



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													
<i>Aministered</i>	-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
<i>Departmental</i>	-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
<i>Fiscal balance</i>	-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
<i>Underlying cash balance</i>	-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 glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

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