.0***	***-10.0***
Component 9	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	*-1.2*	*-1.3*	*-1.3*	***-4.2***	***-12.6***
Component 10b	*-0.8*	*-0.8*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	***-3.0***	***-7.9***

	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**
Component 10c	*-0.3*	*-0.3*	*-0.2*	*-0.2*	-	-	-	-	-	-	-	***-1.0***	***-1.0***
Component 10d	*-2.2*	*-2.9*	*-1.3*	*-1.4*	*-1.4*	*-1.4*	*-1.4*	*-1.5*	*-1.5*	*-1.6*	*-1.6*	***-7.8***	***-18.2***
Component 11a	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	***-10.0***	***-27.5***
Component 12c	*-10.0*	*-10.3*	*-10.6*	*-10.9*	*-11.1*	*-11.4*	*-11.7*	*-12.0*	*-12.3*	*-12.6*	*-12.9*	***-41.8***	***-125.8***
Component 13	-	*-6.8*	*-21.0*	*-21.0*	-	-	-	-	-	-	-	***-48.8***	***-48.8***
Component 14	*-2.8*	*-2.9*	*-3.0*	*-3.1*	*-3.1*	*-3.2*	*-3.3*	*-3.4*	*-3.5*	*-3.6*	*-3.7*	***-11.8***	***-35.6***
Component 15	*-3.7*	*-3.9*	*-4.0*	*-4.1*	*-4.3*	*-4.4*	*-4.5*	*-4.6*	*-4.7*	*-4.7*	*-4.9*	***-15.7***	***-47.8***
Component 16	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-0.9*	*-0.9*	***-3.6***	***-9.9***
Component 17	*-0.9*	*-1.0*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	*-1.2*	***-3.9***	***-11.9***
Component 19	*-3.7*	*-3.9*	*-4.0*	*-4.1*	*-4.2*	*-4.3*	*-4.4*	*-4.5*	*-4.7*	*-4.8*	*-4.9*	***-15.7***	***-47.5***
Component 20	*-0.5*	*-0.5*	*-0.5*	-	-	-	-	-	-	-	-	***-1.5***	***-1.5***
Component 21	*-0.9*	*-1.0*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	*-1.2*	***-3.9***	***-11.9***
Component 22	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – administered	***-292.4***	***-227.6***	***-243.0***	***-245.4***	***-151.2***	***-228.8***	***-156.5***	***-159.7***	***-162.8***	***-166.0***	***-249.7***	***-1,008.4***	***-2,283.1***

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Departmental													
Component 1c	*-0.4*	-	-	-	-	-	-	-	-	-	-	***-0.4***	***-0.4***
Component 2a	*-0.9*	-	-	-	-	-	-	-	-	-	-	***-0.9***	***-0.9***
Component 3c	*-1.3*	*-1.3*	*-1.3*	*-1.3*	*-1.3*	*-1.3*	*-1.4*	*-1.4*	*-1.4*	*-1.4*	*-1.4*	***-5.2***	***-14.8***
Component 5	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.7*	*-0.8*	*-0.8*	*-0.8*	*-0.9*	*-1.0*	*-1.0*	***-2.8***	***-8.8***
Component 6a	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	***-4.0***	***-11.0***
Component 6f	*-0.4*	-	-	-	-	-	-	-	-	-	-	***-0.4***	***-0.4***
Component 7	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	*-2.5*	***-10.0***	***-27.5***
Component 10d	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.4***	***-1.1***
Component 10e	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	*-0.4*	-	***-1.6***	***-4.0***
Component 12b	*-1.0*	*-1.0*	*-1.1*	*-1.1*	*-1.1*	*-1.1*	*-1.2*	*-1.2*	*-1.2*	*-1.3*	*-1.3*	***-4.2***	***-12.6***
Component 13	*-25.0*	*-18.2*	*-4.0*	*-4.0*	-	-	-	-	-	-	-	***-51.2***	***-51.2***
Component 14	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	***-0.8***	***-2.2***
Component 15	*-0.3*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.3*	*-0.3*	***-0.9***	***-2.5***
Component 16	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.4***	***-1.1***
Component 17	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.4***	***-1.1***
Component 18	*-5.2*	-	-	-	-	-	-	-	-	-	-	***-5.2***	***-5.2***
Component 19	*-0.3*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	*-0.3*	*-0.3*	***-0.9***	***-2.5***
Component 20	*0.0*	*0.0*	*0.0*	-	-	-	-	-	-	-	-	***-0.1***	***-0.1***
Component 21	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.4***	***-1.1***
Component 22	*-50.0*	*-50.0*	-	-	-	-	-	-	-	-	-	***-100.0***	***-100.0***
Total – departmental	***-90.0***	***-76.1***	***-12.0***	***-12.0***	***-8.0***	***-8.1***	***-8.3***	***-8.3***	***-8.4***	***-8.8***	***-8.4***	***-190.2***	***-248.5***
Total – expenses	**-382.4**	**-303.7**	**-255.0**	**-257.4**	**-159.2**	**-236.9**	**-164.8**	**-168.0**	**-171.2**	**-174.8**	**-258.1**	**-1,198.6**	**-2,531.6**
Total (excluding PDI)	**-382.4**	**-303.7**	**-255.0**	**-257.4**	**-159.2**	**-236.9**	**-164.8**	**-168.0**	**-171.2**	**-174.8**	**-258.1**	**-1,198.6**	**-2,531.6**

(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: LGBTIQA+ Equality – 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	*-4.3*	*-12.2*	*-18.8*	*-25.0*	*-30.5*	*-36.5*	*-43.0*	*-49.2*	*-56.2*	*-63.9*	*-76.5*	***-60.3***	***-416.1***
Underlying cash balance	*-3.8*	*-11.3*	*-18.0*	*-24.3*	*-29.9*	*-35.7*	*-42.2*	*-48.5*	*-55.3*	*-63.0*	*-75.0*	***-57.4***	***-407.0***

(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 glossary[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 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.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Quality Aged Care for All	
Party:	Australian Greens

Summary of proposal:

This proposal has 2 components to increase funding in the aged care system.

- Component 1 would uncap the total number of home care packages to ensure there is a maximum 30-day waiting period for home care packages.
- Component 2 would provide capped funding of $6 billion each year on an ongoing basis into a fund that would contribute to meeting the costs of:
  - increasing the hours of care provided to residents to 4 hours and 18 minutes of care per resident per day
  - introducing staff-to-resident ratios including a minimum of 1 registered nurse rostered on 24/7
  - increasing pay for aged care workers by 25% over 3 years
  - introducing minimum training and a national registration scheme for all personal care workers
  - strengthening governance, transparency and accountability requirements in the aged care system
  - ending the use of physical and chemical restraints in aged care.

The proposal would have effect from 1 July 2022.

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around $25,025 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of around $24,750 million and an increase in departmental expenses of around $275 million.

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

The financial implications of this proposal are sensitive to the number of people on the waiting list at any time and the number of people who have waited more than 30 days.

For Component 1 there is only a small amount of unmet demand for Home Care packages in the first years of the proposal due to the extra 80,000 Home Care Packages announced in the 2021-22 Budget measure *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – home*.

The Parliamentary Budget Office (PBO) has not undertaken any analysis to determine if staffing or any other resourcing constraints would prevent the desired objective of a maximum 30-day waiting period being met.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-6,208.7	-6,238.7	-6,188.6	-6,389.2	**-25,025.2**
Underlying cash balance	-6,208.7	-6,238.7	-6,188.6	-6,389.2	**-25,025.2**

(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.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- In the absence of the proposal, there would be no change in average waiting times for home care packages.
- The annual growth of people queued for home care packages would remain constant at approximately 1%, the same as the annual growth from 30 June 2024 to 30 June 2025.

Methodology

The financial implications include administered and departmental expenses.

The administered expenses for Component 1 were calculated by multiplying the estimated number of people in the home care package waiting list who have waited for more than 30 days by the average cost of a package in that year. The Department of Health provided the estimated number of people in the home care package waiting list, the distribution of wait times by package levels and number of days, and the home care estimates model from which the average cost of a package was derived.

The departmental expenses for Component 1 are based on the 2021-22 Budget measure *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – home care*.

The financial implications of Component 2 include administered and departmental expenses. The administered expenses are as specified. Departmental expenses to administer programs in the fund are based on a similar Budget measure.

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 Health provided:

- the home care estimates model as at the *Budget 2022-23*
- the annual estimated number of home care package waiting list as at 22 April 2022
- the waiting time distribution for people queued for home care package as at 22 April 2022.

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

Attachment A – Quality Aged Care for All – financial implications

Table A1: Quality Aged Care for All – 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													
Component 1 - Ensure a maximum 30-day waiting period	*-140.0*	*-170.0*	*-120.0*	*-320.0*	*-600.0*	*-840.0*	*-1,020.0*	*-1,170.0*	*-1,310.0*	*-1,380.0*	*-1,650.0*	***-750.0***	***-8,720.0***
Component 2 - Aged care fund	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	*-6,000.0*	***-24,000.0***	***-66,000.0***
Total – administered	***-6,140.0***	***-6,170.0***	***-6,120.0***	***-6,320.0***	***-6,600.0***	***-6,840.0***	***-7,020.0***	***-7,170.0***	***-7,310.0***	***-7,380.0***	***-7,650.0***	***-24,750.0***	***-74,720.0***
Departmental													
Component 1 - Ensure a maximum 30-day waiting period	*-0.5*	*-0.5*	*-0.4*	*-1.0*	*-2.0*	*-2.7*	*-3.3*	*-3.8*	*-4.3*	*-4.5*	*-5.4*	***-2.4***	***-28.4***
Component 2 - Aged care fund	*-68.2*	*-68.2*	*-68.2*	*-68.2*	*-68.2*	*-68.2*	*-68.2*	*-68.2*	*-68.2*	*-68.2*	*-68.2*	***-272.8***	***-750.2***
Total – departmental	***-68.7***	***-68.7***	***-68.6***	***-69.2***	***-70.2***	***-70.9***	***-71.5***	***-72.0***	***-72.5***	***-72.7***	***-73.6***	***-275.2***	***-778.6***
Total (excluding PDI)	**-6,208.7**	**-6,238.7**	**-6,188.6**	**-6,389.2**	**-6,670.2**	**-6,910.9**	**-7,091.5**	**-7,242.0**	**-7,382.5**	**-7,452.7**	**-7,723.6**	**-25,025.2**	**-75,498.6**

(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: Quality Aged Care for All – 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	*-70.0*	*-210.0*	*-360.0*	*-510.0*	*-680.0*	*-870.0*	*-1,090.0*	*-1,330.0*	*-1,610.0*	*-1,910.0*	*-2,290.0*	***-1,150.0***	***-10,930.0***
Underlying cash balance	*-60.0*	*-200.0*	*-340.0*	*-490.0*	*-660.0*	*-850.0*	*-1,060.0*	*-1,300.0*	*-1,570.0*	*-1,870.0*	*-2,240.0*	***-1,090.0***	***-10,640.0***

(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 glossary[2].

(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)

Parliamentary Budget Office

Human Rights and Increase Foreign Aid	
Party:	Australian Greens
Summary of proposal: The proposal would increase Official Development Assistance (ODA) funding for developing nations annually from 1 July 2022 on a linear trajectory in order to reach 0.7% of Gross National Income (GNI) by 2029-30. $250 million of this increased funding would go towards the COVAX initiative. This proposal would have effect from 1 July 2022.	

Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by about $22,530 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of about $21,100 million and an increase in departmental expenses of about $1,430 million.

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.

The financial implication of this proposal is sensitive to changes in GNI and ODA projections.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-2,130.0	-4,590.0	-6,840.0	-8,970.0	**-22,530.0**
Underlying cash balance	-2,130.0	-4,590.0	-6,840.0	-8,970.0	**-22,530.0**

(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.
- Indicates nil.

Key assumptions

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

- The PBO has assumed that GNI as reported to 2020-21 by the Australian Bureau of Statistics in the national accounts will grow in line with the 2022-23 Budget nominal Gross Domestic Product (GDP) projection published by the Treasury in the 2022-23 Budget chart data from 2022-23 to 2032-33.
- ODA expenditure over the 2022-23 Budget forward estimates period was provided by DFAT Beyond the forward estimates period, ODA expenditure is projected to grow by 2.5% per year.
- Due to the large increase over the existing levels of ODA funding, it is expected that there would be a proportional increase in departmental expenditure. This is based on historical data on

departmental costs and international comparisons of the cost of operating larger ODA programs. Given the size of the departmental estimates, economies of scale in administering increased funding may emerge, resulting in lower departmental expenditure than currently included. However, this would be offset by an equivalent increase in administered expenses, as total expenditure would be equal to 0.7% of GNI under this proposal.

Methodology

The financial implications of this proposal represent the difference between:

- The estimated baseline funding amounts for ODA
- The proposed funding arrangements, which would see ODA funding as a proportion of GNI grow from 0.2% in 2022-23 to 0.7% by 2029-30.

Departmental expenses are included in the costing for the Department of Foreign Affairs and Trade to administer the increase in ODA funds. The proposed increase in departmental expenditure is derived from information included in the Department of Foreign Affairs and Trade Portfolio Budget Statement.

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

Data sources

Australian Bureau of Statistics, Australian System of National Accounts 2020-21 financial year, Commonwealth of Australia, Canberra.

Australian Government (2022), *Budget 2022-23*, Australian Government.

Department of Foreign Affairs and Trade 2022, 2022-23 Portfolio Budget Statements, Australian Government, Canberra.

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

The Department of Foreign Affairs and Trade provided Official Development Assistance projections as at the 2022-23 Budget.

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

Attachment A – Human Rights and Increase Foreign Aid– financial implications

Table A1: Human Rights and Increase Foreign Aid – 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 Expenses	*-2,000.0*	*-4,300.0*	*-6,400.0*	*-8,400.0*	*-10,400.0*	*-12,300.0*	*-14,300.0*	*-16,300.0*	*-17,300.0*	*-18,400.0*	*-19,500.0*	***-21,100.0***	***-129,600.0***
Departmental Expenses	*-130.0*	*-290.0*	*-440.0*	*-570.0*	*-690.0*	*-820.0*	*-950.0*	*-1,080.0*	*-1,150.0*	*-1,220.0*	*-1,300.0*	***-1,430.0***	***-8,640.0***
Total – expenses	**-2,130.0**	**-4,590.0**	**-6,840.0**	**-8,970.0**	**-11,090.0**	**-13,120.0**	**-15,250.0**	**-17,380.0**	**-18,450.0**	**-19,620.0**	**-20,800.0**	**-22,530.0**	**-138,240.0**
Total (excluding PDI)	**-2,130.0**	**-4,590.0**	**-6,840.0**	**-8,970.0**	**-11,090.0**	**-13,120.0**	**-15,250.0**	**-17,380.0**	**-18,450.0**	**-19,620.0**	**-20,800.0**	**-22,530.0**	**-138,240.0**

(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: Human Rights and Increase Foreign Aid – 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	*-20.0*	*-100.0*	*-230.0*	*-420.0*	*-660.0*	*-990.0*	*-1,410.0*	*-1,940.0*	*-2,570.0*	*-3,290.0*	*-4,140.0*	***-770.0***	***-15,770.0***
Underlying cash balance	*-20.0*	*-90.0*	*-220.0*	*-390.0*	*-630.0*	*-950.0*	*-1,360.0*	*-1,870.0*	*-2,490.0*	*-3,200.0*	*-4,040.0*	***-720.0***	***-15,260.0***

(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 glossary[2].

(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)

Parliamentary
Budget Office

Peace, Disarmament and Demilitarisation	
Party:	Australian Greens

Summary of proposal:

The proposal has 4 components, all of which would start from 1 July 2022.

- Component 1 would reduce annual departmental spending by the Department of Defence (DoD) and Australian Signals Directorate (ASD) on a steady, linear trajectory to 1.5% of nominal gross domestic product (GDP) by 2025-26, including expenditure on peace-building programs.
- Component 2 would require DoD to develop a climate-security white paper or strategic planning and implementation document to inform a coordinated and large-scale response to climate-change risks.
- Component 3 would ban military advertisements and aim to promote peace through 4 parts.
  - Part 1 would ban proactive enrolment programs by the Australian Defence Force (ADF) and redirect the associated expenses to peace-based education initiatives.
  - Part 2 would ban all advertising by weapons manufacturers.
  - Part 3 would:
    a) scrap the $498 million Australian War Memorial (AWM) Development Project
    b) ban arms manufacturers and corporate sponsorship of the AWM.
  - Part 4 would invest $10 million across the forward estimates to promote peace and the importance of non-violent conflict resolution in national institutions.
- Component 4 would use the current DoD budget to establish a Parliamentary Defence Office, which would be 1/3 the size of the Parliamentary Budget Office (PBO).

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $51.1 billion across the 2022-23 Budget forward estimates.

The proposal would have financial implications beyond the 2022-23 Budget forward estimates. A breakdown of these implications (including separate public debt interest (PDI) tables) across the period 2022-23 to 2032-33 is at Attachment A.

Sensitivities

- The financial implications of Component 1 are sensitive to the trajectory of nominal GDP as well as future funding decisions for DoD and ASD.
  - The PBO has not made an assessment as to whether the proposed decrease in defence expenditure could be achieved within the specified timeframe.

- The financial implications of Component 2 are sensitive to assumptions about the time required to develop the climate-security white paper.
- The financial implications of Component 4 are sensitive to the trajectory of wages growth.
- The PBO has not made an assessment as to whether the proposed expenditure in Component 3, Part 4 would be sufficient to meet the objectives of the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	7,140.0	11,495.0	14,497.5	17,997.5	**51,130.0**
Underlying cash balance	7,140.0	11,495.0	14,497.5	17,997.5	**51,130.0**

(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.

Component 1

- DoD and ASD would be able to decrease defence expenditure within the proposed timeframe.
- DoD and ASD would be able to fulfill any redundancy, decommissioning, and/or contract-break liabilities that would arise due to the proposal.
- Expenditure on peace-building programs would be accounted for in the overall decrease in defence expenditure.

Component 3

- Expenditure changes under Part 1 and Part 4 would be additional to the proposed decrease in expenditure under Component 1.
- Part 2 would not have an effect on the Budget because expenses would be minimal and covered by existing departmental appropriations.
- Part 3 (b) would not have an effect on the Budget because manufacturer and corporate sponsorships constitute a small proportion of the AWM's operating revenue.
- Part 4 would be distributed evenly across the 2022-23 Budget forward estimates.

Methodology

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

Component 1

The financial implications of Component 1 were estimated as the difference between defence expenditure in the current Budget baseline and the proposed expenditure as a percentage of nominal GDP.

Component 2

The financial implications of Component 2 were estimated based on similar measures in previous Commonwealth budgets.

Component 3

The financial implications of:

- Part 1 were estimated based on data from the Department of Finance's *Campaign Advertising by Australian Government Departments and Agencies* reports from 2015-16 to 2020-21.
- Part 2 were assumed to be nil, as detailed above.
- Part 3 (a) were estimated based on the committed and uncommitted funds for the AWM Development Project as at 31 March 2022, provided by the Department of Veteran's Affairs.
- Part 3 (b) were assumed to be nil, as detailed above.
- Part 4 were as specified in the proposal, distributed as detailed above.

Component 4

The financial implications of Component 4 were estimated based on departmental appropriations for the PBO as at the 2022-23 Budget.

Data sources

The Treasury provided projections for economic parameters, nominal GDP, and defence expenditure as at the 2022-23 Budget.

The Department of Finance provided departmental appropriations for the Australian Signals Directorate as at the at the 2022-23 Budget.

The Department of Veteran's Affairs provided the funding profile for the Australian War Memorial Development Project as at 31 March 2022.

Australian Government, 2021. *Budget Related Paper No. 1.14D*, Australian Government.

The Department of Finance, 2017. *Campaign Advertising by Australian Government Departments and Agencies - 2016-17*, The Department of Finance, Australian Government.

The Department of Finance, 2018. *Campaign Advertising by Australian Government Departments and Agencies - 2017-18*, The Department of Finance, Australian Government.

The Department of Finance, 2019. *Campaign Advertising by Australian Government Departments and Agencies - 2018-19*, The Department of Finance, Australian Government.

The Department of Finance, 2020. *Campaign Advertising by Australian Government Departments and Agencies - 2019-20*, The Department of Finance, Australian Government.

The Department of Finance, 2021. *Campaign Advertising by Australian Government Departments and Agencies - 2020-21*, The Department of Finance, Australian Government.

Attachment A – Peace, Disarmament and Demilitarisation – financial implications

Table A1: Peace, Disarmament and Demilitarisation – 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													
Component 1: Reduce defence expenditure to 1.5% of nominal GDP	*6,700.0*	*11,500.0*	*14,500.0*	*18,000.0*	*18,100.0*	*19,100.0*	*22,100.0*	*23,300.0*	*24,500.0*	*25,800.0*	*27,000.0*	***50,700.0***	***210,600.0***
Component 2: Develop a climate-security white paper	*-2.5*	*-2.5*	-	-	-	-	-	-	-	-	-	***-5.0***	***-5.0***
Component 3: Ban advertising by weapons manufacturers	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 3: Scrap the $498 million Australian War Memorial Redevelopment Project	*445.0*	-	-	-	-	-	-	-	-	-	-	***445.0***	***445.0***
Component 3: Ban arms manufacturer and corporate sponsorship of the Australian War Memorial	-	-	-	-	-	-	-	-	-	-	-	-	-
Component 3: Invest $10 million across the forward estimates to promote peace in national institutions	*-2.5*	*-2.5*	*-2.5*	*-2.5*	-	-	-	-	-	-	-	***-10.0***	***-10.0***
Total – administered	***7,140.0***	***11,495.0***	***14,497.5***	***17,997.5***	***18,100.0***	***19,100.0***	***22,100.0***	***23,300.0***	***24,500.0***	***25,800.0***	***27,000.0***	***51,130.0***	***211,030.0***
Departmental													
Component 3: Ban proactive enrolment programs by the Australian Defence Force	*47.3*	*47.3*	*47.3*	*47.3*	*47.3*	*47.3*	*47.3*	*47.3*	*47.3*	*47.3*	*47.3*	***189.2***	***520.3***
Component 3: Redirect funds to peace-based initiatives	*-47.3*	*-47.3*	*-47.3*	*-47.3*	*-47.3*	*-47.3*	*-47.3*	*-47.3*	*-47.3*	*-47.3*	*-47.3*	***-189.2***	***-520.3***
Component 4: Establish the Parliamentary Defence Office	*-4.5*	*-3.0*	*-3.0*	*-3.1*	*-3.1*	*-3.1*	*-3.1*	*-3.2*	*-3.2*	*-3.2*	*-3.2*	***-13.6***	***-35.7***
Component 4: Redirect funds from Department of Defence	*4.5*	*3.0*	*3.0*	*3.1*	*3.1*	*3.1*	*3.1*	*3.2*	*3.2*	*3.2*	*3.2*	***13.6***	***35.7***
Total – departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	**7,140.0**	**11,495.0**	**14,497.5**	**17,997.5**	**18,100.0**	**19,100.0**	**22,100.0**	**23,300.0**	**24,500.0**	**25,800.0**	**27,000.0**	**51,130.0**	**211,030.0**

(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.

\- Indicates nil.

Table A2: Peace, Disarmament and Demilitarisation – 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	*80.0*	*290.0*	*590.0*	*980.0*	*1,430.0*	*1,940.0*	*2,570.0*	*3,320.0*	*4,180.0*	*5,170.0*	*6,340.0*	*1,940.0*	*26,890.0*
Underlying cash balance	*70.0*	*270.0*	*560.0*	*930.0*	*1,370.0*	*1,880.0*	*2,490.0*	*3,230.0*	*4,080.0*	*5,050.0*	*6,200.0*	*1,830.0*	*26,130.0*

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Rights for People Seeking Refuge	
Party:	Australian Greens

Summary of proposal:

This proposal has 5 components.

Component 1 – End offshore detention would commence from 1 July 2022, and would:

- Abolish Australian funding for offshore detention centres, honouring all contractual commitments in place as at 1 March 2022.
- Abolish the practice of removing unauthorised maritime arrivals in suspected illegal entry vessels from Australian waters ('boat turnbacks').
- Continue Navy operations and the current criminal penalties for operators of boats.
- Continue the defence in-depth operations which would continue to deter and disrupt people smuggling operations in neighbouring jurisdictions in the region and continue the strategic messaging campaigns and co-operative diplomatic dialogue and support currently in place.
- Use existing onshore detention facilities and, if required, set up new facilities in, or near, domestic regional centres.
- Establish a seven-day time limit on onshore immigration detention, contingent on the completion of health, character and security checks.
  - Preliminary checks would be completed in seven days, and within current budgets.
  - For cases where red flags were raised through a preliminary check, or where the preliminary checks could not be completed within a week, a seven-day extension could be sought from the courts.
- Accommodate the majority of asylum seekers arriving by boat in community detention while claims are processed
- Abolish Temporary Protection Visas (TPV) and Safe Haven Enterprise Visas (SHEV).
  - Current TPV and SHEV holders would be granted a Permanent Protection Visas (PPVs).
  - Current TPV and SHEV applicants would be granted a bridging visa and provided assistance under the Status Resolution Support Services program.
  - The number of PPVs granted would be in addition to the number of PPVs granted under the Humanitarian program.

Component 2 – Increase Australia's humanitarian intake would commence from 1 July 2022, and would:

- Increase Australia's annual humanitarian program to 50,000 places per year, exclusive of the quota for Community Support Program places.

- There would be 5,000 places for onshore (SC 785) and 45,000 places for offshore (SC 200, 201, 203 and 204) humanitarian applications in each year. This would include offering resettlement in Australia to all refugees and people seeking asylum who were detained offshore in Nauru and Papua New Guinea.
- If the annual quota is reached, people arriving by boat would be held in Australian immigration onshore detention facilities and processed in the following year.
- This increase in places would include the additional 16,500 Humanitarian visas allocated for Afghan nationals over 4 years from 2022-23 under the 2022-23 Budget, and would increase this to 20,000 places for people fleeing conflict and persecution in Afghanistan, within the current cap of 50,000 places per year.

- Increase the cap for the community sponsorship program to 10,000 places, with the following arrangements.
  - The Australian Government would cover visa processing costs.
  - The sponsor would provide travel and accommodation costs, food and living expenses and would assist with employment opportunities. This employment assistance would replace any Commonwealth assistance.
  - The refugee would have access to the same services as entrants under the humanitarian intake with these costs covered by the sponsor.

Component 3 – More funding to the United Nations High Commissioner for Refugees (UNHCR) would provide additional funding to UNHCR offices in Indonesia and Malaysia totalling $500 million, evenly distributed over four years from 1 July 2023, with the strategic aim of supporting multilateral efforts to stop boat departures and encourage asylum seekers to use existing UNHCR resettlement channels, in light of the increased humanitarian intake.

Component 4 – Royal Commission into the immigration detention system would provide $60 million in 2022-23 for a one-year Royal Commission into the immigration detention system.

Component 5 – Additional Humanitarian places for refugees from Ukraine would commence from 1 July 2022, and would:

- Provide 20,000 permanent protection visas for Ukrainian citizens over a period of up to 2 financial years. These places would be in addition to Australia's annual humanitarian intake.
- Provide permanent protection visas to any Ukrainian citizen who is in Australia on a temporary visa over the next 2 financial years.

Costing overview

This proposal would be expected to decrease the fiscal balance by around $20,450 million and the underlying cash balance by around $20,520 million over the 2022-23 Budget forward estimates period. In fiscal terms, this reflects an increase in administered expenses of around $18,470 million and departmental expenses of around $3,320 million; this is partially offset by an increase in administered revenue of around $1,340 million.

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

The estimated financial implications for Component 1 are highly uncertain and extremely sensitive to a range of factors, most of which are highly unpredictable.

- The number and costs relating to prospective asylum seekers arriving by boat are highly uncertain. The estimates for boat arrivals are heavily influenced by historical data, while future arrivals would depend on domestic and international circumstances and could deviate from historical trends significantly. As such, the resources required for health and security vetting would also be highly uncertain.
- TPV and SHEV applications that would be lodged over the period to 2032-33 are uncertain and would depend largely on the Australian Government's future decisions on international border restrictions in response to potential future COVID-19 outbreaks.
- Uncertainties remain around the assumption on releasing the bulk of detainees within seven days.
  - If the annual number of asylum seekers arriving by boat were to be significantly higher than projected, the estimated financial implications would be disproportionally larger due to new detention facilities being required and a longer duration of detention.
- There are inherent uncertainties related to the baseline estimates, including in particular the estimates for the number of people in offshore detention.
- There are also uncertainties around the assumption on the likely dependence of the humanitarian migrants on the relevant Australian Government services and welfare programs. The estimates for Components 2 and 5 are particularly sensitive to this assumption.

Table 1: Rights for People Seeking Refuge – Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-2,214.4	-3,923.4	-6,282.3	-8,029.8	**-20,449.9**
Underlying cash balance	-2,232.6	-3,944.5	-6,292.3	-8,048.9	**-20,518.3**

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

Component 1 – End offshore detention

- Required legislation would be passed by the Parliament prior to the proposal start date.
- Under the baseline, no asylum seekers would arrive in Australia by boat and Australia's offshore detention centres would remain open over the period to 2032-33 with their current level of detainees.
- After the abolition of offshore detention and boat turnbacks, asylum seekers would arrive in Australia by boat.
  - The number of arrivals would be about half the previous historical peak of around 25,000 in the first year and would plateau at its previous peak from the second year.
  - Asylum seekers arriving by boat would be evenly distributed over the year.

- With some enhancements, current onshore detention facilities would have capacity to accommodate transferees from offshore detention and potential asylum seekers arriving by boat for the maximum specified onshore detention time of seven days.
  – About one-tenth of the detainees would be held for more than seven days for the completion of health, character or security checks.
- Assuming the flow of boat arrivals would be evenly distributed over the year implies that there would be less than 2,000 arrivals in any week. This weekly flow is within the capacity of existing detention centres once their capacity is enhanced, so new facilities would not be required.
- The average administered cost per detainee would grow in line with the relevant departmental cost index.
- The abolition of offshore detention and boat turnbacks under this proposal would not alter the need for, and associated expenses of, maritime surveillance of the Australian coastal waters, which would continue as per the specification.
- In the baseline, TPV and SHEV holders would remain in Australia for the full length of their visa and exit Australia at an even rate, as their visas expire.
- All future first-time TPV and SHEV applicants would apply for a PPV. Successful TPV, SHEV and PPV applicants would be granted their visa in the same financial year of arriving and lodging their application.
- PPV holders would access the Adult Migrant English Program and would receive Settlement services support for the first three years of their visa.
- The take-up of transfer payments would decline gradually over time, from almost 100% in the first year of each applicant being granted a PPV to around 60% after 10 years. This is consistent with the modelling by the Department of Social Services.
- Departmental costs associated with abolishing TPV and SHEV would not be significant and would be met by existing resources.

Components 2 and 5: Increase Australia's humanitarian intake and Additional Humanitarian places for refugees from Ukraine

- Required legislation would be passed by the Parliament prior to the proposal start date.
- Under the baseline, the number of total places under the Humanitarian Program would remain constant at 13,750 people per year.
- Under the baseline and the proposal, the average age profile of the annual humanitarian migrant intake would not change over the costing horizon.
- The proposed additional humanitarian intake of 50,000 per year (excluding places allocated for Afghan nationals) would be fully taken up and be granted evenly over each financial year.
- Additional asylum seekers arriving by boat would not exceed the annual humanitarian intake of 50,000 per year under the policy and have similar demographic and economic characteristics to recent humanitarian migrants.
- Humanitarian migrants from Ukraine are assumed to have similar characteristics and demographics to a typical migrant on Refugee visas.
- Ukrainians citizens on temporary visas in Australia are assumed to have similar characteristics and demographics to a typical migrant on Permanent Protection visas.

- The arrival of 20,000 additional humanitarian migrants from Ukraine would occur over the course of the first year of the policy, from 1 July 2022.
- All Ukrainians on temporary visas in Australia would be converted to permanent protection visas. This would occur over the course of the first year from 1 July 2022.
- The take-up of transfer payments would decline gradually over time, from almost 100% in the first year of each annual cohort of humanitarian migrants to around 60% after 10 years. This is consistent with the modelling by the Department of Social Services.
- Departmental costs would not be significant and would be met by existing resources.
- Humanitarian migrants from Ukraine are assumed to have similar characteristics and demographics to a typical migrant on Refugee visas.
- Ukrainians citizens on temporary visas in Australia are assumed to have similar characteristics and demographics to a typical migrant on Permanent Protection visas.

Component 4: Royal Commission into the immigration detention system

- The departmental expenses for the Royal Commission into the immigration detention system would be 5% of the total funding, consistent with the funding profile of similar Royal Commissions.

Methodology

Component 1 – End offshore detention

The financial implications of Component 1, other than abolishing TPVs and SHEVs, were based on a combination of aggregate and unit costs for each key item of this component. These items are:

- ceasing some functions (about one-tenth) of Joint Agency Taskforce spending under Operation Sovereign Borders, with the vast majority of functions other than boat turnbacks to continue, as per the specification
- decommissioning offshore facilities
- transferring offshore detainees to Australia
- enhancing the operational capacity of onshore facilities
- operating onshore held and community detention.

Underlying estimates for each item under this component are PBO estimates derived from information provided by the Department of Home Affairs, and historical data on the number of asylum seekers arriving by boat and the costs associated with their management.

Behavioural responses resulting in an additional flow of asylum seekers arriving by boat under this proposal were modelled on the basis of historical data on asylum seekers arriving by boat prior to the introduction of the boat turnback policy. These estimates account for UNHCR information on the pool of potential asylum seekers and refugees in Australia’s neighbouring regions.

Asylum seekers who are granted visas to enter Australia would be granted a visa under the Humanitarian program (relates to Component 2). As a result, there would be no additional cost to the proposal.

The financial implications associated with abolishing TPVs and SHEVs reflect:

- revenue impacts from Visa Application Charge changes, which were calculated by multiplying the relevant Visa Application Charge price by the decreased number of TPV and SHEV applicants and increased number of PPV applicants.
- personal income and indirect tax revenue impacts, which were calculated by multiplying the average taxes paid by these migrants by the projected number of migrants.
- various transfer payments expenses, which were calculated by multiplying the average transfer payments made to similar migrants by the projected number of migrants.
- increased costs of the provision of the programs below, which were calculated by multiplying the average level of expenditure per person by the increased number of eligible recipients.
  - The programs include the Adult Migrant English Program, Settlement services, Schools, Child Care Subsidy, Child Dental Benefits Scheme, Pharmaceutical Benefits Scheme, public hospitals, hearing services, Program of Assistance for Survivors of Torture and Trauma, Disability Employment Services and JobActive.

Component 2 – Increase Australia's humanitarian intake

The financial implications associated with increasing the number of places under the Humanitarian program was calculated on the same basis as abolishing TPVs and SHEVs under Component 1. They consider the much larger number of migrants.

Component 3 – More funding to the UNHCR

The financial implications of providing UNHCR funding are the specified annual funding amounts. Departmental expenses associated with administering this funding are not expected to be material and have not been included.

Component 4 – Royal Commission into the immigration detention system

The financial implications of running a one-year Royal Commission in 2023-24 are the specified funding amount, split into administered and departmental expenses based on previous Royal Commissions.

Component 5 – Additional Humanitarian places for refugees from Ukraine

The financial implications associated with increasing the number of places under the Humanitarian program was calculated on the same basis as abolishing TPVs and SHEVs under Component 1. This component reflects the Government's decision to offer temporary humanitarian visas to Ukrainian temporary visa holders.

All components

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

Data sources

Commonwealth of Australia 2021, 2022-23 Budget, Australian Government.

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

The Department of Finance and the Treasury provided indexation and efficiency dividend parameters as at the *Budget 2022-23.*

The Department of Home Affairs provided information on expenses relating to offshore and onshore detention of asylum seekers arriving by boat and the relevant data on current Visa Application Charges, the Adult Migrant English Program and Settlement Service payments.

The Treasury provided information on revenue estimates for average humanitarian migrants.

The Department of Finance provided relevant agency specific expenditure and revenue models for the humanitarian program of the following agencies.

- The Department of Education, Skills and Employment
- The Department of Health
- Services Australia
- The Department of Social Services
- The Treasury.

The Department of Health provided the hospital funding model as at the *Budget 2022-23*.

Department of Home Affairs, 2021. *Immigration Detention and Community Statistics Summary 31 August 2021,* accessed 13 December 2021. https://www.homeaffairs.gov.au/research-and-stats/files/immigration-detention-statistics-31-august-2021.pdf.

Department of Home Affairs, 2020. *Australia's offshore Humanitarian Program: 2019-20*. Accessed 15 December 2021, available at: https://www.homeaffairs.gov.au/research-and-statistics/statistics/visa-statistics/live/humanitarian-program.

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Phillips, Janet, 2017. *Boat arrivals and boat 'turnbacks' in Australia since 1976: a quick guide to the statistics*, Canberra: Parliamentary Library.

United Nations High Commissioner for Refugees, 2018. *Population Statistics [database]*, accessed 2 October 2018. http://popstats.unhcr.org/en/time_series.

Attachment A – Rights for People Seeking Refuge – financial implications

Table A1: Rights for People Seeking Refuge – 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													
Component 1	*12.0*	*25.0*	*39.0*	*61.0*	*69.0*	*112.0*	*120.0*	*130.0*	*140.0*	*151.0*	*162.0*	***137.0***	***1,021.0***
Component 2	*100.0*	*210.0*	*320.0*	*450.0*	*590.0*	*750.0*	*920.0*	*1,100.0*	*1,310.0*	*1,530.0*	*1,760.0*	***1,080.0***	***9,040.0***
Component 5	*28.6*	*30.6*	*31.7*	*33.2*	*34.6*	*36.0*	*37.6*	*39.4*	*41.2*	*43.1*	*45.0*	***124.1***	***401.0***
Total – administered tax	***140.6***	***265.6***	***390.7***	***544.2***	***693.6***	***898.0***	***1,077.6***	***1,269.4***	***1,491.2***	***1,724.1***	***1,967.0***	***1,341.1***	***10,462.0***
Expenses													
Administered													
Component 1	*-820.0*	*-1,210.0*	*-2,150.0*	*-3,080.0*	*-3,130.0*	*-3,200.0*	*-3,280.0*	*-3,280.0*	*-3,260.0*	*-3,310.0*	*-3,320.0*	***-7,260.0***	***-30,040.0***
Component 2	*-780.0*	*-1,820.0*	*-2,850.0*	*-3,490.0*	*-4,200.0*	*-4,940.0*	*-5,690.0*	*-6,350.0*	*-6,930.0*	*-7,510.0*	*-7,540.0*	***-8,940.0***	***-52,100.0***
Component 3	*-125.0*	*-125.0*	*-125.0*	*-125.0*	-	-	-	-	-	-	-	***-500.0***	***-500.0***
Component 4	*-57.0*	-	-	-	-	-	-	-	-	-	-	***-57.0***	***-57.0***
Component 5	*-403.0*	*-544.0*	*-508.0*	*-259.0*	*-223.0*	*-194.0*	*-190.0*	*-155.0*	*-102.0*	*-88.0*	*-90.0*	***-1,714.0***	***-2,756.0***
Total – administered	***-2,185.0***	***-3,699.0***	***-5,633.0***	***-6,954.0***	***-7,553.0***	***-8,334.0***	***-9,160.0***	***-9,785.0***	***-10,292.0***	***-10,908.0***	***-10,950.0***	***-18,471.0***	***-85,453.0***
Departmental													
Total departmental costs	*-170.0*	*-490.0*	*-1,040.0*	*-1,620.0*	*-1,650.0*	*-1,670.0*	*-1,700.0*	*-1,730.0*	*-1,760.0*	*-1,780.0*	-	***-3,320.0***	***-13,610.0***
Total – expenses	**-2,355.0**	**-4,189.0**	**-6,673.0**	**-8,574.0**	**-9,203.0**	**-10,004.0**	**-10,860.0**	**-11,515.0**	**-12,052.0**	**-12,688.0**	**-10,950.0**	**-21,791.0**	**-99,063.0**
Total (excluding PDI)	**-2,214.4**	**-3,923.4**	**-6,282.3**	**-8,029.8**	**-8,509.4**	**-9,106.0**	**-9,782.4**	**-10,245.6**	**-10,560.8**	**-10,963.9**	**-8,983.0**	**-20,449.9**	**-88,601.0**

(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.

\- Indicates nil.

Table A2: Rights for People Seeking Refuge – 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													
Component 1	*12.0*	*24.0*	*38.0*	*59.0*	*68.0*	*109.0*	*120.0*	*129.0*	*139.0*	*150.0*	*161.0*	***133.0***	***1,009.0***
Component 2	*90.0*	*200.0*	*320.0*	*440.0*	*590.0*	*740.0*	*910.0*	*1,100.0*	*1,300.0*	*1,520.0*	*1,750.0*	***1,050.0***	***8,960.0***
Component 5	*27.4*	*30.5*	*31.7*	*33.1*	*34.5*	*36.0*	*37.6*	*39.3*	*41.2*	*43.0*	*45.0*	***122.7***	***399.3***
Total – administered tax	***129.4***	***254.5***	***389.7***	***532.1***	***692.5***	***885.0***	***1,067.6***	***1,268.3***	***1,480.2***	***1,713.0***	***1,956.0***	***1,305.7***	***10,368.3***
Payments													
Administered													
Component 1	*-820.0*	*-1,210.0*	*-2,150.0*	*-3,080.0*	*-3,130.0*	*-3,200.0*	*-3,280.0*	*-3,280.0*	*-3,260.0*	*-3,310.0*	*-3,320.0*	***-7,260.0***	***-30,040.0***
Component 2	*-770.0*	*-1,820.0*	*-2,850.0*	*-3,490.0*	*-4,200.0*	*-4,930.0*	*-5,680.0*	*-6,350.0*	*-6,930.0*	*-7,510.0*	*-7,540.0*	***-8,930.0***	***-52,070.0***
Component 3	*-125.0*	*-125.0*	*-125.0*	*-125.0*	-	-	-	-	-	-	-	***-500.0***	***-500.0***
Component 4	*-57.0*	-	-	-	-	-	-	-	-	-	-	***-57.0***	***-57.0***
Component 5	*-430.0*	*-554.0*	*-517.0*	*-266.0*	*-230.0*	*-200.0*	*-195.0*	*-159.0*	*-105.0*	*-90.0*	*-92.0*	***-1,767.0***	***-2,838.0***
Total – administered	***-2,202.0***	***-3,709.0***	***-5,642.0***	***-6,961.0***	***-7,560.0***	***-8,330.0***	***-9,155.0***	***-9,789.0***	***-10,295.0***	***-10,910.0***	***-10,952.0***	***-18,514.0***	***-85,505.0***
Departmental													
Total departmental costs	*-160.0*	*-490.0*	*-1,040.0*	*-1,620.0*	*-1,650.0*	*-1,670.0*	*-1,700.0*	*-1,730.0*	*-1,760.0*	*-1,780.0*	-	***-3,310.0***	***-13,600.0***
Total – payments	**-2,362.0**	**-4,199.0**	**-6,682.0**	**-8,581.0**	**-9,210.0**	**-10,000.0**	**-10,855.0**	**-11,519.0**	**-12,055.0**	**-12,690.0**	**-10,952.0**	**-21,824.0**	**-99,105.0**
Total (excluding PDI)	**-2,232.6**	**-3,944.5**	**-6,292.3**	**-8,048.9**	**-8,517.5**	**-9,115.0**	**-9,787.4**	**-10,250.7**	**-10,574.8**	**-10,977.0**	**-8,996.0**	**-20,518.3**	**-88,736.7**

(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: Rights for People Seeking Refuge – 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	*-30.0*	*-100.0*	*-210.0*	*-380.0*	*-590.0*	*-830.0*	*-1,110.0*	*-1,440.0*	*-1,820.0*	*-2,240.0*	*-2,690.0*	***-720.0***	***-11,440.0***
Underlying cash balance	*-20.0*	*-90.0*	*-200.0*	*-360.0*	*-560.0*	*-800.0*	*-1,080.0*	*-1,400.0*	*-1,770.0*	*-2,190.0*	*-2,640.0*	***-670.0***	***-11,110.0***

(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 glossary[2].

(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)

Parliamentary
Budget Office

Amend section 44 of the Constitution	
Party:	Australian Greens
Summary of proposal: The proposal would provide funding for a referendum to amend section 44 of the Constitution to allow Australians to run for Federal Parliament and keep their dual citizenship. The referendum would be held at the same time as the next general election.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balance by around $83.1 million over the 2022-23 Budget forward estimates period. This amount entirely reflects an increase in expenses.

The proposal would not have an 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	-	-	-83.1	-	**-83.1**
Underlying cash balance	-	-	-83.1	-	**-83.1**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

Key assumptions

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

- There is a 60% costs overlap for holding the referendum at the same time as the next general election.

Methodology

The estimated cost of the proposal was based on historical costs of a holding a referendum, indexed by the consumer price index. An adjustment was made to account for overlaps in costs for holding the referendum at the same time as the next general election.

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

Data sources

Australian Electoral Commission (2019), *Cost of elections and referendums*, Australian Electoral Commission

Australian Government (2022), *2022-23 Budget*, Australian Government.

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

Attachment A – Amend section 44 of the Constitution – financial implications

Table A1: Amend section 44 of the Constitution – 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													
Amend section 44 of the Constitution	-	-	*-83.1*	-	-	-	-	-	-	-	-	***-83.1***	***-83.1***
Total (excluding PDI)	**-**	**-**	**-83.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-83.1**	**-83.1**

(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: Amend section 44 of the Constitution – 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*	*-1.9*	*-2.0*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.3*	*-2.4*	***-2.8***	***-17.9***
Underlying cash balance	-	-	*-0.8*	*-1.8*	*-1.9*	*-2.0*	*-2.1*	*-2.1*	*-2.2*	*-2.3*	*-2.3*	***-2.6***	***-17.5***

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Ban live export of livestock	
Party:	Australian Greens
Summary of proposal: This proposal consists of two components: • Component 1 would shut down Australia's live export industry from 1 July 2022. • Component 2 would provide payments to farmers to assist in the transition from live animal exports to a domestic boxed and chilled meat trade. This would consist of $1 million in 2022-23, and $2 million in both 2023-24 and 2024-25.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by an unquantifiable amount over the 2022-23 Budget forward estimates period. The detailed financial implications, including the impact of the quantifiable component of this costing over the period to 2032-33 is provided at Attachment A.

A ban on live animal exports would be expected to have a negative financial impact comprising:

- a reduction in company tax revenue, as affected businesses would have decreases in sales and taxable income following this ban. The magnitude of this decrease is uncertain, as some of the animals that would otherwise be used for live exports could instead be used for other purposes. These firms may still be profitable if they redeploy labour and capital resources currently utilised in the live export industry to other industries. This reallocation of animals, labour and capital resources would depend on a number of factors, including the logistics of slaughtering animals domestically and market dynamics—specifically demand and supply and the mobility of labour and capital resources currently deployed in the live export industry.
- a reduction in tax revenue as affected workers may have reductions in incomes if the production of their employers decreases or if their skills are no longer required.
- an increase in welfare payments to workers in the sector who may have reductions in incomes and would now become eligible for welfare payments.

There may also be significant legal ramifications surrounding the potential implementation of this proposal, such as the need to pay compensation. For example, in 2020 the Federal Court ruled in favour of farmers affected by the six month ban on live animal exports to Indonesia in 2011, with a $600 million figure mentioned as a potential final compensation amount.[1]

[1] Smart J, O'Shannessy B and French A (2020) *Government decision makers should think twice before jumping on the ban-wagon: lessons from the Brett Cattle class action*

Table 1: Ban live export of livestock – Financial implications ($m)[a][b][c]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	*-1.1*	*-2.1*	*-2.1*	*	**-5.3**
Underlying cash balance	*-1.1*	*-2.1*	*-2.1*	*	**-5.3**

(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.

(c) Unquantifiable impacts are not included in totals.

Key assumptions

The Parliamentary Budget Office assumed that departmental expenses for the assistance to farmers would follow a similar total departmental to administered expenses ratio as the *Leadership in Agriculture Industries Fund-establishment* measure from the Mid-year Economic and Fiscal Outlook 2016-17.

Data sources

Commonwealth of Australia (2016) *2016-17 Mid-Year Economic and Fiscal Outlook*, Australian Government.

Smart J, O'Shannessy B and French A (2020) *Government decision makers should think twice before jumping on the ban-wagon: lessons from the Brett Cattle class action*, accessed 16 March 2021.

LiveCorp (2021) *Industry statistics*, accessed 26 April 2021.

Department of Agriculture (2017) *Northern Australian beef industry Assessment of risks and opportunities*, accessed 26 April 2021.

Department of Agriculture (2014) *Live export trade assessment*, accessed 26 April 2021.

Attachment A – Ban live export of livestock – financial implications

Table A1: Ban live export of livestock – 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
Revenue													
Tax revenue	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – revenue	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
Administered													
Component 1 - ban live exports	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 2 - payments to farmers	-1.0	-2.0	-2.0	-	-	-	-	-	-	-	-	**-5.0**	**-5.0**
Total – administered	**-1.0**	**-2.0**	**-2.0**	*	*	*	*	*	*	*	*	-5.0	-5.0
Departmental													
Component 1 - ban live exports	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 2 - payments to farmers	-0.1	-0.1	-0.1	-	-	-	-	-	-	-	-	**-0.3**	**-0.3**
Total – departmental	**-0.1**	**-0.1**	**-0.1**	*	*	*	*	*	*	*	*	-0.3	-0.3
Total – expenses	**-1.1**	**-2.1**	**-2.1**	*	*	*	*	*	*	*	*	-5.3	-5.3
Total (excluding PDI)	**-1.1**	**-2.1**	**-2.1**	*	*	*	*	*	*	*	*	-5.3	-5.3

(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.

* Unquantifiable – not included in totals.

\- Indicates nil.

Table A2: Ban live export of livestock – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances ($m)[(a)(b)(c)]

	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*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.2*	***-0.2***	***-1.0***
Underlying cash balance	..	..	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.2*	***-0.2***	***-1.0***

(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 glossary[2].

(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.

(c) PDI impacts are based off the quantifiable impacts of this costing.

.. Not zero but rounded to zero.

\- Indicates nil.

[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Ban the import and export of shark fins	
Party:	Australian Greens
Summary of proposal: The proposal would tackle the cruel global shark fin trade by banning the import and export of shark fins from 2022-23.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by an unquantifiable amount over the 2022-23 Budget forward estimates period.

A ban on shark fin import and export would likely have a negative fiscal impact arising from reduced activity in the Australian fishing industry and activity in businesses involved in importing shark fin products. These reductions in activity would impact on the budget through reduced taxation revenue and the potential for increased welfare payments to workers in the industry.

The timing and magnitude of these responses is highly uncertain, as it would depend on a number of factors, including the size of affected industry and market dynamics—specifically demand and supply and the mobility of labour and capital resources currently deployed in the affected industry. All of these factors impact tax revenue and, as a result, the financial impact of the proposal would likely be unquantifiable.

The proposal would have an 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)

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

*   Unquantifiable.

Attachment A – Ban the import and export of shark fins – financial implications

Table A1: Ban the import and export of shark fins – 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**
Tax revenue	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

*	Unquantifiable – not included in totals.

Table A2: Ban the import and export of shark fins – 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 – not included in totals.

Parliamentary Budget Office

Cover funeral expenses for members of Youpla Group	
Party:	Australian Greens
Summary of proposal: This proposal seeks to compensate policyholders of the Youpla Group and comprises two components: **Component 1**: The to-be-established Compensation Scheme of Last Resort (CSLR) would honour any claims made by a policyholder of the Youpla Group. This CSLR would cover funeral expenses following the death of a policyholder occurring from the start of the liquidation process until the finalisation of the liquidation process. Additionally, the CSLR would cover claims associated with a death having occurred before the start of the liquidation process, which has not been honoured following the commencement of the liquidation process. **Component 2**: Fully repay insurance premiums paid by all policyholders at the start of the liquidation period unless the policyholder has been affected by Component 1. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to have a financial impact but, due to limited available data, significant uncertainty surrounding the number of policyholders that would make a claim and significant uncertainty surrounding the magnitude of each policyholder benefit under their defunct policy, the Parliamentary Budget Office (PBO) has determined that this proposal is unquantifiable.

All previously active Youpla Group funeral funds are now in liquidation. The appointed liquidator (*SV Partners*) advises that it is highly unlikely the liquidation process will be finalised within a 6-to-12-month period. The amounts which have been contributed to each of the four funeral plans by active members (as at the date of appointment of an external administrator) is estimated at around $66.4 million in the *Statutory Report by Liquidator*, published 10 June 2022.

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 determined that the financial implications of this proposal are unquantifiable due to limited available data and significant uncertainty surrounding the number and magnitude of claims which would be made by prior policyholders of a Youpla Group product.

Component 2 will have no financial implications in 2022-23, as the finalisation of the Youpla Group administration process is not expected to be completed before the end of the 2022-23 financial year.

Data sources

SV Partners (2022) Statutory Report by Liquidator - 10 June 2022 (svpartners.com.au), accessed 17 June 2022.

Attachment A – Cover funeral expenses for members of Youpla Group – financial implications

Table A1: Cover funeral expenses for members of Youpla Group – 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**
Expenses													
Administered													
Component 1: Compensation Scheme of Last Resort (CSLR)	*	*	*	*	*	*	*	*	*	*	*	*	*
Component 2: Repay member contributions	-	*	*	*	*	*	*	*	*	*	*	*	*
Total – expenses	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

*   Unquantifiable impact.

Table A2: Cover funeral expenses for members of Youpla Group – 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 – not included in totals.

Parliamentary Budget Office

Double the value of corporate penalties for misuse of market power	
Party:	Australian Greens
Summary of proposal: The proposal would double the value of penalties corporations face for the misuse of market power. The proposal would commence from 1 July 2022.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around $156 million over the 2022-23 Budget forward estimates period. This is driven by an increase in non-taxation revenue.

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

There are considerable uncertainties associated with this costing. Further, the base is highly volatile, reflecting the uncertainty inherent in estimating revenue from litigation. The costing estimates are based on the penalties that were imposed between 2014-15 and 2020-21, but these may not be a reliable indicator of the penalties that may be imposed in the future. A further significant source of uncertainty is corporations' behavioural responses to the proposal. The Parliamentary Budget Office (PBO) expects increased compliance on account of this policy proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	37.4	38.5	39.6	40.6	**156.1**
Underlying cash balance	37.4	38.5	39.6	40.6	**156.1**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The baseline penalty in 2021-22 is based on the linear projection of competition related penalties imposed on corporations between 2014-15 and 2020-21. From 2022-23 penalties would be expected to grow in line with CPI.
- All penalty amounts would double. For example, the current maximum penalties for breaches of Part IV of the *Competition and Consumer Act 2010* will be the greater of:
  - $10,000,000.

  - If Court can determine "reasonably attributable" benefit obtained, 3 times that value.
  - If Court cannot determine benefit, 10% of annual turnover in preceding 12 months.
- Under the proposal, the maximum penalties will be the greater of:
  - $20,000,000.
  - If Court can determine "reasonably attributable" benefit obtained, 6 times that value.
  - If Court cannot determine benefit, 20% of annual turnover in preceding 12 months.

    (The above is an example only and does not include all the legislations and penalties a corporation can face for the misuse of market power.)
- The expected total volume of penalties imposed would decrease by 10% as a result of increased business compliance.

Methodology

- The estimates are based on ACCC data on competition related penalties that were imposed over the period from 2014-15 to 2020-21.
- The total annual value of penalties was estimated by applying the assumed increases in penalty amounts, and then applying the assumed behavioural response of businesses.
- The financial impact of this component was then calculated by subtracting the total value of penalties as calculated under current policy from the total value of penalties as calculated under the proposal.

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 ACCC provided data on the number and value of civil penalties imposed under the *Competition and Consumer Act 2010* as a result of prosecutions by the ACCC over the period 2014-15 to 2020-21.

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

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

Attachment A – Double the value of corporate penalties for misuse of market power – financial implications

Table A1: Double the value of corporate penalties for misuse of market power – 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													
Administered non-tax	*37.4*	*38.5*	*39.6*	*40.6*	*41.6*	*42.6*	*43.6*	*44.7*	*45.8*	*47.0*	*48.2*	***156.1***	***469.6***
Total (excluding PDI)	**37.4**	**38.5**	**39.6**	**40.6**	**41.6**	**42.6**	**43.6**	**44.7**	**45.8**	**47.0**	**48.2**	**156.1**	**469.6**

(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: Double the value of corporate penalties for misuse of market power – 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	*0.4*	*1.3*	*2.2*	*3.2*	*4.2*	*5.4*	*6.8*	*8.3*	*10.0*	*11.9*	*14.2*	***7.1***	***67.9***
Underlying cash balance	*0.4*	*1.2*	*2.1*	*3.1*	*4.1*	*5.3*	*6.6*	*8.1*	*9.8*	*11.6*	*13.9*	***6.8***	***66.2***

(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 glossary[2].

(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)

Parliamentary
Budget Office

Establish a Global Centre for Peace and Conflict Resolution	
Party:	Australian Greens
Summary of proposal: The proposal would establish an independent and non-partisan think-tank known as the Global Centre for Peace and Conflict Resolution (GCPCR). The GCPCR would undertake human rights-centred research, advocacy, and policy work to advance peace and conflict resolution around the world. The proposal is ongoing and would commence from 1 July 2023.	

Costing overview

The proposal would be expected to have nil impact over the 2022-23 Budget forward estimates period. The GCPCR would be funded from the Defence global budget.

The proposal would not have an 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.

The Parliamentary Budget Office (PBO) has not made an assessment as to whether funds could be re-allocated within the Defence global budget without impeding the functions of other departments or policy initiatives within the Defence portfolio.

Table 1: Financial implications ($m)[(a)(b)]

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

(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.
- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The annual costs of the GCPCR would be comparable to those of the Australian Strategic Policy Institute (ASPI) in 2021-22, indexed to the consumer price index.
  - The GCPCR would be comparable in function to the ASPI and would be a wholly-owned Commonwealth company.
- Funds could be re-allocated within the Defence global budget without impeding the functions of other departments or policy initiatives within the Defence portfolio.

Data sources

Australian Strategic Policy Institute (APSI), *Annual Report 2020-2021*, ASPI, 2021, accessed 9 June 2022.

Attachment A – Establish a Global Centre for Peace and Conflict Resolution – financial implications

Table A1: Establish a Global Centre for Peace and Conflict Resolution – 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													
Departmental													
Establish a Global Centre for Peace and Conflict Resolution	-	*10.7*	*10.7*	*10.7*	*10.9*	*11.2*	*11.5*	*11.8*	*12.0*	*12.4*	*12.7*	***32.1***	***114.6***
Funds redirected from the Defence budget	-	*-10.7*	*-10.7*	*-10.7*	*-10.9*	*-11.2*	*-11.5*	*-11.8*	*-12.0*	*-12.4*	*-12.7*	***-32.1***	***-114.6***
Total (excluding PDI)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(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: Establish a Global Centre for Peace and Conflict Resolution – 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	-	-	-	-	-	-	-	-	-	-	-	-	-
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	-	-

(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 glossary[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 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.

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

Parliamentary Budget Office

Establish a Public Interest News Gathering fund	
Party:	Australian Greens
Summary of proposal: The proposal would establish a permanent Public Interest News Gathering fund to support public interest journalism through grants. The proposal would commence on 1 July 2023.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balance by about $112 million over the 2022-23 Budget forward estimates period. This impact reflects a net increase in administered expenses of around $108 million and an increase in departmental expenses of around $4 million.

The proposal would have an 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	-	-36.8	-36.9	-38.0	**-111.7**
Underlying cash balance	-	-36.8	-36.9	-38.0	**-111.7**

(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.
- Indicates nil.

Key assumptions

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

- The baseline administered funding for the Public Interest News Gathering fund in 2023-24, is based on the average annual administered funding the previous Public Interest News Gathering program received during the period 2020-21 to 2021-22.
- The 2022-23 baseline administered funding is then grown by the consumer price index over the period to 2032-33.

Methodology

- Departmental expenses were estimated based on previous 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

Australian Government (2022) *Budget 2022-23*, Australian Government, Canberra.

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

The Department of Infrastructure, Transport, Regional Development and Communications, provided the administered funding amounts for the previous Public Interest News Gathering program.

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

Attachment A – Establish a Public Interest News Gathering fund – financial implications

Table A1: Establish a Public Interest News Gathering fund – 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	-	*-35.0*	*-36.0*	*-37.1*	*-38.0*	*-39.0*	*-39.9*	*-40.8*	*-41.9*	*-42.9*	*-44.0*	***-108.1***	***-394.6***
Departmental	-	*-1.8*	*-0.9*	*-0.9*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.0*	*-1.1*	*-1.1*	***-3.6***	***-10.8***
Total (excluding PDI)	**-**	**-36.8**	**-36.9**	**-38.0**	**-39.0**	**-40.0**	**-40.9**	**-41.8**	**-42.9**	**-44.0**	**-45.1**	**-111.7**	**-405.4**

(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.

\- Indicates nil.

Table A2: Establish a Public Interest News Gathering fund – 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	-	*-0.4*	*-1.3*	*-2.1*	*-3.1*	*-4.2*	*-5.4*	*-6.8*	*-8.4*	*-10.1*	*-12.1*	***-3.8***	***-53.9***
Underlying cash balance	-	*-0.4*	*-1.2*	*-2.0*	*-3.0*	*-4.1*	*-5.3*	*-6.7*	*-8.2*	*-9.9*	*-11.8*	***-3.6***	***-52.6***

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)]

Parliamentary Budget Office

Establish an independent Police Ombudsman	
Party:	Australian Greens

Summary of proposal:

The proposal would improve police oversight and implement Australia's obligations under the Optional Protocol on the Convention Against Torture (OPCAT) by funding National Preventative Mechanisms (NPMs) in each jurisdiction, as well as establishing an Independent Police Ombudsman in each jurisdiction.

The Commonwealth and states would jointly fund NPMs in each jurisdiction on a 50:50 basis.

The proposal has two components.

- Establish NPMs in each jurisdiction and double the funding allocation for the Commonwealth NPM from the 2018-19 Budget to adopt the NPM National Co-ordinator Role
- Establish an Independent Police Ombudsman in each state and territory and the Commonwealth. Funding would be split between states and territories for the non-Commonwealth jurisdictions.

The structure and funding for the NPMs and Independent Police Ombudsman are sourced from the Victorian Ombudsman and the Office of the Police Ombudsman for Northern Ireland respectively.

The proposal would have effect from 1 July 2022.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $476 million over the 2022-23 Budget forward estimates period. The costing does not include any additional departmental expenditure for existing Commonwealth entities as the entities to be established under the proposal would be independent and self-directed or established within state government jurisdiction and funded by grants.

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 are 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	-124.9	-129.4	-109.8	-112.3	**-476.4**
Underlying cash balance	-124.9	-129.4	-109.8	-112.3	**-476.4**

(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.
- Indicates nil.

Key assumptions

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

- There would be no additional departmental costs for existing Government agencies as the entities created under the proposal would be independent from government and self-directed. Any co-ordination function required would be undertaken by the Commonwealth body for each entity from within their funding allocation.
- A body similar in size and scope to the Police Ombudsman for Northern Ireland would be required in each jurisdiction.

Methodology

Costs for the NPMs were calculated using the recommendation of the Victorian Ombudsman as a baseline, adjusting for each state and territory based on their prisoner population from publicly available data released by the Australian Bureau of Statistics.

Costs for the Independent Police Ombudsman were determined using the operating budget of the Police Ombudsman for Northern Ireland from their 2020-21 Annual report, with additional establishment costs over the first two years of operation.

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

Data sources

Australian Bureau of Statistics (ABS), *Corrective Services*, ABS, Australian Government, 2022, accessed on 9 June 2022.

Police Ombudsman for Northern Ireland, *Annual Report*, Police Ombudsman for Northern Ireland, 2021, accessed on 9 June 2022.

Victorian Ombudsman, *OPCAT in Victoria,* Victorian Ombudsman, 2019, accessed on 9 June 2022.

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

Attachment A – Establish an independent Police Ombudsman– financial implications

Table A1: Establish an independent Police Ombudsman – 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													
Component 1: National Preventative Mechanisms	*-16.9*	*-17.4*	*-17.8*	*-18.3*	*-18.8*	*-19.2*	*-19.7*	*-20.2*	*-20.7*	*-21.2*	*-21.7*	***-70.4***	***-211.9***
Component 2: Establish Independent Police Ombudsmen	*-108.0*	*-112.0*	*-92.0*	*-94.0*	*-96.0*	*-99.0*	*-101.0*	*-104.0*	*-106.0*	*-109.0*	*-112.0*	***-406.0***	***-1,133.0***
Total – expenses	**-124.9**	**-129.4**	**-109.8**	**-112.3**	**-114.8**	**-118.2**	**-120.7**	**-124.2**	**-126.7**	**-130.2**	**-133.7**	**-476.4**	**-1,344.9**
Total (excluding PDI)	**-124.9**	**-129.4**	**-109.8**	**-112.3**	**-114.8**	**-118.2**	**-120.7**	**-124.2**	**-126.7**	**-130.2**	**-133.7**	**-476.4**	**-1,344.9**

(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. 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: Establish an independent Police Ombudsman – 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	*-1.4*	*-4.3*	*-7.1*	*-9.8*	*-12.7*	*-16.1*	*-19.8*	*-24.0*	*-28.8*	*-34.1*	*-40.8*	***-22.6***	***-198.9***
Underlying cash balance	*-1.2*	*-4.0*	*-6.8*	*-9.5*	*-12.4*	*-15.7*	*-19.4*	*-23.5*	*-28.2*	*-33.4*	*-40.0*	***-21.5***	***-194.1***

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Fully fund all applications that meet the criteria of the RISE Fund	
Party:	Australian Greens
Summary of proposal: The proposal would fully fund all applications that meet the criteria of the Restart Investment to Sustain and Expand (RISE) Fund. The proposal would have effect from 1 July 2022.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around $942 million over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in administered expenses.

The proposal would have no impact beyond the 2022-23 Budget forward estimates period, but it would have implications for public debt interest (PDI) payments. A breakdown of the financial implications (including separate PDI table) 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	-941.7	-	-	-	**-941.7**
Underlying cash balance	-941.7	-	-	-	**-941.7**

(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.
- Indicates nil.

Key assumptions

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

- Funding would be committed to eligible applications in 2022-23.
- Eligible applications would be fully funded based on the grant amount requested.
- Existing partially funded applications would be fully funded based on the grant amount requested.
- The $20 million allocated to the RISE Fund in the 2022-23 Budget Measure *Covid Response Package – additional arts sector support* would be committed to existing unsuccessful but eligible applications.
- This proposal would not be expected to require additional departmental resources.

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 Infrastructure, Transport, Regional Development and Communications provided funding details on the RISE Fund as at 3 June 2022.

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

Attachment A – Fully fund all applications that meet the criteria of the RISE Fund – financial implications

Table A1: Fully fund all applications that meet the criteria of the RISE Fund – 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													
Fully fund unsuccessful, eligible RISE fund applications	-894.0	-	-	-	-	-	-	-	-	-	-	**-894.0**	**-894.0**
Fully fund successful, eligible RISE fund applications (b)	-47.7	-	-	-	-	-	-	-	-	-	-	**-47.7**	**-47.7**
Total (excluding PDI)	**-941.7**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-941.7**	**-941.7**

(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.

(b) Several projects were offered partial funding.

\- Indicates nil.

Table A2: Fully fund all applications that meet the criteria of the RISE Fund – 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	*-10.7*	*-21.6*	*-22.1*	*-22.6*	*-23.2*	*-23.8*	*-24.4*	*-25.2*	*-26.0*	*-26.9*	*-34.3*	***-77.0***	***-260.8***
Underlying cash balance	*-9.4*	*-20.3*	*-22.0*	*-22.5*	*-23.1*	*-23.7*	*-24.4*	*-25.1*	*-25.9*	*-26.8*	*-33.5*	***-74.2***	***-256.7***

(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 glossary[2].

(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)

Parliamentary
Budget Office

Legislate the minimum wage at 60% of the full time median wage	
Party:	Australian Greens
Summary of proposal: The proposal would enshrine in law a new minimum wage by legislating to set the minimum wage at 60% of the full-time median wage, a target already achieved by the UK's Low Pay Commission. The Fair Work Commission would be tasked with phasing in the increase. This proposal would commence 1 July 2022.	

Costing overview

The Parliamentary Budget Office (PBO) has determined that the financial impacts of this proposal are unquantifiable. While the proposal would affect the fiscal and underlying cash balances, the overall magnitude of the financial impact is highly uncertain.

Generally, the PBO includes the static and direct behavioural impact of proposals in costings, but does not include quantitative estimates of broader economic effects[1]. As the fiscal impact of this proposal would primarily be caused by broader economic effects such as changes in prices, wages or employment levels, the entire costing is unquantifiable.

As at the 2022 Pre-election Economic and Fiscal Outlook (PEFO) the minimum wage is $20.33 per hour, and 60% of the full-time median wage is $23.75 per hour[2], a difference of 17%. Increasing the minimum wage by this amount would increase estimated income tax revenue in 2022-23 from these employees by around $7 billion dollars[3], assuming the percentage increase in the minimum wage is passed on to all employees on award wages with no impact on employment.

Even assuming no 'flow through' to non-award wages in the economy, the increase in award wages would also result in an increase in average weekly earnings, which would affect the indexation benchmark for pension payments. Pension payments[4] are benchmarked to 41.76% of Male Total Average Weekly Earnings (MTAWE), which would be estimated to increase by around 2% under the proposal. This would not materially affect pension payments in 2022-23 as the benchmark rate would still not exceed the current payment pension rate. In future years the increase in MTAWE could result in higher rates for the pension payments.

These static impacts are likely to be modified significantly by broader economic effects.

[1] Including broader economic effects in policy costings, Information paper no. 03/2017, 30 November 2017

[2] Australian Bureau of Statistics, 2021, Employee earnings, Table 1A.

[3] The amount assumes that the number of employees classified as on an 'award' in *Employee earnings* would be wholly affected by the policy, and that the number did not increase since 2021. The amount depends on the assumption for the minimum wage factored into the PEFO baseline, which is unpublished.

[4] Pension payments refers to the Age Pension, Disability Support Pension and Carer Payment.

The PBO has identified the following uncertainties associated with the proposal:

- There are many sources of uncertainty that affect estimates of the broader economic effects compared to the static and direct behavioural impacts. This is because the potential flow-on effects from a policy proposal are many and varied, can have offsetting impacts on the budget and do not eventuate over the same time period. Furthermore, the flow-on economic effects will not necessarily be constant over time, as they will depend on the broader state of the economy.
- An increase in award wages may flow through to wages through the general economy as firms compete for labour, and/or increase unemployment.
  - The Fair Work Commission's stated view is that 'modest and regular minimum wage increases do not result in misemployment effects or inhibit workforce participation'.[5] A more significant increase in the minimum wage, as outlined in this proposal, would require a consideration of the broader economic effects, particularly on employment.
- The estimate of the impact will also depend on assumptions about the dynamics of individual markets and the interactions between markets. This leads to high levels of uncertainty around the size and timing of budget impacts.
  - Increased wages would result in greater spending, particularly given that the marginal propensity to consume for lower income earners is relatively high. This would result in higher indirect tax, including GST (which is entirely passed on to the States), although the amount would depend on the composition of spending, particularly for imported goods and services. The impact on business profits, and hence business income tax, will result from the offsetting impacts of higher labour costs and higher turnover (not necessarily the same businesses), but the net impact is likely to be negative, owing to spending on imports.

This proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. The unquantifiable financial implications (including separate PDI tables) 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 – not included in totals.

5 Fair Work Commission, 2018, *Decision – Annual Wage Review 2017-18*, FWCFB 3500. This is a view that is reinforced by the Reserve Bank of Australia (Reserve Bank of Australia, 2018, *The effect of minimum wage increases on wages, hours worked and job loss)* and the Productivity Commission (Productivity Commission, 2015, *Workplace Relations Framework*, Final Report).

Attachment A – Legislate the minimum wage at 60% of the full time median wage – financial implications

Table A1: Legislate the minimum wage at 60% of the full time median wage – 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													
Legislate the minimum wage at 60 percent of the full time median wage	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – revenue	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
Legislate the minimum wage at 60 percent of the full time median wage	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – expenses	*	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	*	*	*	*	*	*	*	*	*	*	*	*	*

* Unquantifiable – not included in totals.

Table A2: Legislate the minimum wage at 60% of the full time median wage – 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 – not included in totals.

Paid Parental Leave	
Party:	Australian Greens

Summary of proposal:

The proposal would introduce a "use it or lose it" parental leave scheme which would:

- increase the maximum Parental Leave Pay (PLP) entitlement to 26 weeks to be divided between parent 1 and parent 2 as follows.
  - 6 weeks for parent 1
  - 6 weeks for parent 2
  - 14 weeks to whichever combination of parents determined by the family
- increase the PLP entitlement for singles to 26 weeks
- be paid at the leave taking parent's wage. The leave wage would be capped at $100,000 in the first year of the proposal and indexed by the consumer price index annually.

Superannuation contributions would be included on PLP payments.

The proposal would have effect from 1 July 2023.

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around $6,430 million over the 2022-23 Budget forward estimates period. This represents an increase in administered and departmental costs, partially offset by an increase in taxes.

The proposal would have an 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.

The financial implications of this proposal are highly uncertain. In particular, the estimated financial impacts are highly sensitive to the assumed take-up rate of the proposal and the number of weeks of PLP claimed by parent 1 and parent 2.

The projections of wages growth, indexation parameters and demographic factors are also areas of uncertainty.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-	-1,726.9	-2,316.7	-2,386.9	**-6,430.5**
Underlying cash balance	-	-1,726.9	-2,316.7	-2,386.9	**-6,430.5**

(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.
- Indicates nil.

Key assumptions

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

- Recipients would claim 75% of their leave within the one financial year, with the remaining amount being claimed in the next financial year. This reflects the additional flexibility allowed under the *Paid Parental Leave Amendment (Flexibility Measures) Act 2020*.
- There would be no increase in the take-up of paid parental leave as a result of the addition of superannuation entitlements.
- The rate of payment of superannuation would be equal to the superannuation guarantee rate.
- The distribution of the number of weeks claimed by PLP recipients compared to the maximum entitlement would be broadly similar under the proposal to that observed under current policy settings.

Methodology

Administered expenses for this component were estimated using a microsimulation model of Australia's personal income tax and transfer payment systems as at 2022 Pre-Election Fiscal Outlook (PEFO).

Simulations were calculated to determine entitlements under both the current policy and the proposal. The difference in entitlements between the current policy and the proposed policy represents the cost of the proposal.

The revenue implications were estimated based on the difference in projected taxable incomes and superannuation contributions of paid parental leave recipients under both the current and proposed policy scenarios. Personal income was indexed in line with the growth of average weekly earnings.

This costing takes the timing of administered payments and tax collections into account in estimating the financial implications of the proposal on the budget balances.

Departmental expenses were estimated based on information provided by Services Australia and similar proposals.

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

The Department of Social Services provided 2019-20 administrative unit record data on paid parental leave recipients.

The Department of Social Services provided expenditure and population forecasts for paid parental leave recipients as at the 2022 PEFO.

Services Australia provided departmental unit costs as at the 2022 PEFO.

The Department of Finance provided indexation parameters as at the 2022 PEFO.

Attachment A – Paid Parental Leave – financial implications

Table A1: Paid Parental Leave – 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													
Revenue	-	*570.0*	*830.0*	*870.0*	*910.0*	*950.0*	*1,000.0*	*1,050.0*	*1,100.0*	*1,170.0*	*1,240.0*	***2,270.0***	***9,690.0***
Total – revenue	**-**	**570.0**	**830.0**	**870.0**	**910.0**	**950.0**	**1,000.0**	**1,050.0**	**1,100.0**	**1,170.0**	**1,240.0**	**2,270.0**	**9,690.0**
Expenses													
Administered expenses	-	*-2,290.0*	*-3,140.0*	*-3,250.0*	*-3,400.0*	*-3,560.0*	*-3,730.0*	*-3,920.0*	*-4,110.0*	*-4,350.0*	*-4,620.0*	***-8,680.0***	***-36,370.0***
Departmental expenses	-	*-6.9*	*-6.7*	*-6.9*	*-7.3*	*-7.6*	*-8.0*	*-8.4*	*-8.8*	*-9.3*	*-9.9*	***-20.5***	***-79.8***
Total – expenses	**-**	**-2,296.9**	**-3,146.7**	**-3,256.9**	**-3,407.3**	**-3,567.6**	**-3,738.0**	**-3,928.4**	**-4,118.8**	**-4,359.3**	**-4,629.9**	**-8,700.5**	**-36,449.8**
Total (excluding PDI)	**-**	**-1,726.9**	**-2,316.7**	**-2,386.9**	**-2,497.3**	**-2,617.6**	**-2,738.0**	**-2,878.4**	**-3,018.8**	**-3,189.3**	**-3,389.9**	**-6,430.5**	**-26,759.8**

(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: Paid Parental Leave – 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	-	*-20.0*	*-66.0*	*-121.0*	*-181.0*	*-252.0*	*-333.0*	*-426.0*	*-533.0*	*-655.0*	*-795.0*	***-207.0***	***-3,382.0***
Underlying cash balance	-	*-17.0*	*-60.0*	*-114.0*	*-174.0*	*-243.0*	*-323.0*	*-415.0*	*-520.0*	*-640.0*	*-778.0*	***-191.0***	***-3,284.0***

(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 glossary[2].

(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.

Parliamentary Budget Office

Reduce the minimum number of participants in group therapy	
Party:	Australian Greens
Summary of proposal: The proposal would improve the Better Access scheme by reducing the minimum number of participants in group psychological therapy sessions to four patients from the current requirement of six in accordance with recommendation 5 of the *Report from the Mental Health Reference Group*. It would also remove the current cap of 10 group therapy sessions a year and instead allow patients to access unlimited group therapy sessions. The proposal would be ongoing and start from 1 July 2022.	

Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by around $2.4 million over the Budget 2022-23 forward estimates period. This is predominantly driven by increases in administered expenses, while increases in departmental expenses are relatively small. The underlying cash balance impact differs slightly from the fiscal balance impact due to claims processing lags, which would see a proportion of claims processed in the following year after the service is provided and the expense is recorded. The difference is indiscernible after rounding.

The proposal would have an 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.

The financial implications of the proposal are sensitive to the assumptions on the uptake of additional psychological therapy sessions, the number of patients accessing the Better Access scheme and the Medicare Benefit Schedule (MBS) schedule fees.

The Parliamentary Budget Office (PBO) considered the broader effects, including the potential flow-on impacts on the public health system from this proposal, but has not included them in this costing, as these effects are highly uncertain.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-0.61	-0.61	-0.61	-0.61	**-2.44**
Underlying cash balance	-0.61	-0.61	-0.61	-0.61	**-2.44**

(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 this proposal.

- Moving to unlimited group sessions from the current cap of 10 sessions would not attract additional GP reviews.
- Reducing the minimum participant requirement of six to four would increase demand for group sessions by one third.
- The number of patients accessing the Better Access scheme would grow in line with projections for Australia's population aged 16 and above.

Methodology

The administered expenses were calculated by multiplying the average per group session cost observed in 2018-19 with the projected additional session volume.

- Projected additional MBS services account for anticipated increases in demand due to the proposed relaxation of the minimum participant requirement for group sessions and the proposed removal of the 10 session per year cap.

The departmental expenses were estimated based on the ratio of departmental to administered expenses assumed for the Budget measure.

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

Data sources

Department of Health (2018) *Report from the Mental Health Reference Group*, Department of Health.

Economic parameters and population projections were provided by the Department of Finance and Treasury as at the *2022-23 Budget.*

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

Attachment A – Reduce the minimum number of participants in group therapy – financial implications

Table A1: Reduce the minimum number of participants in group therapy – 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													
Administered	*-0.60*	*-0.60*	*-0.60*	*-0.60*	*-0.60*	*-0.60*	*-0.60*	*-0.70*	*-0.70*	*-0.70*	*-0.70*	***-2.40***	***-7.00***
Departmental	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	*-0.01*	***-0.04***	***-0.11***
Total – expenses	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.71**	**-0.71**	**-0.71**	**-0.71**	**-2.44**	**-7.11**
Total (excluding PDI)	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.61**	**-0.71**	**-0.71**	**-0.71**	**-0.71**	**-2.44**	**-7.11**

(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) Fiscal and underlying cash balances are slightly different but are identical at the rounded level.

Table A3: Reduce the minimum number of participants in group therapy – 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*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.2*	*-0.2*	*-0.2*	***-0.1***	***-1.1***
Underlying cash balance	..	..	..	..	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.2*	*-0.2*	*-0.2*	**..**	***-1.0***

(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 glossary[2].

(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.

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[2] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Re-establish the Communications Fund	
Party:	Australian Greens
Summary of proposal: The proposal would re-establish the Communications Fund (the fund) which was abolished in the 2008-09 Budget. The fund would have a mandate to invest its assets commercially and use the proceeds to fund essential communications programs with a focus on regional Australia. The fund would initially be capitalised with a $3 billion investment from the Australian Government. This proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to decrease the fiscal balance by up to $33.7 million, the underlying cash balance by up to $26.6 million and the headline cash balance by up to $3,027 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 (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The financial implications are uncertain and particularly sensitive to assumptions on the speed at which capital is deployed and the rate of return on the fund. The risk of capital loss of the Communications Fund is estimated at 10% of the portfolio over the medium term, considering the risk of capital loss of other Future Funds over the next three years and longer-term period. The net earnings from the fund's investments are highly sensitive to this risk.

Consistent with *Parliamentary Budget Office (PBO) Guidance 02/2015*, PDI expense impacts have been included in this costing because the equity injections provided under this proposal involve the transaction of financial asset.

The fiscal, underlying cash and headline cash balance impacts differ in the treatment of investment gains, PDI and equity amounts. In particular, only the headline cash balance includes transactions related to equity injections. The impact on net debt will be broadly consistent with movements in the headline cash balance.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	22.9	-0.8	-17.7	-38.1	**-33.7**
Underlying cash balance	23.9	1.2	-15.7	-36.0	**-26.6**
Headline cash balance	-726.1	-748.8	-765.7	-786.0	**-3,026.6**

(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.

- All enabling legislation would be passed before the policy start date.
- As the Department of Infrastructure, Transport, Regional Development and Communications were unable to provide the funding model of the original Communications Fund, it was assumed the return in investments over time would be consistent with the investment gain for another Government Fund investment. The Medical Futures Fund was selected, and its investment gain in 2018-19 was used to approximate similar gains for the re-established Communications Fund. The 2019-20 investment gain was not used due to the financial impacts of COVID-19.
- Investments would be committed evenly over four years from 2022-23. This is consistent with the time needed to assess eligibility, the average length of investment projects, and provides staged funding to projects.
- The fund's annual rate of return would be 2% above the consumer price index.
  - The assumed rate of return is also broadly consistent with other Government Funds investment performance from 1 April 2020. For example, Emergency Response Fund has a nominal rate of return of around 3.5%.
- Interest payments and dividend earnings on investments would be returned to consolidated revenue and repaid capital would be reinvested in the fund.
- The proportion of non-performing investment over the medium term would be 10% of total capital fund, as this proposal would involve high-risk early-stage enterprises and innovations.
- The fund management fee would be approximately 0.05% of the invested fund each year.
- The departmental costs (including management fees) would be broadly consistent with the departmental costs of the Medical Research Future Fund relative to the amount of funding administered.
- All proceeds of the fund would be used to fund essential communications programs with a focus on regional Australia. The amount of funding available for distribution of grants would lag the fund earnings by one year and would all be spent in the year in which it becomes available.
- A set up cost of $1.5 million would be required.

Methodology

The equity deployment profile, investment gains, grants for essential programs and departmental costs were modelled as discussed in *Key assumptions* above.

- The net earnings were calculated taking into account the treatments around departmental and PDI costs specified by the requestor.
- Equity deployments were estimated using information from the Medical Research Future Fund provided by the Department of Finance.
- Grants for essential programs were calculated by net earnings less fund management fees.
- Departmental expenses have been estimated by scaling the additional administered expenses by a ratio from similar proposals.

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

Data sources

Australian National Audit Office (ANAO) *Establishment and Management of the Communications Fund*, ANAO, 2008, accessed 16 June 2022.

Department of Health provided the funding model of Medical Research Future Fund as at 2021-22 Budget.

Department of Finance, *Emergency Response Fund*, Department of Finance, Australian Government, 2022, accessed 16 June 2022.

The Department of Finance and the Treasury provided economic parameters as at the *Pre-election Economic and Fiscal Outlook 2022-23*.

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

Attachment A – Re-establish the Communications Fund – financial implications

Table A1: Re-establish the Communications Fund – 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													
The Fund: Administered receipts [(b)]	*33.0*	*59.0*	*85.0*	*108.0*	*100.0*	*99.0*	*101.0*	*104.0*	*105.0*	*104.0*	*104.0*	***285.0***	***1,002.0***
Total – revenue	**33.0**	**59.0**	**85.0**	**108.0**	**100.0**	**99.0**	**101.0**	**104.0**	**105.0**	**104.0**	**104.0**	**285.0**	**1,002.0**
Expenses													
Administered													
Fund Management Fees	*-0.4*	*-0.8*	*-1.1*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	***-3.8***	***-14.3***
Grants for essential communications programs	-	*-33.0*	*-59.0*	*-85.0*	*-108.0*	*-100.0*	*-99.0*	*-101.0*	*-104.0*	*-105.0*	*-104.0*	***-177.0***	***-898.0***
Total – administered	***-0.4***	***-33.8***	***-60.1***	***-86.5***	***-109.5***	***-101.5***	***-100.5***	***-102.5***	***-105.5***	***-106.5***	***-105.5***	***-180.8***	***-912.3***
Departmental													
Departmental	*-1.5*	*-1.3*	*-0.9*	*-0.4*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	***-4.1***	***-7.6***
Total – departmental	***-1.5***	***-1.3***	***-0.9***	***-0.4***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-4.1***	***-7.6***
Total – expenses	**-1.9**	**-35.1**	**-61.0**	**-86.9**	**-110.0**	**-102.0**	**-101.0**	**-103.0**	**-106.0**	**-107.0**	**-106.0**	**-184.9**	**-919.9**
Total (excluding PDI)	**31.1**	**23.9**	**24.0**	**21.1**	**-10.0**	**-3.0**	**-**	**1.0**	**-1.0**	**-3.0**	**-2.0**	**100.1**	**82.1**
PDI impacts	***-8.2***	***-24.7***	***-41.7***	***-59.2***	***-69.0***	***-71.0***	***-73.1***	***-75.3***	***-77.8***	***-80.5***	***-88.5***	***-133.8***	***-669.0***
Total (including PDI)	**22.9**	**-0.8**	**-17.7**	**-38.1**	**-79.0**	**-74.0**	**-73.1**	**-74.3**	**-78.8**	**-83.5**	**-90.5**	**-33.7**	**-586.9**

(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.
(b) Represents the net earnings of the fund.
- Indicates nil.

Table A2: Re-establish the Communications Fund – 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													
The Fund: Administered receipts [(b)]	*33.0*	*59.0*	*85.0*	*108.0*	*100.0*	*99.0*	*101.0*	*104.0*	*105.0*	*104.0*	*104.0*	***285.0***	***1,002.0***
Total – receipts	**33.0**	**59.0**	**85.0**	**108.0**	**100.0**	**99.0**	**101.0**	**104.0**	**105.0**	**104.0**	**104.0**	**285.0**	**1,002.0**
Payments													
Administered													
Fund Management Fees	*-0.4*	*-0.8*	*-1.1*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	***-3.8***	***-14.3***
Grants for essential communications programs	*-*	*-33.0*	*-59.0*	*-85.0*	*-108.0*	*-100.0*	*-99.0*	*-101.0*	*-104.0*	*-105.0*	*-104.0*	***-177.0***	***-898.0***
Total – administered	***-0.4***	***-33.8***	***-60.1***	***-86.5***	***-109.5***	***-101.5***	***-100.5***	***-102.5***	***-105.5***	***-106.5***	***-105.5***	***-180.8***	***-912.3***
Departmental													
Departmental	*-1.5*	*-1.3*	*-0.9*	*-0.4*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	***-4.1***	***-7.6***
Total – departmental	***-1.5***	***-1.3***	***-0.9***	***-0.4***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-4.1***	***-7.6***
Total – payments	**-1.9**	**-35.1**	**-61.0**	**-86.9**	**-110.0**	**-102.0**	**-101.0**	**-103.0**	**-106.0**	**-107.0**	**-106.0**	**-184.9**	**-919.9**
Total (excluding PDI)	**31.1**	**23.9**	**24.0**	**21.1**	**-10.0**	**-3.0**	**-**	**1.0**	**-1.0**	**-3.0**	**-2.0**	**100.1**	**82.1**
PDI impacts	***-7.2***	***-22.7***	***-39.7***	***-57.1***	***-67.8***	***-70.8***	***-72.8***	***-75.0***	***-77.5***	***-80.2***	***-87.5***	***-126.7***	***-658.3***
Total (including PDI)	**23.9**	**1.2**	**-15.7**	**-36.0**	**-77.8**	**-73.8**	**-72.8**	**-74.0**	**-78.5**	**-83.2**	**-89.5**	**-26.6**	**-576.2**

(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.

(b) Represents the net earnings of the fund.

\- Indicates nil.

Table A3: Re-establish the Communications Fund – 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													
The Fund: Administered receipts [(b)]	*33.0*	*59.0*	*85.0*	*108.0*	*100.0*	*99.0*	*101.0*	*104.0*	*105.0*	*104.0*	*104.0*	***285.0***	***1,002.0***
Total – receipts	**33.0**	**59.0**	**85.0**	**108.0**	**100.0**	**99.0**	**101.0**	**104.0**	**105.0**	**104.0**	**104.0**	**285.0**	**1,002.0**
Payments													
Administered													
Initial outlay	*-750.0*	*-750.0*	*-750.0*	*-750.0*	-	-	-	-	-	-	-	***-3,000.0***	***-3,000.0***
Fund Management Fees	*-0.4*	*-0.8*	*-1.1*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	*-1.5*	***-3.8***	***-14.3***
Grants for essential communications programs	-	*-33.0*	*-59.0*	*-85.0*	*-108.0*	*-100.0*	*-99.0*	*-101.0*	*-104.0*	*-105.0*	*-104.0*	***-177.0***	***-898.0***
Total – administered	***-750.4***	***-783.8***	***-810.1***	***-836.5***	***-109.5***	***-101.5***	***-100.5***	***-102.5***	***-105.5***	***-106.5***	***-105.5***	***-3,180.8***	***-3,912.3***
Departmental													
Departmental	*-1.5*	*-1.3*	*-0.9*	*-0.4*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	*-0.5*	***-4.1***	***-7.6***
Total – departmental	***-1.5***	***-1.3***	***-0.9***	***-0.4***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-0.5***	***-4.1***	***-7.6***
Total – payments	**-751.9**	**-785.1**	**-811.0**	**-836.9**	**-110.0**	**-102.0**	**-101.0**	**-103.0**	**-106.0**	**-107.0**	**-106.0**	**-3,184.9**	**-3,919.9**
Total (excluding PDI)	**-718.9**	**-726.1**	**-726.0**	**-728.9**	**-10.0**	**-3.0**	**-**	**1.0**	**-1.0**	**-3.0**	**-2.0**	**-2,899.9**	**-2,917.9**
PDI impacts	***-7.2***	***-22.7***	***-39.7***	***-57.1***	***-67.8***	***-70.8***	***-72.8***	***-75.0***	***-77.5***	***-80.2***	***-87.5***	***-126.7***	***-658.3***
Total (including PDI)	**-726.1**	**-748.8**	**-765.7**	**-786.0**	**-77.8**	**-73.8**	**-72.8**	**-74.0**	**-78.5**	**-83.2**	**-89.5**	**-3,026.6**	**-3,576.2**

(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.

(b) Represents the net earnings of the fund.

\- Indicates nil.

Parliamentary Budget Office

Legislate for 10 days paid family and domestic violence leave	
Party:	Australian Greens
Summary of proposal: The proposal would require employers to provide 10 days of paid leave to employees experiencing family and domestic violence. The proposal would have effect from 1 July 2023.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around $27.8 million over the 2022-23 Budget forward estimates period. This is entirely due to an increase in departmental expenses.

The proposal would have an 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.

The financial implications of this proposal are sensitive to assumptions about leave uptake, the incidence of family and domestic violence among Australian Government employees, the extent to which salaries and employment types are similar across Australian Government agencies, and the amount of paid leave to be made available in the absence of the proposal.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-5.3	-11.0	-11.5	**-27.8**
Underlying cash balance	-	-5.3	-11.0	-11.5	**-27.8**

(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.
- Indicates nil.

Key assumptions

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

- The provision of paid family violence leave by private companies and state and territory governments would not have a significant financial impact.
- Paid leave under the proposal would be provided in addition to any existing miscellaneous leave entitlements for which APS employees experiencing domestic and family violence may be eligible.

- In the absence of the proposal being adopted, Australian Public Service (APS) employees would not be entitled to any paid family and domestic violence leave.[1]
- The prevalence of Australian Government employees affected by family and domestic violence is reflective of the reported prevalence at the national level.
  - The reported prevalence of family and domestic violence among the Australian population would continue to grow over the medium term.
- The average daily cost of family and domestic violence leave for Australian Public Service (APS) employees is reflective of the average salary cost per working day across the APS.
- The uptake of paid family violence leave would directly increase the total amount of leave taken by affected staff.
  - In 2023-24, half of the 10 days of family and domestic violence leave available to affected staff would be utilised.
  - Beyond 2023-24, all affected staff would fully utilise the 10 days of family and domestic violence leave provided under this proposal.

Methodology

Uptake among APS employees was estimated by multiplying the incidence of family and domestic violence among the national population by the total population of APS employees.

The additional agency expenses associated with providing family and domestic violence leave to affected individuals was then estimated by multiplying the total estimated number of leave days by the estimated average daily cost per employee.

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

Data sources

Australian Bureau of Statistics, *Recorded Crime – Victims, Australia, 2020*, ABS Cat. No. 4510.0, 2021, Canberra.

Australian Bureau of Statistics, *National, state and territory population, September 2021*, 2022, Canberra.

Australian Government, *2022-23 Budget, Budget Paper No. 3*, 2022, Canberra.

Australian Government, *2022-23 Budget, Budget Paper No. 4*, 2022, Canberra.

Australian Public Service Commission. *Australian Public Service State of the Service Report 2020-21*, 2021, Canberra.

[1] In May 2022, the Fair Work Commission issued a provisional decision to include paid family and domestic violence leave in awards for permanent employees. However, the decision has yet to be finalised and so is not included as part of the baseline scenario. See www.fairwork.gov.au/leave/family-and-domestic-violence-leave.

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

Attachment A – Legislate for 10 days paid family and domestic violence leave – financial implications

Table A1: Legislate for 10 days paid family and domestic violence leave – 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													
Departmental													
Paid Leave for APS Employees	-	*-5.3*	*-11.0*	*-11.5*	*-12.0*	*-12.5*	*-13.0*	*-13.6*	*-14.3*	*-14.9*	*-15.6*	***-27.8***	***-123.7***
Total (excluding PDI)	**-**	**-5.3**	**-11.0**	**-11.5**	**-12.0**	**-12.5**	**-13.0**	**-13.6**	**-14.3**	**-14.9**	**-15.6**	**-27.8**	**-123.7**

(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: Legislate for 10 days paid family and domestic violence leave – 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*	*-0.2*	*-0.5*	*-0.8*	*-1.1*	*-1.5*	*-2.0*	*-2.5*	*-3.0*	*-3.7*	***-0.8***	***-15.4***
Underlying cash balance	-	*-0.1*	*-0.2*	*-0.5*	*-0.8*	*-1.1*	*-1.5*	*-1.9*	*-2.4*	*-3.0*	*-3.6*	***-0.8***	***-15.1***

(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 glossary[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 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.

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[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Require timely disclosure of political donations	
Party:	Australian Greens
Summary of proposal: The proposal would place a cap on political donations at $1,000 per year and require all registered political parties, state branches of political parties, individual political candidates, or associated entities to declare all (cumulative) political donations. The proposal is ongoing and would start from 1 July 2023.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by about $83.2 million over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in departmental expenses required primarily for compliance and auditing.

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

The financial implications of the proposal are highly uncertain and are very sensitive to information and communication technology (ICT) costs and the number of staff required for compliance activities.

There may be revenue that arises from financial penalties from non-disclosure of donations. However, there is significant uncertainty around what the level of non-compliance would be and how often the Australian Electoral Commission (AEC) would pursue these matters through legal action. As such, this impact has not been costed.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-47.0	-11.8	-12.4	-12.0	**-83.2**
Underlying cash balance	-47.0	-11.8	-12.4	-12.0	**-83.2**

(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.

Key assumptions

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

- The AEC would need to replace the ICT system it currently uses for financial disclosures with a completely new system and there would be ongoing ICT costs.
- The ICT, education and outreach costs would occur in the year before the proposal starts.

- Education and outreach costs would be ongoing, with the AEC receiving supplementary funding for election years.
- Compliance and auditing costs would grow in line with the wage cost index 3 (WCI3) and the efficiency dividend.

Methodology

ICT costs have been estimated based on historical ICT budget measures but are highly uncertain.

- The AEC would require an entirely new ICT system for financial disclosures as it is unlikely that the upgrades necessary to carry out a higher volume of disclosures and more timely reporting of disclosures could be made on the existing infrastructure.
- The PBO expects that ICT costs would be greater than Queensland Government spending on upgrading the Electoral Commission of Queensland's ICT system to handle disclosure of political donations (scaled up for Australia's population) but less than Australian Government spending on the GovPass Program.
- The PBO has not factored in an ICT Investment Approval Process (IIAP) to this costing.
  - If an IIAP was required for this proposal, it would be likely to take longer to implement, and would include additional costs for the first and second pass approvals.
  - More information about an IIAP can be found on the Digital Transformation Agency website.[1]

Education, outreach, compliance auditing costs have been estimated separately and are based on information provided by the Department of Finance on the AEC's expenses related to political donations. There is uncertainty around the number of people needed to ensure disclosures are compliant with the legislation, given the significant lowering of the donation threshold. If more (or fewer) people are required compared to what has been assumed, the cost of compliance could be readily scaled up (or down).

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

Data sources

Information on the AEC's expenses related to political donations was provided by the Department of Finance.

Economic parameters used in the model were provided by the Department of Finance and the Treasury as at *Pre-election Economic and Fiscal Outlook 2022*.

Australian Government (2019) *Budget Measures Budget Paper No.2 2019-20*, Australian Government, accessed 21 February 2022.

Queensland Government (2016) *Capital Statement Budget Paper No.3 Queensland Budget 2016-17*, Queensland Government, accessed 17 February 2022.

Wood D, Griffiths K and Crowley T (2022) *More than half of funding for the major parties remains secret - and this is how they want it*, Grattan Institute, accessed 23 February 2022.

[1] https://www.dta.gov.au/help-and-advice/digital-and-ict-investments/ict-investment-approval-process

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

Attachment A – Require timely disclosure of political donations – financial implications

Table A1: Require timely disclosure of political donations – 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													
Departmental													
Departmental expenses	*-47.0*	*-11.8*	*-12.4*	*-12.0*	*-12.0*	*-12.6*	*-12.1*	*-12.2*	*-12.8*	*-12.3*	*-12.4*	***-83.2***	***-169.6***
Total – expenses	**-47.0**	**-11.8**	**-12.4**	**-12.0**	**-12.0**	**-12.6**	**-12.1**	**-12.2**	**-12.8**	**-12.3**	**-12.4**	**-83.2**	**-169.6**
Total (excluding PDI)	**-47.0**	**-11.8**	**-12.4**	**-12.0**	**-12.0**	**-12.6**	**-12.1**	**-12.2**	**-12.8**	**-12.3**	**-12.4**	**-83.2**	**-169.6**

(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: Require timely disclosure of political donations – 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	*-0.5*	*-1.2*	*-1.5*	*-1.8*	*-2.2*	*-2.5*	*-2.9*	*-3.4*	*-3.9*	*-4.4*	*-5.4*	***-5.0***	***-29.7***
Underlying cash balance	*-0.5*	*-1.1*	*-1.5*	*-1.8*	*-2.1*	*-2.5*	*-2.9*	*-3.3*	*-3.8*	*-4.4*	*-5.3*	***-4.9***	***-29.2***

(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 glossary[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 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.

[3] Online budget glossary – Parliament of Australia (aph.gov.au)

Parliamentary Budget Office

Return delivery of employment services to the Commonwealth	
Party:	Australian Greens
Summary of proposal: The proposal would progressively return the delivery of employment services from external providers to the Australian Government over 5 years. This proposal is ongoing and would commence from 1 July 2022.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around $630 million over the 2022-23 Budget forward estimates. This reflects an increase in departmental expenses of around $3,630 million and a decrease in administered expenses of around $3,000 million.

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) over the period to 2032-33 is provided at Attachment A.

This costing is uncertain, and highly sensitive to the relative differences in efficiency between external providers and the Australian Government, the ability of government departments to undertake currently outsourced services given existing resources, structures, economic conditions, and compliance programs that impact the demand for employment services.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-90.0	-140.0	-180.0	-220.0	**-630.0**
Underlying cash balance	-90.0	-140.0	-180.0	-220.0	**-630.0**

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

- The delivery of employment services by the Australian Government would have similar outcomes as the delivery by external providers. This would mean that there would be no impact to the tax and transfer payment systems.
- The Government would be less efficient in providing employment services than external providers. In the first year, it would cost the Government 25% more to deliver these services than external providers. However, the Government would become more efficient over time.

- 20% of employment services would be returned to Government in each year over the five years from 2022-23.
- Around $25 million would be required in 2022-23 as additional departmental funding to establish and plan for this proposal.
- This proposal would be delivered by the Department of Education, Skills and Employment (DESE).

Methodology

The financial implications of this proposal were based on the amount of administered funding provided under *Workforce Australia.*

- The decrease in administered funding was based on the level of administered funding provided under *Workforce Australia* and the assumed proportion of employment services that would be delivered by external providers and Government in each year.
- The increase in departmental funding was based on the decrease in administered funding and the assumed difference in efficiency between Government and external providers. This increase also includes the assumed departmental funding required to establish and plan for this proposal

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

Data sources

DESE provided information on funding for *Workforce Australia* as at the 2022 Pre-election Fiscal and Economic Outlook.

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

Attachment A – Return delivery of employment services to the Commonwealth – financial implications

Table A1: Return delivery of employment services to the Commonwealth – 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													
Decrease in funding for Workforce Australia	*240.0*	*620.0*	*900.0*	*1,240.0*	*1,540.0*	*1,510.0*	*1,570.0*	*1,580.0*	*1,580.0*	*1,650.0*	*1,660.0*	***3,000.0***	***14,090.0***
Total – administered	***240.0***	***620.0***	***900.0***	***1,240.0***	***1,540.0***	***1,510.0***	***1,570.0***	***1,580.0***	***1,580.0***	***1,650.0***	***1,660.0***	***3,000.0***	***14,090.0***
Departmental													
Increase in funding for DESE	*-330.0*	*-760.0*	*-1,080.0*	*-1,460.0*	*-1,790.0*	*-1,730.0*	*-1,770.0*	*-1,760.0*	*-1,740.0*	*-1,810.0*	*-1,810.0*	***-3,630.0***	***-16,040.0***
Total – departmental	***-330.0***	***-760.0***	***-1,080.0***	***-1,460.0***	***-1,790.0***	***-1,730.0***	***-1,770.0***	***-1,760.0***	***-1,740.0***	***-1,810.0***	***-1,810.0***	***-3,630.0***	***-16,040.0***
Total – expenses	**-90.0**	**-140.0**	**-180.0**	**-220.0**	**-250.0**	**-220.0**	**-200.0**	**-180.0**	**-160.0**	**-160.0**	**-150.0**	**-630.0**	**-1,950.0**
Total (excluding PDI)	**-90.0**	**-140.0**	**-180.0**	**-220.0**	**-250.0**	**-220.0**	**-200.0**	**-180.0**	**-160.0**	**-160.0**	**-150.0**	**-630.0**	**-1,950.0**

(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: Return delivery of employment services to the Commonwealth – 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	*-1.0*	*-3.5*	*-7.2*	*-12.0*	*-18.0*	*-24.5*	*-31.2*	*-37.9*	*-44.8*	*-51.9*	*-59.7*	***-23.7***	***-291.7***
Underlying cash balance	*-0.8*	*-3.2*	*-6.8*	*-11.5*	*-17.3*	*-23.7*	*-30.4*	*-37.1*	*-44.0*	*-51.0*	*-58.8*	***-22.3***	***-284.6***

(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 glossary[2].

(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)

Parliamentary
Budget Office

End the export of greyhounds for commercial purposes	
Party:	Australian Greens
Summary of proposal: The proposal would ban the export of greyhounds for commercial purposes, including for breeding and racing, from 1 July 2022.	

Costing overview

The proposal would be expected to have a nil impact on the fiscal and underlying cash balances over the 2022-23 Budget forward estimates period. This reflects a decrease in non-tax revenue of $0.4 million and a corresponding decrease in departmental expenses of $0.4 million.

The proposal would have an 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.

The proposal has a net nil impact because export fees and charges for live animal exports, including greyhounds, are charged on a cost-recovery basis. The revenue forgone (and the associated decrease in departmental expenses) is sensitive to the number of greyhounds that would be exported under the baseline and the associated export charges, which would be subject to regular review during the period to 2032-33.

Table 1: Financial implications ($m)(a)(b)

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

(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.
- Indicates nil.

Key assumptions

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

- Any legislation required to ban greyhound exports would be passed before the commencement of the proposal.
- Any behavioural responses from greyhound exporters would not have a material impact on the costing.
- The number of live greyhounds exported from Australia each year over the period to 2032-33 would remain constant at its projected 2018-19 level.

– The projected 2018-19 level would be the annualised level based on the actual export figures for the period between July 2018 and March 2019.

- The average annual export charge per greyhound over the period to 2032-33 would remain constant at a level consistent with the fees, levies, and volume arrangements from 2016-17 to 2018-19.
- Each exported live greyhound would require one inspection, one export permit, one audit and one export document.

Methodology

Non-taxation revenue and the associated reduction in departmental expenses were calculated by multiplying the projected annual number of exported greyhounds by the assumed average annual export charge per greyhound, 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]

Data sources

Department of Agriculture and Water Resources (2015), *Cost Recovery Implementation Statement Live animal exports 2015-16*, Australian Government.

Department of Agriculture and Water Resources (2019), *Live Animal Export Statistics – Greyhound exports*, Australian Government.

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

Attachment A – End the export of greyhounds for commercial purposes – financial implications

Table A1: End the export of greyhounds for commercial purposes – 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													
Cost recovery fee	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	***-0.4***	***-1.1***
Total – revenue	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.4**	**-1.1**
Expenses													
Department of Agriculture, Water and the Environment	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	***0.4***	***1.1***
Total – expenses	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.4**	**1.1**
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(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: End the export of greyhounds for commercial purposes – 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	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Underlying cash balance	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**

(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 glossary[2].

(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 – Parliament of Australia (aph.gov.au)

Parliamentary
Budget Office

Stop companies claiming tax deductions for travel to tax havens	
Party:	Australian Greens
Summary of proposal: The proposal would stop companies from claiming a tax deduction for travel and related expenses to and from tax havens. • Australian taxpayers would be required to notify the Australian Tax Office if they have residency or citizenship in a tax haven. • The Australian government would exclude companies based in tax havens from all government contracts. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to have a revenue impact, but due to a lack of data and the significant uncertainty surrounding travel and related expenses resultant of the COVID-19 pandemic, 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 Public Debt Interest (PDI) table) over the period to 2032-33 are 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	-	*	*	*	*
Underlying cash balance	-	*	*	*	*

(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.

* Unquantifiable impact.

\- Indicates nil

Methodology

The PBO has determined that this proposal is unquantifiable due to the lack of data on the level of deductions made under the baseline and the ongoing uncertainty about the level of domestic and international travel stemming from the COVID-19 pandemic.

Attachment A – Stop companies claiming tax deductions for travel to tax havens – financial implications

Table A1: Stop companies claiming tax deductions for travel to tax havens – Fiscal and underlying cash balance ($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**
Revenue													
Stop companies claiming tax deductions for travel to tax havens	-	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	**-**	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****

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

(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.

* Unquantifiable impact.

\- Indicates nil

Table A2: Stop companies claiming tax deductions for travel to tax havens – 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	-	*	*	*	*	*	*	*	*	*	*	*	*
Underlying cash balance	-	*	*	*	*	*	*	*	*	*	*	*	*

(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 glossary[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 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.

* Unquantifiable impact.

\- Indicates nil

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

Parliamentary Budget Office

Budget analysis of interactions between the Australian Greens' election commitments	
Party:	Australian Greens
Summary of analysis: This analysis provides estimates of the material interactions between the Australian Greens' 2022 election commitments. It should be read in conjunction with the costings for each of the commitments identified as having material interactions.	

Overview

The Parliamentary Budget Office (PBO) has examined all of the revenue and expense policy proposals of the Australian Greens included in the 2022 Election commitments report to identify proposals that interact with each other in terms of their impact on the budget. An interaction arises when 2 or more proposals would have different budgetary implications when implemented together compared to the sum of the budgetary implications of implementing the proposals in isolation (see Box 1 for an example of a policy interaction).

Consistent with standard costing practice, each election commitment in the 2022 Election commitments report has been costed against the 'baseline' of the 2022 Pre-election Economic and Fiscal Outlook (PEFO), as though each exists as a standalone policy rather than as part of a broader policy platform. Estimating the budget impact of a party's election platform as a whole requires not only costing each commitment but considering how commitments will interact with each other.

The analysis presented here identifies interactions *between* commitments rather than interactions within commitments. Interactions between multiple components within a single commitment have already been accounted for in the policy costing. See, for example, the election commitment costing *A Fair and Progressive Income Tax System (ECR539)*, which includes several components.

The PBO determined that 12 of the Australian Greens' commitments have material interactions with other commitments in their platform. These are:

- *A Fair and Progressive Income Tax System (ECR539)*
- *Banking for People, Not Profit (ECR537)*
- *Billionaires Tax (ECR533)*
- *Coal Export Levies (ECR504)*
- *End handouts for coal, oil and gas companies (ECR502)*
- *End Tax Breaks for Property Investors (ECR525)*
- *Make Gas Exporters Pay Taxes and Royalties (ECR503)*
- *Make Polluters Pay for the Damage they are doing (ECR506)*
- *Mining Super Profits Tax (ECR535)*
- *No one in Poverty (ECR558)*
- *Paid Parental Leave (ECR581)*
- *"Tycoon" Super Profits Tax (ECR534)*

Box 1: Example of a policy interaction

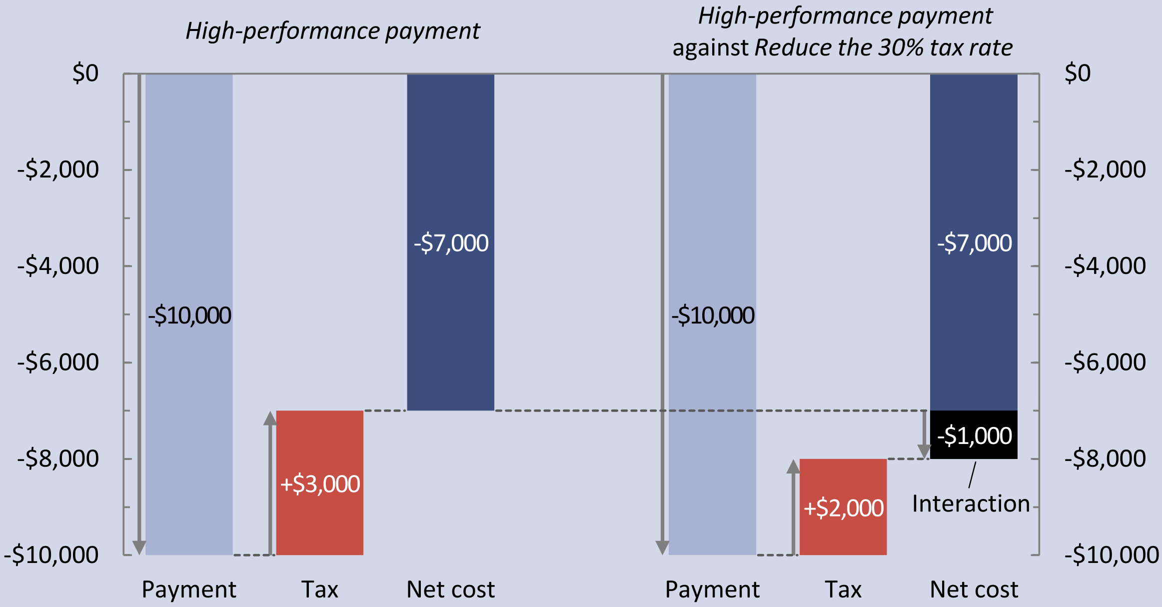
Consider a hypothetical policy, *High-performance payment*, which would provide a taxable, one-off payment of $10,000 to eligible athletes. Because recipients must pay tax on the payment, the net budget cost of each $10,000 payment will typically be less than $10,000.

Morgan is an athlete who is eligible to receive the one-off payment (for simplicity, assume Morgan is the only athlete eligible). Under the current policy baseline, Morgan pays income tax at a rate of 30% on the payment. In this case, Morgan pays $3,000 in tax ($10,000 x 30%), and the proposal would cost $7,000 ($10,000 – $3,000).

Now consider another hypothetical policy, *Reduce the 30% tax rate*, which would reduce the rate of tax from 30% to 20%. In contrast to when *High-performance payment* was costed as a standalone policy, taking this additional policy into account means that Morgan would be required to pay only 20% tax on the payment instead of 30%. In this case, Morgan pays $2,000 in tax ($10,000 x 20%), and the proposal would cost $8,000 ($10,000 – $2,000).

The difference between the two scenarios is called a *policy interaction*, which occurs when the budget impact of 2 or more proposals implemented together is different to the sum of the budgetary implications of each proposal in isolation. In this example, there is a revenue interaction of –$1,000 ($2,000 – $3,000). This means that *High-performance payment* is *more* expensive when it is implemented with *Reduce the 30% tax rate* than when it is implemented as a standalone policy. This is illustrated in Figure 1, which shows the financial impacts on the budget balance of these policies.

Figure 1: Interaction between *High-performance payment* **and** *Reduce the 30% tax rate*



Financial implications

Interactions between the identified proposals would be expected to decrease the fiscal and underlying cash balances by around $10.3 billion over the 2022-23 Budget forward estimates. The decrease in the budget balances reflects net decreases in personal income tax, company tax, and revenue from the levy on net wealth proposed in *Billionaires Tax (ECR533)*.

The interactions 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.

Table 1: Financial implications ($m)[(a)(b)]

	2022-23	2023-24	2024-25	2025-26	**Total to 2025-26**
Fiscal balance	-1,500.0	-2,960.0	-3,200.0	-2,680.0	**-10,340.0**
Underlying cash balance	-1,500.0	-2,960.0	-3,200.0	-2,680.0	**-10,340.0**

(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.

No one in Poverty (ECR558) and *A Fair and Progressive Income Tax System (ECR539)* would be expected to have the largest interaction of the commitments identified. *ECR558* would increase social security payments, which would be expected to increase personal income tax revenue for those social security payments that are considered taxable income. However, when implemented in conjunction with *ECR539*, the estimated increase in personal income tax revenue would be partially offset by the Greens' proposed increase in the low income tax offset (LITO).

Billionaires Tax (ECR533) would be expected to have significant interactions with the commitments related to company tax, most notably *"Tycoon" Super Profits Tax (ECR534)* and *Mining Super Profits Tax (ECR535)*. Because these commitments would increase the effective company tax rate, the post-tax income for owners, and subsequently their cumulative wealth, would be lower. Consequently, the wealth of those affected by *ECR533* would also be expected to decrease, meaning that the proposed levy on net wealth would be expected to raise less revenue than if it were implemented in isolation.

Make Polluters Pay for the Damage they are doing (ECR506) would be expected to have significant interactions with the commitments related to company tax, most notably *"Tycoon" Super Profits Tax (ECR534)* and *Mining Super Profits Tax (ECR535)*. *ECR506* would introduce a tax-deductable carbon levy on each tonne of CO2-equivalent emissions above a certain threshold. Because *ECR534* and *ECR535* would increase the effective company tax rate, the foregone company tax revenue from deductions for the carbon levy would be more than under the current corporate tax system. Consequently, the net revenue raised from *ECR506* would be partially offset when implemented in conjunction with *ECR534* and *ECR535.*

A Fair and Progressive Income Tax System (ECR539) would also be expected to interact with:

- *"Tycoon" Super Profits Tax (ECR534)* and *Mining Super Profits Tax (ECR535)* because total franked dividends distributed to domestic shareholders would be expected to decrease, partially offsetting the expected increase in personal income tax revenue from *ECR539*.
- *End Tax Breaks for Property Investors (ECR525)* because the proposed increase in marginal tax rates would increase the amount of revenue raised from abolishing both negative gearing and the capital gains tax (CGT) discount. This is a positive interaction, partially offsetting the negative interactions outlined above.
- *Paid Parental Leave (ECR581)* because the proposed increase in marginal tax rates would increase the amount of personal income tax revenue raised from expanded parental leave payments, which are considered taxable income. This is also a positive interaction.

Other interactions between the commitments related to company tax would be expected to have a relatively small, negative revenue impact. The aggregate effect of these interactions is largely attributable to an increase in deductions, which would otherwise be taxed at higher effective rates.

Key assumptions

The PBO has assumed that the behavioural responses of those individuals and companies affected by each proposal would not materially change if the proposals were to be implemented as a package. Most of the identified commitments would be expected to broaden the tax base and increase the tax-to-GDP ratio. The broader tax base may lead to fewer opportunities for those affected to arrange their financial affairs to minimise their tax liabilities. However, the higher overall tax burden could provide a strong incentive to utilise different tax minimisation strategies. These 2 behavioural responses are assumed to broadly offset.

Methodology

Interactions between the policy proposals were estimated with the same models as the proposal costings. The financial implications of each interaction were estimated as the difference between the sum of the budget impacts of the interacting proposals in isolation less the budget impact if the proposals were to be implemented in conjunction.

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

Data sources

Data sources are consistent with the costings for each of the identified proposals.

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

Attachment A – Budget analysis of interactions between the Australian Greens' election commitments – Financial implications

Table A1: Budget analysis of interactions between the Australian Greens' election commitments – 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													
Commitment Interactions	*-1,500.0*	*-2,960.0*	*-3,200.0*	*-2,680.0*	*-2,510.0*	*-2,430.0*	*-2,580.0*	*-2,580.0*	*-2,630.0*	*-2,400.0*	*-1,880.0*	***-10,340.0***	***-27,350.0***
Total (excluding PDI)	**-1,500.0**	**-2,960.0**	**-3,200.0**	**-2,680.0**	**-2,510.0**	**-2,430.0**	**-2,580.0**	**-2,580.0**	**-2,630.0**	**-2,400.0**	**-1,880.0**	**-10,340.0**	**-27,350.0**

(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: Budget analysis of interactions between the Australian Greens' election commitments – 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	*-17.0*	*-68.0*	*-139.0*	*-209.0*	*-276.0*	*-346.0*	*-425.0*	*-514.0*	*-613.0*	*-718.0*	*-830.0*	***-433.0***	***-4,155.0***
Underlying cash balance	*-15.0*	*-62.0*	*-131.0*	*-201.0*	*-268.0*	*-338.0*	*-416.0*	*-504.0*	*-601.0*	*-706.0*	*-817.0*	***-409.0***	***-4,059.0***

(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 glossary[2].

(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)

Parliamentary
Budget Office

Various capped costings – Australian Greens	
Party:	Australian Greens
This document details the administered, departmental, and total funding amounts for capped costings included in Appendix C, Table C-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.

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.

For commitments where costs are specified to be offset from within existing resources, these are described within the footnotes, but the PBO has made no assessment as to whether agencies would be able to absorb those costs.

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.

Attachment A – Various capped costings – Australian Greens – financial implications

Table A1: Various capped costings – Australian Greens – 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
Anti-Racist and Genuinely Multicultural Australia(a)(b)(m)	*Administered*	-11.3	-11.3	-11.3	-11.3	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-45.0	-115.0
	Departmental	-11.3	-1.3	-1.3	-1.3	-	-	-	-	-	-	-	-15.0	-15.0
	Total	**-22.5**	**-12.5**	**-12.5**	**-12.5**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	**-10.0**	-60.0	-130.0
Essential Social Services and Robodebt Royal Commission(c)(j)	*Administered*	-1,014.0	-1,014.4	-1,014.4	-1,014.4	-1,020.0	-1,050.0	-1,070.0	-1,100.0	-1,130.0	-1,160.0	-1,190.0	-4,057.2	-11,777.2
	Departmental	-61.0	-35.6	-25.6	-25.6	-25.6	-26.2	-26.8	-27.5	-28.2	-28.9	-29.6	-147.8	-340.6
	Total	**-1,075.0**	**-1,050.0**	**-1,040.0**	**-1,040.0**	**-1,045.6**	**-1,076.2**	**-1,096.8**	**-1,127.5**	**-1,158.2**	**-1,188.9**	**-1,219.6**	-4,205.0	-12,117.8
Establish a Commonwealth Government Multicultural Commission(k)	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-14.0	-38.5
	Total	**-3.5**	**-3.5**	**-3.5**	**-3.5**	**-3.5**	**-3.5**	**-3.5**	**-3.5**	**-3.5**	**-3.5**	**-3.5**	-14.0	-38.5
Establish a Digital Rights Commissioner(k)(n)	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-2.8	-7.7
	Total	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	-2.8	-7.7
Establish an independent oversight body of places of detention(k)	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-34.7	-34.7	-34.7	-34.7	-34.7	-34.7	-34.7	-34.7	-34.7	-34.7	-34.7	-138.9	-382.0
	Total	**-34.7**	**-34.7**	**-34.7**	**-34.7**	**-34.7**	**-34.7**	**-34.7**	**-34.7**	**-34.7**	**-34.7**	**-34.7**	-138.9	-382.0
Future of Work Commission(k)(o)	*Administered*	-	-	-	-	-	-	-	-	-	-	-	-	-
	Departmental	-30.0	-31.0	-31.0	-31.8	-32.6	-33.3	-34.2	-35.0	-35.9	-36.8	-37.7	-123.8	-369.3
	Total	**-30.0**	**-31.0**	**-31.0**	**-31.8**	**-32.6**	**-33.3**	**-34.2**	**-35.0**	**-35.9**	**-36.8**	**-37.7**	-123.8	-369.3
Increase Commonwealth Alcohol and Other Drug funding(j)(m)	*Administered*	-	-82.5	-82.5	-82.5	-84.5	-86.5	-88.6	-90.8	-93.1	-95.4	-97.8	-247.5	-884.2
	Departmental	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-1.0
	Total	**-**	**-82.6**	**-82.6**	**-82.6**	**-84.6**	**-86.6**	**-88.7**	**-90.9**	**-93.2**	**-95.5**	**-97.9**	-247.8	-885.2
International Climate Finance(d)(j)	*Administered*	-1,500.0	-1,500.0	-1,500.0	-	-	-	-	-	-	-	-	-4,500.0	-4,500.0
	Departmental	-25.0	-25.0	-25.0	-	-	-	-	-	-	-	-	-75.0	-75.0
	Total	**-1,525.0**	**-1,525.0**	**-1,525.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-4,575.0	-4,575.0
Invest in COVID-19 vaccine research(j)	*Administered*	-123.5	-123.5	-	-	-	-	-	-	-	-	-	-247.0	-247.0
	Departmental	-1.5	-1.5	-	-	-	-	-	-	-	-	-	-3.0	-3.0
	Total	**-125.0**	**-125.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-250.0	-250.0

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
Investing in Public Transport[(e)(k)]	*Administered*	-	*-3,542.8*	*-3,608.3*	*-3,682.4*	*-3,754.4*	*-3,823.0*	*-3,897.0*	*-3,481.0*	*-3,575.0*	*-3,660.0*	*-3,756.0*	***-10,833.5***	***-36,779.9***
	Departmental	-	*-2.2*	*-0.7*	*-0.6*	*-0.6*	-	-	-	-	-	-	***-3.5***	***-4.1***
	Total	**-**	**-3,545.0**	**-3,609.0**	**-3,683.0**	**-3,755.0**	**-3,823.0**	**-3,897.0**	**-3,481.0**	**-3,575.0**	**-3,660.0**	**-3,756.0**	**-10,837.0**	**-36,784.0**
Public Infrastructure[(f)]	*Administered*	-	*-300.0*	*-300.0*	*-300.0*	*-300.0*	*-300.0*	*-300.0*	*-300.0*	*-300.0*	*-300.0*	*-300.0*	***-900.0***	***-3,000.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-300.0**	**-900.0**	**-3,000.0**
Putting Solar on Public Buildings[(g)(j)]	*Administered*	*-594.0*	*-609.0*	*-609.0*	*-609.0*	*-609.0*	*-609.0*	*-609.0*	*-609.0*	-	-	-	***-2,421.0***	***-4,857.0***
	Departmental	*-31.0*	*-16.0*	*-16.0*	*-16.0*	*-16.0*	*-16.0*	*-16.0*	*-16.0*	-	-	-	***-79.0***	***-143.0***
	Total	**-625.0**	**-625.0**	**-625.0**	**-625.0**	**-625.0**	**-625.0**	**-625.0**	**-625.0**	**-**	**-**	**-**	**-2,500.0**	**-5,000.0**
Refunding Arena for Clean Energy Exports[(h)(j)]	*Administered*	*-585.3*	*-93.3*	*-93.3*	*-60.0*	-	-	-	-	-	-	-	***-832.0***	***-832.0***
	Departmental	*-23.3*	*-2.3*	*-2.3*	*-1.5*	-	-	-	-	-	-	-	***-29.4***	***-29.4***
	Total	**-608.6**	**-95.6**	**-95.6**	**-61.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-861.4**	**-861.4**
Renters Rights and Fully Funded Frontline Homelessness Services[(i)(l)]	*Administered*	*-580.0*	*-596.9*	*-614.8*	*-630.6*	*-645.4*	*-661.2*	*-677.0*	*-693.9*	*-711.8*	*-728.7*	*-747.7*	***-2,422.3***	***-7,288.0***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-580.0**	**-596.9**	**-614.8**	**-630.6**	**-645.4**	**-661.2**	**-677.0**	**-693.9**	**-711.8**	**-728.7**	**-747.7**	**-2,422.3**	**-7,288.0**
Restore South Melbourne Town Hall[(l)]	*Administered*	-	*-12.5*	-	-	-	-	-	-	-	-	-	***-12.5***	***-12.5***
	Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**-12.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-12.5**	**-12.5**
Total – Administered		***-4,408.1***	***-7,886.2***	***-7,833.6***	***-6,390.2***	***-6,423.3***	***-6,539.7***	***-6,651.6***	***-6,284.7***	***-5,819.9***	***-5,954.1***	***-6,101.5***	***-26,518.0***	***-70,292.8***
Total – Departmental		***-222.0***	***-153.9***	***-140.9***	***-115.8***	***-113.8***	***-114.5***	***-116.0***	***-117.5***	***-103.1***	***-104.7***	***-106.3***	***-632.5***	***-1,408.6***
Total		**-4,630.1**	**-8,040.1**	**-7,974.5**	**-6,505.9**	**-6,537.1**	**-6,654.2**	**-6,767.6**	**-6,402.2**	**-5,923.0**	**-6,058.8**	**-6,207.8**	**-27,150.5**	**-71,701.4**

\- Indicates nil.

Components may not sum to totals due to rounding.

(a) This commitment has 2 administered components:

- $10 million each year from 2022-23 to community organisations and local government authorities for programs to create awareness of racism, tack structural racism, and empower communities to prevent racism
- $1.25 million each year for 4 years from 2022-23 for a national public education campaigning.

(b) This commitment has 3 departmental components:

- $1.25 million each year for 4 years from 2022-23 to the Australian Human Rights Commission to deliver a national anti-racism strategy
- $5 million in 2022-23 to establish a national database on hate crimes
- $5 million in 2022-23 to investigate gaps on racial and ethnic data collection.

(c) This commitment would provide (all commencing on 1 July 2022):

- $1,000 million per year to bridge immediate gaps in community services provision
- $10 million per year in 2022-23 and 2023-24 to establish a Commonwealth taskforce
- $15 million per year over 4 years to establish a Royal Commission into Robodebt.

(d) The proposal would provide $3 billion, over 3 years for the Green Climate Fund and $1.5 billion over 3 years for additional climate reparations.

(e) This commitment has 3 administered components:

- $500 million per year from 2023-24 to 2028-29 to electrify bus and rail networks
- $100 million (including $4.1 million departmental funding) across 2022-23 to 2026-27 for a national research and development strategy to support a transition to zero emissions across the aviation and shipping sectors
- $2,500 million each year for public transport and $500 million each year for active transport to the states and territories, indexed to the consumer price index from 2024-25.

(f) This commitment is to provide funding for local community infrastructure projects. Departmental costs have been drawn from the capped amount.

(g) This commitment is for grants to government schools, technical and further education (TAFE) institutions and public universities to allow for retrofitting and refurbishment of existing facilities to be green, accessible and sustainable.

(h) This commitment has 3 administered components:

- $492 million in 2022-23 to restore the 2016-17 Budget funding cut to the Australian Renewable Energy Agency (ARENA)
- $60 million each year for 4 years from 2022-23 to establish a public building fund
- $33.3 million each year for 3 years from 2022-23 to establish a First Nations Communities Power Fund.

(i) This commitment has 2 administered components:

- Increase funding for homelessness services delivered through the National Housing and Homelessness Agreement by $550 million per year from 2022-23, indexed to the consumer price index
- Increase funding for tenancy advocacy services by $30 million per year from 2022-23, indexed to the consumer price index.

(j) Departmental costs are based on the costs of administering similar programs.

(k) Departmental costs are as specified in the policy proposal.

(l) The departmental cost of administering this commitment is assumed to be funded from existing departmental resources.

(m) This commitment is assumed as ongoing from 2026-27 over the medium term, consistent with PBO general election guidance.

(n) This commitment is assumed as ongoing from 2031-32 over the medium term, consistent with PBO general election guidance.

(o) This commitment is assumed as ongoing from 2025-26 over the medium term, consistent with PBO general election guidance.

Table A2: Memorandum item: Public Debt Interest (PDI) impacts – Various capped costings – Australian Greens – 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	*-52.3*	*-196.7*	*-380.7*	*-558.0*	*-723.1*	*-916.9*	*-1,120.1*	*-1,352.9*	*-1,589.6*	*-1,847.4*	*-2,157.8*	***-1,187.7***	***-10,895.5***
Underlying cash balance	*-46.1*	*-184.7*	*-358.9*	*-537.4*	*-705.5*	*-887.3*	*-1,098.3*	*-1,321.1*	*-1,565.6*	*-1,813.0*	*-2,118.2*	***-1,127.1***	***-10,636.1***

(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 glossary[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 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)