



First Nations Health	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>This proposal consists of 3 components and would start on 1 July 2023.</p> <p><b>Component 1 – Growing the Aboriginal Community Controlled Organisation sector</b></p> <p>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 <i>Indigenous Affairs Programme – rationalisation</i>. 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).</p> <p>The amount of funding to be provided would effectively reflect what would have been provided had the above measure not been implemented.</p> <p><b>Component 2 – Providing healing spaces for First Nations people</b></p> <p>This component would provide all First Nations people a healing space to promote culture, community connection, gathering, cultural healing programs and other social programs.</p> <p>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:</p> <ul style="list-style-type: none"><li>• 1 full-time equivalent (FTE) staff at the Australian Public Service (APS) 2 level</li><li>• 8 FTE staff at the APS3 level</li><li>• 2 FTE staff at the APS4 level</li><li>• 1 FTE staff at the APS6 level.</li></ul> <p><b>Component 3 – Gold Cards for First Nations elders</b></p> <p>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.</p>	

## 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)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	-2,211.9	-2,264.4	-2,337.4	<b>-6,813.7</b>
Underlying cash balance	-	-2,211.9	-2,264.4	-2,337.4	<b>-6,813.7</b>

(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<sup>2</sup>, 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<sup>2</sup> 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<sup>2</sup> 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.<sup>1</sup>

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<sup>1</sup> [https://www.apb.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.apb.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)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Expenses</b>													
<b>Administered</b>													
<i>Component 1: Growing the Aboriginal Community Controlled Organisation sector</i>	-	-128.0	-132.0	-135.0	-139.0	-142.0	-	-	-	-	-	-395.0	-676.0
<i>Component 3: Gold cards for First Nations elders</i>	-	-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
<b>Total – administered</b>	-	<b>-1,828.0</b>	<b>-1,912.0</b>	<b>-1,985.0</b>	<b>-2,059.0</b>	<b>-2,132.0</b>	<b>-2,060.0</b>	<b>-2,140.0</b>	<b>-2,230.0</b>	<b>-2,320.0</b>	<b>-2,410.0</b>	<b>-5,725.0</b>	<b>-21,076.0</b>
<b>Departmental</b>													
<i>Component 2: Providing healing spaces for First Nations people</i>	-	-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
<i>Component 3: Gold cards for First Nations elders</i>	-	-1.9	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-2.7	-5.5
<b>Total (excluding PDI)</b>	-	<b>-2,211.9</b>	<b>-2,264.4</b>	<b>-2,337.4</b>	<b>-2,413.4</b>	<b>-2,488.4</b>	<b>-2,418.4</b>	<b>-2,500.4</b>	<b>-2,592.4</b>	<b>-2,684.4</b>	<b>-2,776.4</b>	<b>-6,813.7</b>	<b>-24,687.5</b>

(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)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b><i>Fiscal balance</i></b>	-	-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
<b><i>Underlying cash balance</i></b>	-	-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<sup>2</sup>.
- (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.

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