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2015–16 Budget: medium-term projections

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Foreword

The 2015–16 Budget papers include projections of the underlying cash balance and net debt to 2025–26 but do not include projections of receipts and payments beyond the forward estimates period ending 2018–19.

In this report the Parliamentary Budget Office (PBO) provides detailed projections of receipts and payments over the period beyond the forward estimates to 2025–26.

The PBO's projections are based on the 2015–16 Budget forward estimates, the economic forecasts and other parameters underpinning the 2015–16 Budget and the policy settings current as at the 2015–16 Budget.

The PBO's projections are not forecasts or predictions, but provide a detailed projected budget baseline over the medium term assuming no change in policy settings over the projection period.

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Phil Bowen PSM FCPA
Parliamentary Budget Officer

24 June 2015

Overview

The PBO's 2015–16 Budget medium-term projections are based on the Australian Government's forward estimates, economic parameters and policy settings current at the 2015–16 Budget.

The PBO has prepared detailed projections of receipts and payments beyond the forward estimates to 2025–26. Detailed projections of receipts and payments are not included in the 2015–16 Budget papers.

Underlying cash balance

The underlying cash balance (UCB) is projected to move from a deficit of 2.6 per cent of GDP in 2014–15, to a peak surplus of 0.7 per cent of GDP in 2021–22, before steadily declining to a surplus of 0.4 per cent of GDP in 2025–26.

The projected improvement in the UCB in the period 2014–15 to 2021–22 reflects a projected increase in total receipts of 2.3 per cent of GDP combined with a decline in payments of 0.7 per cent of GDP. In addition, net Future Fund earnings contribute to the UCB from 2020–21 onwards, adding 0.3 per cent of GDP to the surplus in 2021–22 and 0.2 per cent of GDP to the surplus in 2025–26¹.

The projected steady deterioration in the UCB after 2021–22 reflects a projected small but sustained increase in payments over the last four years of the projection period.

Receipts

Total receipts (both tax and non-tax receipts) are projected to increase by 2.3 per cent of GDP, from 23.5 per cent of GDP in 2014–15 to 25.8 per cent of GDP in 2020–21. Total projected receipts remain at 25.8 per cent of GDP to the end of the projection period due to the application of the tax cap from 2020–21 onwards.

The increase in projected receipts as a proportion of GDP is largely due to higher individuals and other withholding taxes (predominantly personal income taxes), an additional 1.4 per cent of GDP, mainly because of the impact of bracket creep.

Company tax is projected to increase by 0.5 per cent of GDP over the projection period. This mainly reflects the expected higher company tax payable by resource companies as their tax deductions for capital expenditure decline in line with the projected decline in resource sector investment over the projection period.

1 Consistent with the 2015–16 Budget treatment, net Future Fund earnings are included in projections of the underlying cash balance from 2020–21.

Payments

Total payments are projected to decline by 0.4 per cent of GDP, from 25.9 per cent of GDP in 2014–15 to 25.4 per cent of GDP in 2025–26.

The cost of government administration and a range of smaller grant, subsidy and personal benefit programs account for the largest decline in payments of 1.0 per cent of GDP.

Family Tax Benefit is projected to fall by 0.5 per cent of GDP, veterans support by 0.3 per cent of GDP, and job seeker income support by 0.2 per cent of GDP.

Official Development Assistance (ODA), higher education, parenting payments, payments to states and territories for hospitals and schools, the Age Pension and the Disability Support Pension are each projected to decline by 0.1 per cent of GDP.

On the other hand, the National Disability Insurance Scheme (NDIS) is projected to increase by 1.1 per cent of GDP, child care by 0.3 per cent of GDP, aged care, defence and carer income support by 0.2 per cent of GDP, and the Medicare Benefits Schedule by 0.1 per cent of GDP. These increases principally reflect the Government's policy initiatives or the impact of the ageing of the population on the demand for government services.

Net debt

Net debt is projected to increase from 15.6 per cent of GDP in 2014–15 to a peak of 18.0 per cent of GDP in 2016–17 before declining to 7.1 per cent of GDP in 2025–26.

Risks to the Budget

The strong revenue growth underpinning much of the projected improvement in the UCB is contingent on an early and sustained return of the Australian economy to above-trend economic growth and a stabilisation from 2016–17 onwards in the terms of trade.

Key to this projection are the assumptions that labour productivity growth will achieve its long-term average growth rate of 1.5 per cent annually over the projection period, and the terms of trade will stabilise at a level well above its long-run historical level. Both of these assumptions are subject to risk.

The 2015–16 Budget projections assume that all of the Government's current policy initiatives will be implemented, including the measures that were carried forward from the 2014–15 Budget. The PBO has estimated that if these measures remain unlegislated they would reduce the annual UCB over the projection period by between 0.1 and 0.3 per cent of GDP (excluding any allowance for additional public debt interest payments)².

2 PBO budget analysis *Unlegislated measures carried forward from the 2014–15 Budget*, issued 29 May 2015 adjusted for legislation subsequently passed in relation to certain social security payments and the repeal of tax cuts introduced under the Clean Energy Future package, and recent developments in relation to the passage of legislation for the indexation of fuel excise.

In addition, as noted in the 'Higher yield assumptions' scenario in the 2015–16 Budget Statement 7 (pg 7-20), with increased debt issuance, an increase in bond yields would lead to an increase in public debt interest costs. Since the 2015–16 Budget was released, 10-year government bond rates have risen close to the 'Higher yield assumptions' scenario.

Finally, under current economic projections and policy settings, the projected steady deterioration of the UCB from 0.7 per cent of GDP in 2021–22 to 0.4 per cent of GDP in 2025–26 points to an underlying structural imbalance in the Budget over the medium term.

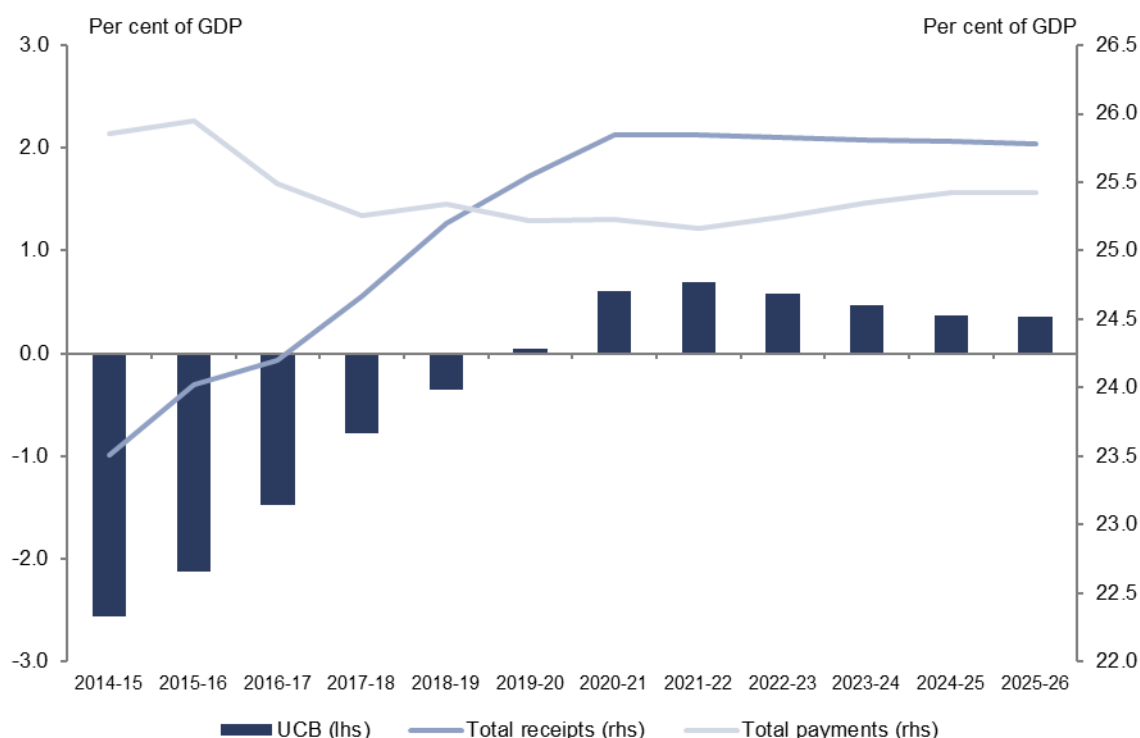
1 Aggregate projections

Based on the policy settings and economic parameters underlying the Australian Government’s 2015–16 Budget, the underlying cash balance (UCB) over the next decade is projected to move from a deficit of \$41.1 billion (2.6 per cent of GDP) in 2014–15, to a peak surplus of \$15.8 billion (0.7 per cent of GDP) in 2021–22, before steadily declining to a surplus of \$10.1 billion (0.4 per cent of GDP) in 2025–26 (Figure 1-1).

The projected improvement in the UCB over the period 2014–15 to 2021–22 is due to a projected increase in total receipts of 2.3 per cent of GDP and a projected fall in payments of 0.7 per cent of GDP. The projected increase in total receipts is mainly due to a rise in tax receipts up until 2020–21 when it is the Government’s intention to cap tax receipts at 23.9 per cent of GDP. In addition, net Future Fund earnings contribute to the UCB from 2020–21 onwards, adding 0.3 per cent of GDP to the surplus in 2021–22 and 0.2 per cent of GDP to the surplus in 2025–26.

The projected steady deterioration in the UCB beyond 2021–22 reflects a small but sustained increase in projected payments as a proportion of GDP over the last four years of the projection period.

Figure 1–1: Underlying cash balance (UCB), total receipts and total payments

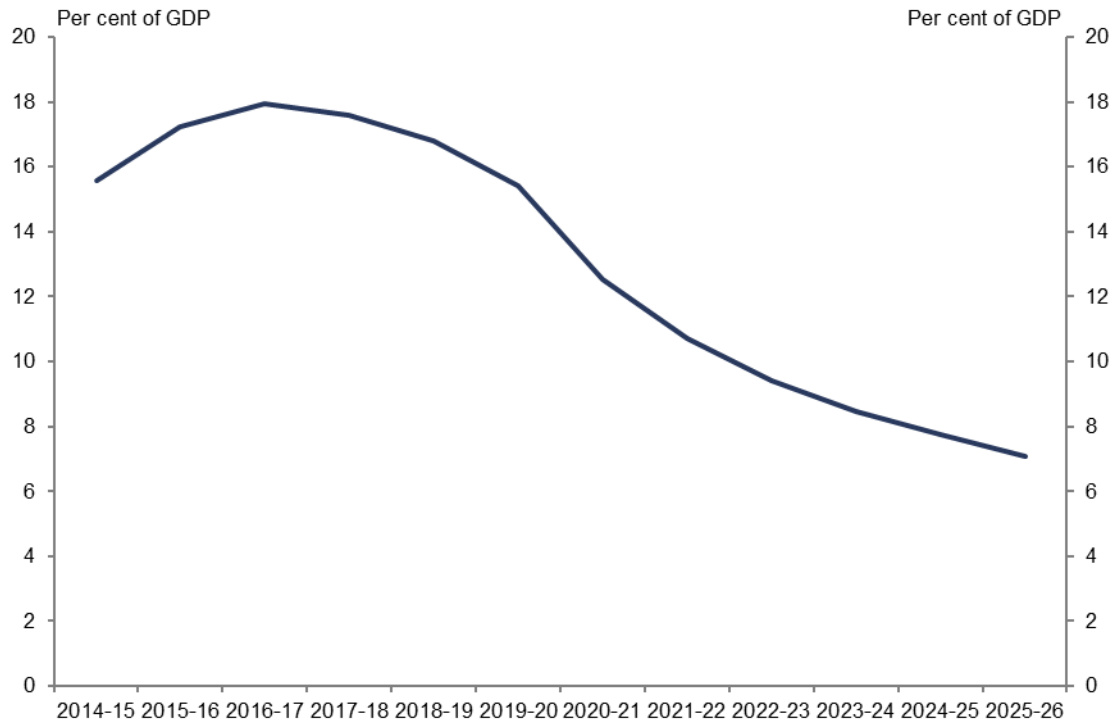


Note: Future Fund receipts and payments are included in total receipts and total payments but are not included in the UCB until 2020–21 consistent with the 2015–16 Budget treatment.

Source: 2015–16 Budget forward estimates and PBO analysis.

Net debt (Figure 1-2) is projected to increase from \$250.2 billion in 2014–15 (15.6 per cent of GDP), to peak as a proportion of GDP at \$313.4 billion (18.0 per cent of GDP) in 2016–17, before declining to \$201.0 billion in 2025–26 (7.1 per cent of GDP).

Figure 1–2: Net debt



Source: 2015–16 Budget forward estimates and PBO analysis.

The PBO’s projections of receipts and payments are discussed in chapters 2 and 3 respectively. Detailed projections for each head of revenue and the major expenditure programs are provided in Tables A1 to A3 at **Attachment A**.

2 Projected receipts

Total receipts are projected to increase by 2.3 per cent of GDP, from 23.5 to 25.8 per cent of GDP, over the period 2014–15 to 2025–26. The contributions of individual heads of revenue to the projected growth in receipts over this period are shown in Table 2–1.

From 2020–21, the PBO has adjusted individuals and other withholding taxes projections such that total tax receipts remain constant at 23.9 per cent of GDP, consistent with the Government’s policy intent to hold tax receipts to this level.

Individuals and other withholding taxes drive the majority of the projected increase in total receipts over the projection period, increasing by 1.4 per cent of GDP. The increase as a proportion of GDP up to 2020–21, when the tax cap is reached, is largely due to the impact of bracket creep.

Table 2–1: Receipts, tax cap applied from 2020–21

Receipts	Nominal receipts		Per cent of GDP		Change in per cent of GDP	Annual real growth	Contributions to growth	Share of total receipts
	2014-15	2025-26	2014-15	2025-26				
	\$b		%		%	%	Percentage points	%
Individuals and other withholding taxes	177	352	11.0	12.4	1.4	3.9	24.4	48.0
Company tax	68	134	4.2	4.7	0.5	3.8	9.2	18.3
Superannuation fund taxes	6	21	0.4	0.7	0.4	9.1	2.6	2.9
Goods and services tax	54	99	3.4	3.5	0.1	3.0	5.6	13.5
Fringe benefits tax	4	8	0.3	0.3	0.0	2.6	0.4	1.0
Resource rent taxes	2	2	0.1	0.1	0.0	-1.6	-0.1	0.3
Wine equalisation tax	1	1	0.0	0.0	0.0	2.8	0.1	0.2
Luxury car tax	1	1	0.0	0.0	0.0	-0.8	0.0	0.1
Total excise and customs duty	34	55	2.1	1.9	-0.2	2.0	2.2	7.5
Other taxes and charges	5	6	0.3	0.2	-0.1	-0.3	0.0	0.9
Total tax receipts	351	679	21.9	23.9	2.0	3.6	44.3	92.7
Non-tax receipts	26	53	1.6	1.9	0.3	4.2	4.0	7.3
Total receipts	377	733	23.5	25.8	2.3	3.6	48.3	100
<i>Real GDP</i>						3.2		
<i>Memorandum item:</i>								
Capital gains tax	9	28	0.6	1.0	0.4	8.3	3.3	3.8

Note: Figures may not add due to rounding.

Source: 2015–16 Budget and PBO analysis.

Company tax is projected to increase by 0.5 per cent of GDP over the projection period. This mainly reflects the expected higher company tax payable by resource companies as their tax deductions for capital expenditure decline in line with the projected decline in resource sector investment over the projection period.

Superannuation fund taxes are projected to increase by 0.4 per cent of GDP over the projection period largely due to the 2015–16 Budget forecast of a rapid increase in superannuation fund capital gains taxes due to assumed rising asset prices and realisation rates.

The forecast strong increase in superannuation fund taxes is not without risk. It depends on an almost four-fold increase in capital gains tax over the forward estimates, projected on the basis of asset price increases in recent years. Capital gains tax is difficult to forecast as it involves judgments about asset price movements which can be volatile, and when capital gains will be realised.

Non-tax receipts are projected to rise by 0.3 per cent of GDP over the projection period mainly reflecting contributions from states and territories to the National Disability Insurance Scheme (NDIS).

3 Projected payments

Total payments are projected to decline by 0.4 per cent of GDP, from 25.9 per cent of GDP to 25.4 per cent of GDP, over the period 2014–15 to 2025–26. The contributions of expenditure programs to the decline in total payments as a proportion of GDP are shown in Table 3–1.

Table 3–1: Payments

Payments	Nominal payments		Per cent of GDP		Change in per cent of GDP	Annual real growth	Contributions to growth	Share of total payments
	2014-15	2025-26	2014-15	2025-26				
	\$b		%		%	%	Percentage points	%
National Disability Insurance Scheme	0	32	0.0	1.1	1.1	43.6	5.8	4.5
Child care	6	20	0.4	0.7	0.3	8.3	2.2	2.8
Aged care	15	32	0.9	1.1	0.2	4.6	2.3	4.4
Defence spending	29	57	1.8	2.0	0.2	3.7	3.4	7.9
Carer income support	7	18	0.5	0.6	0.2	5.9	1.6	2.6
Medicare Benefits Schedule	20	39	1.3	1.4	0.1	3.7	2.4	5.5
GST transfers to states	54	98	3.4	3.5	0.1	3.0	5.0	13.6
Government superannuation	6	10	0.3	0.4	0.0	3.2	0.6	1.4
Public debt interest	14	24	0.8	0.8	0.0	2.7	1.1	3.3
Pharmaceutical benefits and services	10	16	0.6	0.6	0.0	2.0	0.6	2.2
Private Health Insurance Rebate	7	11	0.4	0.4	0.0	2.5	0.5	1.6
Fuel Tax Credit Scheme	6	11	0.4	0.4	0.0	2.7	0.5	1.5
Infrastructure	6	10	0.4	0.3	0.0	2.6	0.4	1.4
Family Tax Benefit	22	25	1.4	0.9	-0.5	-1.3	-0.7	3.4
Veterans support	8	6	0.5	0.2	-0.3	-5.0	-0.8	0.8
Job seeker income support	11	15	0.7	0.5	-0.2	0.4	0.1	2.1
Official Development Assistance	5	5	0.3	0.2	-0.1	-2.9	-0.3	0.7
Higher education	9	13	0.6	0.5	-0.1	1.0	0.3	1.8
Parenting payments	6	8	0.4	0.3	-0.1	0.0	0.0	1.1
Public hospitals	15	25	1.0	0.9	-0.1	1.9	0.9	3.5
Age Pension	42	72	2.6	2.5	-0.1	2.5	3.2	9.9
Disability Support Pension	17	27	1.0	1.0	-0.1	2.1	1.0	3.8
Schools	16	26	1.0	0.9	-0.1	2.1	1.0	3.6
Total modelled payments	330	600	20.6	21.1	0.6	3.0	31.0	83.1
Non-modelled payments	85	122	5.3	4.3	-1.0	0.9	2.0	16.9
Total payments	415	723	25.9	25.4	-0.4	2.6	33.0	100
<i>Real GDP</i>						3.2		

Note: Figures may not add due to rounding.

Source: 2015–16 Budget and PBO analysis.

The largest projected decline in spending over the projection period, 1.0 per cent of GDP, occurs across a range of programs that in Table 3–1 are labelled as ‘non-modelled payments’. These programs include government administration and a range of smaller grant, subsidy and personal benefit programs. Beyond 2018–19, for projection purposes these programs are assumed to grow in line with growth in nominal GDP and are not individually modelled.

Family Tax Benefit (FTB) is projected to fall by 0.5 per cent of GDP over the projection period. Most of this projected decline occurs in the period 2014–15 to 2021–22 due to the impact of the 2014–15 Budget initiatives to pause indexation of FTB rates, revise the value of FTB supplements, reduce the FTB Part B primary earner income limit to \$100,000 and limit FTB Part B to families with children under six years of age.

Veterans support is projected to fall by 0.3 per cent of GDP over the projection period reflecting a decrease in the eligible population.

Job seeker income support is projected to fall by 0.2 per cent of GDP over the projection period largely reflecting declines in the number of unemployed and the indexation to the Consumer Price Index (CPI).

Official Development Assistance (ODA), higher education, parenting payments, payments to states and territories for hospitals and schools, the Age Pension and the Disability Support Pension are each projected to decline by 0.1 per cent of GDP over the projection period.

Partially offsetting these projected declines in spending as a proportion of GDP are increases in a number of other expenditure programs, in particular, the NDIS, child care, aged care, defence and carer income support.

The NDIS is projected to increase by 1.1 per cent of GDP over the projection period reflecting the Government’s commitment to the full establishment of the Scheme by 2020–21.

Child care is projected to increase by 0.3 per cent of GDP over the projection period reflecting the Government’s new Child Care Subsidy.

Aged care is projected to increase by 0.2 per cent of GDP over the projection period reflecting the impact of the ageing of the population on the demand for aged care services.

Defence is also projected to increase by 0.2 per cent of GDP over the projection period reflecting the Government’s commitment to lift defence spending to 2 per cent of GDP by 2022–23.

Carer income support is projected to add 0.2 per cent of GDP to spending over the projection period reflecting strong projected growth in beneficiary numbers.

The Medicare Benefits Schedule is projected to add 0.1 per cent of GDP to spending over the projection period.

Notes

Figures presented in this analysis are on a cash basis. Projected receipts and payments have been prepared by the PBO from information provided by agencies and a range of models based on current policy settings.

Real receipts and payments growth is calculated using the Consumer Price Index (CPI) as the deflator. Growth rates are compound annual average growth rates and cumulative contributions to growth. Contributions to growth are the percentage point contribution to total cumulative real growth from 2014–15 to 2025–26.

Future Fund receipts and payments are not included in the UCB until 2020–21 consistent with the 2015–16 Budget treatment.

Receipts data

Individuals and other withholding taxes

Individuals and other withholding taxes broadly covers personal income taxes and withholding taxes, and includes gross income tax withholding, gross other individuals income tax, income tax refunds for individuals and the Medicare levy.

Superannuation fund taxes

Superannuation fund taxes cover all income taxes generally paid by superannuation funds on behalf of their members on their contributions and earnings.

Other taxes and charges

Other taxes and charges are comprised of agricultural levies, miscellaneous smaller taxes, cost recovery charges, licence fees, penalties and levies. Other taxes and charges include the Carbon Pricing Mechanism (also known as the carbon tax) for 2014–15, which has been repealed and is no longer part of Government policy.

Resource rent taxes

Resource rent taxes include the Petroleum Resource Rent Tax which is levied on taxable profit in respect of offshore petroleum projects, and the Minerals Resource Rent Tax for 2014–15, which has been repealed and is no longer part of Government policy.

Non-tax receipts

Non-tax receipts include interest receipts, dividend receipts, receipts from the sale of goods and services, seigniorage from circulating coin production and other non-tax receipts. Non-tax receipts include sales of non-financial assets and payments from states and territories for the NDIS.

Capital gains tax

Capital gains tax is a component of general taxable income, and is included in individuals and other withholding taxes, company tax and superannuation fund taxes.

Payments data

GST transfers to states

GST payments differ slightly from GST receipts primarily because the latter includes non-general interest charge penalties collected.

National Disability Insurance Scheme

The NDIS projections include state and territory contributions to the cost of the Scheme and funding provided through the existing National Disability Agreement. It also includes departmental costs as they are integrally linked to the program.

Defence spending

Defence spending comprises payments and purchases of non-financial assets. This expenditure is assumed to increase to 2 per cent of nominal GDP by 2023–24 in line with the 2015 Intergenerational Report and reflecting the Government's election commitment. Projections of defence expenditure between 2019–20 and 2022–23 (inclusive) are based on a technical assumption to reach the 2 per cent commitment consistent with the approach in the 2015 Intergenerational Report.

Carer income support

Carer Income Support includes the Carer Payment and Carer Allowance.

Job seeker income support

Job Seeker Income Support comprises Newstart and Youth Allowance (Other).

Government superannuation

Superannuation figures are the cash payments associated with unfunded civilian and military superannuation schemes.

Infrastructure

Infrastructure payments are PBO estimates of government spending on road and rail infrastructure over six years based on current government commitments, grown by the historical long-term average as a per cent of nominal GDP from 2020–21.

Veterans support

Veterans support comprises income support and health programs for veterans.

Non-modelled payments

Non-modelled payments are those outside of the 23 programs separately modelled by the PBO. They include the cost of government administration (except for Defence and the NDIS where departmental costs are an integral part of the program) together with smaller grant, subsidy and personal benefit programs.

In the forward estimates period, non-modelled payments are calculated as the difference between programs modelled by the PBO and total payments as published in the 2015–16 Budget. Beyond 2018–19, non-modelled payments are assumed to grow in line with growth in nominal GDP.

Attachment A – PBO projections of receipts and payments

Table A–1: Nominal receipts from 2014–15 to 2025–26

Nominal receipts (\$ billion)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Individuals and other withholding taxes	176.6	189.6	203.1	217.6	234.8	252.0	273.0	287.8	303.1	318.2	334.9	352.1
Company tax	68.0	68.2	73.8	80.2	86.2	92.9	99.1	106.0	112.9	120.1	127.1	134.3
Superannuation fund taxes	6.1	9.1	10.5	11.2	11.8	12.4	13.1	14.6	16.0	17.6	19.1	21.0
Goods and services tax	54.3	57.3	61.2	64.8	68.5	71.2	75.3	79.8	84.4	89.0	93.8	98.9
Fringe benefits tax	4.4	4.9	5.1	4.9	5.2	5.4	5.7	6.1	6.4	6.8	7.2	7.5
Resource rent taxes	1.9	1.5	1.5	1.4	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1
Wine equalisation tax	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.3	1.4
Luxury car tax	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6
Total excise and customs duty	33.8	34.3	35.7	37.0	38.8	40.8	42.9	45.3	47.6	50.0	52.4	55.1
Other taxes and charges	5.1	4.0	4.3	4.3	4.4	4.7	4.9	5.2	5.5	5.8	6.1	6.5
Total tax receipts	351.5	370.1	396.4	422.8	452.5	482.2	517.3	548.1	579.3	611.1	644.4	679.4
<i>Per cent of GDP</i>	21.9	22.3	22.7	23.0	23.4	23.6	23.9	23.9	23.9	23.9	23.9	23.9
Non-tax receipts	25.9	27.8	26.0	30.8	35.8	40.5	42.0	44.7	46.8	48.9	51.1	53.4
Total receipts	377.3	398.0	422.5	453.6	488.2	522.7	559.3	592.8	626.1	660.0	695.5	732.8
<i>Per cent of GDP</i>	23.5	24.0	24.2	24.7	25.2	25.5	25.8	25.8	25.8	25.8	25.8	25.8
Memorandum item:												
Capital gains tax	8.9	11.5	13.9	15.9	17.4	18.7	20.0	21.4	23.0	24.5	26.1	27.9

Note: Figures may not add due to rounding.

Source: 2015–16 Budget and PBO analysis.

Table A–2: Nominal payments from 2014–15 to 2025–26

Nominal payments (\$ billion)	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
National Disability Insurance Scheme	0.5	0.8	4.2	11.2	19.1	21.9	23.5	25.1	26.8	28.5	30.3	32.2
Child care	6.4	7.2	7.8	10.0	11.0	12.2	13.5	14.8	16.2	17.6	18.9	20.2
Aged care	14.7	15.5	16.3	17.4	18.6	20.2	22.0	23.9	25.7	27.5	29.5	31.7
Defence spending	29.1	31.9	31.1	33.6	36.0	37.4	40.0	43.1	46.3	51.1	53.9	56.9
Carer income support	7.5	8.1	8.8	9.5	10.1	11.1	12.1	13.2	14.4	15.7	17.0	18.4
Medicare Benefits Schedule	20.2	21.1	22.1	23.0	24.3	26.0	27.9	30.0	32.1	34.4	36.8	39.4
GST transfers to States	54.4	57.1	61.0	64.5	68.2	70.9	74.9	79.4	84.0	88.5	93.3	98.4
Government superannuation	5.6	6.4	6.5	6.8	7.1	7.9	8.2	8.6	9.0	9.5	9.9	10.4
Public debt interest	13.5	14.5	15.0	15.5	16.6	16.4	16.8	17.5	19.2	20.5	22.2	23.7
Pharmaceutical benefits and services	9.9	10.3	10.8	11.2	11.5	12.1	12.7	13.3	14.0	14.6	15.4	16.1
Private Health Insurance Rebate	6.6	6.9	7.2	7.5	7.9	8.4	8.8	9.2	9.7	10.2	10.8	11.3
Fuel Tax Credit Scheme	6.1	6.2	6.5	6.7	7.1	7.5	8.0	8.5	9.1	9.6	10.2	10.8
Infrastructure	5.6	7.2	11.3	9.5	6.3	5.9	7.4	7.9	8.3	8.8	9.3	9.8
Family Tax Benefit	21.8	21.0	19.7	18.3	18.8	19.6	20.4	21.2	22.1	22.9	23.8	24.7
Veterans support	7.8	7.5	7.3	7.1	6.9	6.7	6.5	6.3	6.1	6.0	5.9	5.8
Job seeker income support	10.9	11.8	12.1	11.9	12.2	12.5	12.6	12.5	12.9	13.5	14.2	14.9
Official Development Assistance	5.0	4.0	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.7	4.8
Higher education	9.1	9.3	9.0	9.2	9.4	9.9	10.4	10.9	11.5	12.1	12.7	13.4
Parenting payments	5.8	5.9	6.0	6.1	6.3	6.4	6.5	6.7	6.9	7.1	7.4	7.7
Public hospitals	15.5	16.4	17.4	18.1	18.9	19.7	20.5	21.3	22.2	23.1	24.0	24.9
Age Pension	41.8	44.2	46.2	47.6	50.2	52.1	55.1	57.2	61.4	64.4	68.9	71.9
Disability Support Pension	16.6	17.0	17.4	17.9	18.5	19.5	20.4	21.6	22.9	24.3	25.8	27.4
Schools	15.6	16.3	17.6	18.4	18.8	19.7	20.5	21.5	22.5	23.5	24.6	25.7
Total modelled payments	329.9	346.7	365.0	384.9	407.7	428.0	453.0	478.3	507.7	538.1	569.4	600.3
<i>Per cent of total payments</i>	<i>79.5</i>	<i>80.7</i>	<i>82.0</i>	<i>82.9</i>	<i>83.0</i>	<i>82.9</i>	<i>82.9</i>	<i>82.9</i>	<i>83.0</i>	<i>83.0</i>	<i>83.1</i>	<i>83.1</i>
Non-modelled payments	85.1	83.1	79.9	79.4	83.4	88.1	93.1	98.7	104.3	110.0	116.0	122.3
Total payments	415.0	429.8	444.9	464.3	491.1	516.0	546.1	577.0	612.0	648.2	685.4	722.6
<i>Per cent of GDP</i>	<i>25.9</i>	<i>25.9</i>	<i>25.5</i>	<i>25.3</i>	<i>25.3</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	<i>25.3</i>	<i>25.4</i>	<i>25.4</i>

Note: Figures may not add due to rounding.

Source: 2015–16 Budget and PBO analysis.

Table A–3: Budget aggregates from 2014–15 to 2025–26

Budget aggregates (\$ billion)	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
Total receipts	377.3	398.0	422.5	453.6	488.2	522.7	559.3	592.8	626.1	660.0	695.5	732.8
Total payments	415.0	429.8	444.9	464.3	491.1	516.0	546.1	577.0	612.0	648.2	685.4	722.6
Net future fund earnings	3.4	3.3	3.4	3.7	4.0	5.8	5.3	6.0	6.0	6.1	6.1	6.1
Underlying cash balance	-41.1	-35.1	-25.8	-14.4	-6.9	0.9	13.2	15.8	14.1	11.8	10.1	10.1
<i>Per cent of GDP</i>	<i>-2.6</i>	<i>-2.1</i>	<i>-1.5</i>	<i>-0.8</i>	<i>-0.4</i>	<i>0.0</i>	<i>0.6</i>	<i>0.7</i>	<i>0.6</i>	<i>0.5</i>	<i>0.4</i>	<i>0.4</i>
Net debt	250.2	285.8	313.4	323.7	325.4	315.4	271.4	245.9	227.9	216.6	209.2	201.0
<i>Per cent of GDP</i>	<i>15.6</i>	<i>17.3</i>	<i>18.0</i>	<i>17.6</i>	<i>16.8</i>	<i>15.4</i>	<i>12.5</i>	<i>10.7</i>	<i>9.4</i>	<i>8.5</i>	<i>7.8</i>	<i>7.1</i>

Note: Future Fund receipts and payments are not included in the UCB until 2020–21 consistent with the 2015–16 Budget treatment.

Figures may not add due to rounding.

Source: 2015–16 Budget and PBO analysis.

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