



Policy costing

1,200 additional Department of Human Services staff	
Party:	Australian Labor Party
Summary of proposal: This proposal would provide the Department of Human Services with additional funding for 1,200 Australian Public Service (APS) Level 4 staff on a full-time, ongoing basis. The additional staff would be employed over four years, as follows, and maintained over the medium term to 2029-30:	
<ul style="list-style-type: none">• 250 extra on 1 July 2019• 350 extra on 1 July 2020• 300 extra on 1 July 2021• 300 extra on 1 July 2022.	

Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by \$339.3 million over the 2019-20 Budget forward estimates period. This impact entirely reflects an increase in departmental expenses over this period.

A breakdown of the financial implications of this proposal over the 2019-20 Budget forward estimates period is included at [Attachment A](#). The proposal would be expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period.

The estimates in this costing are relatively certain as they are based on specified numbers of new staff and the average costs for employing each staff member at the specified staffing classification. The average costs for each staff member, over the medium term in particular, are moderately sensitive to assumptions about wage cost drivers such as the efficiency dividend and indexation parameters.

Table 1: Financial implications (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-28.6	-68.6	-103.4	-138.7	-339.3
Underlying cash balance	-28.6	-68.6	-103.4	-138.7	-339.3

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

(b) Figures may not sum to totals due to rounding.

Methodology

The financial implications of the proposal were calculated using the standard departmental costing template provided by the Department of Finance over the 2019-20 Budget forward estimates period.

This costing template was extended beyond the forward estimates period by the Parliamentary Budget Office using projections of the relevant efficiency dividend and indexation parameters.

Estimates were rounded to the nearest \$100,000.

Data sources

Department of Finance provided indexation parameters as at the 2019-20 Budget.

Attachment A – 1,200 additional Department of Human Services staff – financial implications

Table A1: 1,200 additional Department of Human Services staff – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Total departmental expenses	-28.6	-68.6	-103.4	-138.7	-339.3

- (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.
- (b) Figures may not sum to totals due to rounding.