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COA001: Help Families with Diabetes



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: The Coalition's Policy to Help Families with Diabetes	
Costing Identifier:	COA 001
Summary of costing:	The proposal would invest \$54.1 million over four years to provide Continuous Glucose Monitor (CGM) devices to approximately 4,000 children under 21 years of age who have severe, poorly controlled, type 1 diabetes.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	15/05/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-7.7	-15.4	-15.5	-15.5
Fiscal Balance (\$m)	-7.7	-15.4	-15.5	-15.5

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Specified amount.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, any departmental costs associated with administering the policy will be met from within the existing resources of the Department of Health.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

- **Costing techniques.**
 - Distribution would commence from 1 January 2017.
 - It is assumed that approximately one third of the total patient cohort, or 4,000 children, has poor hypoglycaemic awareness, and would access CGM devices.
 - Poor hypoglycaemic awareness is to be determined by the patient's endocrinologist in accordance with clinical guidelines.
 - The cost of the CGM device, approximately \$4,050 per patient per year, is based on the Government negotiating a 10 per cent discount to current market prices, consistent with bulk purchasing. This would cost approximately \$16.2 million per year.

- Costs of this proposal would be partially offset by an assumed 80% decrease in the use of blood glucose test strips by the affected cohort:

- cost per box of test strips: \$39.29
- average number of boxes purchased per patient: 8.3
- Decrease in cost: approximately \$1.0 million per year.

This cost would not drop to zero, as some testing still needs to occur to validate that the CGM is functioning.

- No co-payment is assumed for the CGM or its consumables.
- No additional insulin pumps (IP) have been funded as part of this costing.
- While there is a risk that costs could increase to the whole cohort, the invasive nature of the treatment and the cost of purchasing an IP make it less likely that patients with better awareness would take up CGM.
- **Policy parameters.**
 - Limited to children under the age of 21 who have poorly controlled type 1 diabetes.

Behavioural assumptions used (as appropriate).

* No changes in specialist/GP visits are assumed as part of this costing. It is assumed that these patients would currently be seeing their clinician regularly due to the poor control of their condition and that any additional visits to obtain access to the CGM would be offset by reduced visits overall. If this is not the case, additional costs or savings for the Medicare Benefits Schedule may result.

COA002: Plan for access to affordable pathology for all Australians



Australian Government
 Department of Finance
 The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Coalition’s plan for access to affordable pathology for all Australians	
Costing Identifier:	COA 002
Summary of costing:	This proposal would delay the introduction of the Pathology component of the 2015-16 MYEFO measure <i>Medicare benefits Schedule – changes to diagnostic imaging and pathology services bulk-billing incentives</i> until 1 October 2016, and commit to regulatory changes regarding charging of rent for pathology collection centres.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	13/05/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-28.1	0.0	0.0	0.0
Fiscal Balance (\$m)	-28.1	0.0	0.0	0.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

\$4.3 million over four years in departmental funding was provided to the Department of Human Services for the Pathology component of the 2015-16 MYEFO measure. It is assumed that a three month delay in the implementation of this component would not generate a material change in departmental funding as the same level of departmental work will still be required to implement the measure.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

- **Costing techniques**

- Costs were calculated by adjusting the start date of the original savings measure by three months.
- The Agreement reached by the Coalition with Pathology Australia also includes legislating to address ambiguities and improve compliance regarding the charging of 'fair market value' rents for pathology collection centres by landlords. It is assumed that any costs that would be incurred in relation to this element of the commitment, and any other administrative costs, would be met from within the existing resources of the Department of Health.

Behavioural assumptions used (as appropriate).

The costing only impacts on bulk billing incentives paid directly to the service provider and no change in service volumes for pathology services is assumed.

COA003: Protect Vulnerable Workers



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: The Coalition's Policy to Protect Vulnerable Workers	
Costing Identifier:	COA 003
Summary of costing:	<p>The commitment is to provide \$20.5 million over the Forward Estimates to the Fair Work Ombudsman (FWO) for 36 Average Staffing Level (ASL) to enable the FWO to have more direct engagement with ethnic communities, to expand its Overseas Workers Team and to undertake a digital minimum wage communications campaign.</p> <p>The commitment seeks to strengthen the <i>Fair Work Act 2009</i> to more effectively deal with employers who intentionally exploit workers and establish an enforcement regime.</p>
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	19/06/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-4.7	-5.1	-5.1	-5.2
Fiscal Balance (\$m)	-4.7	-5.1	-5.1	-5.2

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The digital minimum wage communications campaign element of this proposal has been costed as a specified amount of \$500,000 per year.

Where relevant, include separate identification of revenue and expense components.

This is an expense measure with no revenue component.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The costing request specifies further enforcement responsibilities for the FWO as a result of changes to the *Fair Work Act 2009*.

The costing request specifies that implementation of the proposal would be as soon as practicable in 2016-17. For the purposes of this costing, funding is assumed to be provided from 1 August 2016 to enable the entity to develop the capacity to implement the enhanced regime once legislation is passed.

Where relevant, explain effects of departmental expenses.

The costing request specifies additional departmental funding for the FWO.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

The costing request provided for a full year impact in 2016-17. As an implementation date of 1 August 2016 has been assumed there is a \$0.4 million difference in 2016-17.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

The costing request specifies the following profile for the 36 ASL based on the span of control as per the FWO's 2014-15 Annual Report (with rounding):

APS 3	6
APS 4	6
APS 5	11
APS 6	7
EL 1	5
EL 2	1
TOTAL	36

The departmental costs associated with these 36 ASL, assuming a start date of 1 August 2016, would be:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-4.2	-4.6	-4.6	-4.7

The costing request specifies \$500,000 per year for a digital minimum wage communications campaign.

Behavioural assumptions used (as appropriate).

Not applicable.

COA004: More Jobs and Growth through Increased Trade and Investment



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: More Jobs and Growth through Increased Trade and Investment	
Costing Identifier:	COA 004
Summary of costing:	<p>The proposal is to:</p> <ul style="list-style-type: none">• extend the existing Free Trade Agreement (FTA) advertising campaign in 2016-17;• provide additional online resources to the openforbusiness.gov.au website;• provide more training grants to registered training organisations to run courses for Small and Medium Enterprises (SMEs);• run a series of showcases in Australian businesses in Free Trade Agreement (FTA) markets; and• establish a Professional Services Mutual Recognition Unit to provide assistance to professional associations and regulators in negotiating the international recognition of Australian Professional qualifications and licensing.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	20/05/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-7.9	-2.9	-2.9	-2.9
Fiscal Balance (\$m)	-7.9	-2.9	-2.9	-2.9

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

<p>Where relevant, state that the proposal has been costed as a defined or specified amount.</p> <p>Not applicable.</p>
<p>Where relevant, include separate identification of revenue and expense components.</p> <p>Not applicable.</p>
<p>Where appropriate, include a range for the costing or sensitivity analysis.</p> <p>Not applicable.</p>
<p>Qualifications to the costing (including reasons for the costing not being comprehensive).</p> <p>Not applicable.</p>
<p>Where relevant, explain effects of departmental expenses.</p> <p>As specified in the costing request, all financial impacts of this proposal are departmental, with the exception of the training grants which are administered.</p>
<p>Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.</p> <p>Not applicable.</p>
<p>Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).</p> <p>Not applicable.</p>
<p>Background information</p>
<p>Costing methodology used:</p> <ul style="list-style-type: none"> • Costing techniques. <ul style="list-style-type: none"> ○ Average Staffing Level (ASL) rates have been calculated using the standard departmental costing methodology.

- **Policy parameters.**

- The Australian Trade and Investment Commission (Austrade) would establish a Professional Services Recognition Unit at a cost of \$2.0 million over four years, which includes an additional three ASL and some small associated ICT costs;
- Austrade would extend the existing FTA advertising campaign in 2016-17 at a cost of \$6.0 million;
- Austrade would provide more online resources for the openforbusiness.gov.au website at a cost of \$2.0 million over four years;
- Austrade would provide grants of up to \$1.0 million per annum from 2017-18 to registered training organisations to run training courses for small and medium enterprises, at a cost of \$3.0 million over three years; and
- Austrade would run a series of showcases of Australian businesses in FTA markets at a cost of \$3.5 million over four years.

Behavioural assumptions used (as appropriate).

Not applicable.

COA005: Deferral and review of 2015–16 Budget measure “Personal income tax – changes to tax residency rules for temporary working holiday makers”



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Delay to commencement of Working Holiday Makers 2015-16 Budget measure	
Costing Identifier:	COA 005
Summary of costing:	The proposal is to delay the commencement of the 2015-16 Budget measure <i>Personal Income Tax - changes to tax residency rules for temporary working holiday makers</i> for six months from the proposed commencement date of 1 July 2016.
Person making the request:	Prime Minister
Date costing request received:	17 June 2016
Date of public release of policy:	17 May 2016
Date costing completed:	24 June 2016
Additional information requested (including date):	None
Additional information received(including date):	Not applicable

Financial implications (outturn prices)^(a)

Impact on	(b) 2016-17	(c) 2017-18	(d) 2018-19	(e) 2019-20
Underlying Cash Balance (\$m)	-20	-20	-	-
Fiscal Balance (\$m)	-20	-20	-	-

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

<p>Where relevant, state that the proposal has been costed as a defined or specified amount.</p> <p>Not applicable.</p>
<p>Where relevant, include separate identification of revenue and expense components.</p> <p>Not applicable. The costing relates only to ATO administered revenue.</p>
<p>Where appropriate, include a range for the costing or sensitivity analysis.</p> <p>Not applicable.</p>
<p>Qualifications to the costing (including reasons for the costing not being comprehensive).</p> <p>Not applicable.</p>
<p>Where relevant, explain effects of departmental expenses.</p> <p>Not applicable.</p>
<p>Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.</p> <p>Not applicable.</p>
<p>Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).</p> <p>We estimate this proposal would reduce tax revenue by \$40 million over the forward estimates. In particular, we expect this cost would be spread evenly between 2016-17 and 2017-18. The 2016-17 impact relates to a reduction in personal income tax withheld from working holiday makers in that year. The 2017-18 impact relates to additional refunds paid to working holiday makers (relating to the 2016-17 income year).</p>
<p>Background information</p> <p>In the 2015-16 Budget the Government announced changes to the tax residency rules for persons temporarily in Australia for a working holiday (that is, working holiday makers). The Budget measure proposed that from 1 July 2016, working holiday makers would be taxed as non-residents, meaning they would be taxed at the 32.5 per cent rate from their first dollar of income. That measure was estimated to increase revenue by \$540 million over the then forward estimates, that is, to 2018-19.</p> <p>Methodology</p> <p>The current costing adopts the methodology and data used for the 2015-16 Budget costing. However, Administrative Appeals Tribunal (AAT) rulings have further clarified the residency test for tax purposes. The current costing takes account of this clarification.</p>

COA006: Encourage More Clinical Trials in Australia



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Encourage More Clinical Trials in Australia	
Costing Identifier:	COA 006
Summary of costing:	The proposal will provide funding of \$7.0 million over the forward estimates to assist in the nationalisation of clinical trial standards and to develop a streamlined assessment and authorisation process for clinical trials. Funding will be ongoing, with a review in 2019-20.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	20/05/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-2.5	-2.5	-1.0	-1.0
Fiscal Balance (\$m)	-2.5	-2.5	-1.0	-1.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, the costs for this proposal are all expected to be departmental costs associated with implementing the proposal.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

- **Costing techniques.**

The proposal will continue and expand on existing funding provided to the National Health and Medical Research Council to administer the *Australian Government Clinical Trials Initiative*, in conjunction with the Department of Health and the Department of Industry, Innovation and Science.

Under this proposal, funding would be increased in 2016-17 by \$2.5 million to \$3.6 million and \$2.5 million would be provided in 2017-18 to support the acceleration of the program and support negotiations with state and territories. Funding of \$1.0 million per annum in later years would be provided for ongoing support for the clinical trial landscape consistent with existing funding.

Any additional administrative costs for the Department of Health would be met from within the funding amount or from within existing resourcing.

Any amounts which may be provided to state and territory governments to support their participation in the reform process, particularly in relation to aligning regulatory requirements between the states, would be met from within the funding amount.

- **Policy parameters.**

The proposal seeks to remove red tape barriers to conducting clinical trials in Australia by implementing a national system of research ethics approvals and a consistent process for research governance for authorising and conducting clinical trials in Australia.

National research ethics approvals would consider other Government priorities, including advice from the Australian Medical Research Future Fund Advisory Body.

Behavioural assumptions used (as appropriate).

Not applicable.

COA009: Support your local parks and environment



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: The Coalition's plan to support your local parks and environment	
Costing Identifier:	COA 009
Summary of costing:	<p>This proposal would provide \$30.0 million over four years to 2019-20 for local parks and the environment, including expanding the <i>Solar Communities Programme</i> and supporting upgrades to cleaner outboard engines used by surf lifesaving clubs.</p> <p>The net impact of this proposal on the underlying cash balance is \$23.5 million, as \$6.5 million will be redirected from the <i>National Landcare Programme – emerging priorities</i> measure from the 2016-17 Budget.</p>
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	24/05/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable
Additional information received (including date):	Not applicable

Financial implications (outturn prices)^{(a)(b)}

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m) *	-5.9	-5.9	-5.9	-5.9
Fiscal Balance (\$m)	-5.9	-5.9	-5.9	-5.9

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

(b) The cost of this proposal is \$30.0 million, which is partially offset as \$6.5 million will be redirected from the *National Landcare Programme – emerging priorities* measure from the 2016-17 Budget.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The proposal includes:

- \$24.0 million for a new *Improving Your Local Parks and Environment Programme*. This will include:
 - \$21.5 million in grants to local councils, community groups, environment groups and others.
 - \$1.0 million in grants to organisations that build environmental awareness to reduce local littering and keep local environments healthy.
 - \$1.5 million to improve the Tamar River building on the *Coastal Rivers Recovery initiative* in the 2014-15 Budget (this component will be funded by a redirection from the *National Landcare Programme – emerging priorities* measure).
- \$5.0 million for an expanded *Solar Communities Programme*. This will deliver funding of up to \$15,000 to community groups for the installation of rooftop solar Photo Voltaic (PV), solar hot water, and small scale renewables on community owned or used buildings (this component will be funded by a redirection from the *National Landcare Programme – emerging priorities* measure).
- \$1.0 million to support upgrades to cleaner outboard engines used by surf lifesaving clubs. Grants will average around \$1000 per outboard engine.

Funding Profile	2016-17	2017-18	2018-19	2019-20
Cost (\$m)	-7.5	-7.5	-7.5	-7.5

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The proposal did not include a funding profile over the four years to 2019-20. It has been assumed that capped funding of \$30.0 million is evenly distributed over the same period.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, all departmental costs will be absorbed by the department, including Average Staffing Level (ASL).

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (*including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances*).

Not applicable.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.

COA010: More Sport in our Schools



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: The Coalition's Policy for More Sport in Our Schools	
Costing Identifier:	COA 010
Summary of costing:	This proposal would extend the current Sporting Schools Initiative program by 18 months (currently scheduled to cease on 30 June 2017) until 31 December 2018.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	29/05/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	0.0	-39.6	-20.1	0.0
Fiscal Balance (\$m)	0.0	-40.0	-20.0	0.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Specified amount.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The proposed extension to Years 7 and 8 students would be funded from within the existing resources of the program. The eligibility would be opened up to high schools for programs targeted at this age group. However it is assumed that no additional funding is provided for this purpose.

Where relevant, explain effects of departmental expenses.

Departmental expenses include continued funding for current staffing, funding for travel, resources (sporting packs, fact sheets and uniforms), depreciation and maintenance costs associated with the program.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

- **Costing techniques.**
 - Funding for the program is capped.
 - Extending the established program for 18 months has been costed using expenditure trends for the similar 18 month period prior to the program's scheduled closure on 30 June 2017 (i.e. 1 January 2016 to 30 June 2017). Capital infrastructure is already accounted for as well as website design and development, and so depreciation and maintenance costs for these elements are included in this costing.
 - Schools are currently funded based on their school population, the total number of participants scheduled to participate and any special circumstances (such as regional and remote schools). Sporting Schools grants have been calculated using an average cost for all eligible schools.
 - Departmental expenses include continued funding for current staffing (Average Staffing Levels of 79.0 in 2017-18 and 39.5 in 2018-19), funding for travel, resources (sporting packs, fact sheets and uniforms), depreciation and maintenance costs associated with the program.

- **Policy parameters.**

- In regard to the expansion of the program to Years 7 and 8 students, it is assumed that some schools will already be eligible for Year 7 students (for example those in South Australia, Queensland and Western Australia). It is also assumed that grants for new schools that apply for funding will be met from within the current resources of the program.

Behavioural assumptions used (as appropriate).

Not applicable.



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: The Coalition's Policy for Jobs and Growth in South Australia.	
Costing Identifier:	COA 017
Summary of costing:	The commitment is to provide a total of up to \$24.8 million over four years: Up to \$24.0 million over four years for 1,200 new scholarships for undergraduate, postgraduate and vocational education students to undertake studies in South Australia; and \$750,000 for a pilot job program providing coaches to mentor and support young unemployed South Australians and their employers in the first 14 months in a job.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	04/06/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-4.8	-8.0	-8.0	-4.0
Fiscal Balance (\$m)	-4.8	-8.0	-8.0	-4.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The commitment has been costed as a capped amount of \$24.0 million over four years for a scholarship of \$20,000 each for 1,200 recipients; and \$750,000 to SYC, a South Australian not-for-profit organisation for a pilot job program, as per the costing request.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Refer to costing assumptions below. Costing request does not provide policy parameters (e.g. timing of payments, take-up rate, start date and eligibility criteria) for this commitment and the profile may change depending on the final design of the program.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, departmental expenses relating to these commitments will be met from within the existing resources of the Departments of Employment and Education and Training.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

- **Costing techniques.**

Consistent with the costing request, the scholarship commitment is capped at \$24.0 million and will conclude on 30 June 2020.

Scholarships of up to \$20,000 are assumed to be provided to 600 eligible students on 1 January 2017 and a further 600 students on 1 January 2018 to enable them to complete three-year qualifications.

The scholarships are assumed to be paid in equal instalments across three years at the beginning of each calendar year.

The \$750,000 payment to SYC is assumed to be a one-off payment in 2016-17.

Behavioural assumptions used (as appropriate).

Not applicable.

COA021: Plan for access to affordable diagnostic imaging for all Australians



Australian Government
 Department of Finance
 The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: The Coalition’s Plan for Access to Affordable Diagnostic Imaging for all Australians	
Costing Identifier:	COA 021
Summary of costing:	This proposal would delay the introduction of the Diagnostic Imaging component of the 2015-16 MYEFO measure <i>Medicare benefits Schedule – changes to diagnostic imaging and pathology services bulk-billing incentives</i> until 1 January 2017, and commit to an independent evaluation of the commercial pressures facing diagnostic imaging providers.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	05/06/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-53.4	0.0	0.0	0.0
Fiscal Balance (\$m)	-53.4	0.0	0.0	0.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The Agreement with the Diagnostic Imaging sector also includes the indexation of scheduled fees after the current Medicare Benefit Schedule indexation freeze concludes in 2019-20. The impact of resuming indexation has not been costed as this would occur beyond the forward estimates.

Where relevant, explain effects of departmental expenses.

\$20.9 million dollars over four years in departmental funding was provided to the Department of Human Services for the Diagnostic Imaging component of the 2015-16 MYEFO measure. It is assumed that a six month delay in the implementation of this component would not generate a material change in departmental funding as the same level of departmental work would still be required to implement the measure.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

Costing techniques.

Costs were calculated by adjusting the start date of the original savings measure by six months.

It is assumed that the costs of undertaking the independent evaluation of the commercial pressures facing diagnostic imaging providers will be met from within the existing resources of the Department of Health.

Behavioural assumptions used (as appropriate).

The costing only impacts on bulk billing incentives paid directly to the service provider, and no change in service volumes for diagnostic imaging services is assumed in the costing.



2016 post-election report—Addendum to costing prepared under the *Charter of Budget Honesty Act 1998* – COA021: Plan for access to affordable diagnostic imaging for all Australians

As stated in the costing response prepared by the Department of Finance, the commitment includes the indexation of scheduled fees for diagnostic imaging services after the current Medicare Benefits Schedule (MBS) indexation freeze concludes in 2019-20. These services were not previously indexed and this element of the commitment will have an impact beyond the 2016-17 Budget forward estimates period as shown in Table 1 below.

**Table 1: Plan for access to affordable diagnostic imaging for all Australians—
Financial implications^{(a)(b)}**

(\$m)	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Fiscal and underlying cash balances								
Administered	-67.0	-140.0	-219.4	-305.8	-399.6	-501.2	-611.2	-2,297.5

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual and cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

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

These estimates are based on advice from the Department of Finance on the forecast level of spending on MBS items for diagnostic imaging services in 2019-20, expected indexation rates for the period 2020-21 to 2026-27, and historical growth in the volume of services of affected MBS items.

The estimates are considered to be of medium reliability as they are based on base expenditure estimates that are reasonably predictable. The reliability of the estimates decreases the further into the future they are projected.

COA025: Contribution to help find a CURE4MND



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Help find a Cure4MND	
Costing Identifier:	COA 025
Summary of costing:	This policy would provide funding to match the total amount raised as part of the fund raising campaign 'Big Freeze at the G for MND'.
Person making the request:	Prime Minister
Date costing request received:	20/06/2016
Date of public release of policy:	14/06/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	- 2.8	0.0	0.0	0.0
Fiscal Balance (\$m)	- 2.8	0.0	0.0	0.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The costing reflects the \$2.8 million that was raised leading up until midnight on 13 June 2016, for the 'Big Freeze at the G for MND'.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

The Coalition government committed to matching the total amount raised during the 'Big Freeze at the G for MND' on 13 June 2016.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, any departmental costs associated with this policy will be met from within the existing resources of the Department of the Prime Minister and Cabinet.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.

COA026: Ban on the sale of cosmetic products tested on animals



Australian Government
 Department of Finance
 The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Ban Cosmetic Testing on Animals	
Costing Identifier:	COA 026
Summary of costing:	<p>This costing outlines the fiscal impact of the proposal to ban from 1 July 2017:</p> <ul style="list-style-type: none"> the testing of finished cosmetic products on animals in Australia; the testing of cosmetic ingredients on animals in Australia; and the sale of cosmetic products and ingredients that have been tested on animals outside of Australia. <p>As this proposal is limited to a regulatory change, there will be no direct fiscal impact on the Government's Budget.</p>
Person making the request:	Prime Minister
Date costing request received:	17/06/16
Date of public release of policy:	03/06/16
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	0.0	0.0	0.0	0.0
Fiscal Balance (\$m)	0.0	0.0	0.0	0.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

As this proposal is limited to a regulatory change, there will be no direct fiscal impact on the Government's Budget.

It is assumed that the policy would be implemented through regulation under or amendments to the *Industrial Chemicals (Notification and Assessment) Act 1989* (ICNA Act), under which the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) assesses industrial chemicals. The full costs of administering the NICNAS are currently recovered from industry; therefore, it is assumed that, should there be any costs in implementing the proposal, these would be incurred by industry not by the Government.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Not applicable.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.

COA028: Restoring Fairness and Transparency to Australian Workplaces



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Restoring Fairness and Transparency to Australian Workplaces	
Costing Identifier:	COA 028
Summary of costing:	<p>The commitment is to provide \$48.7 million over the forward estimates to establish an independent, stand-alone Registered Organisations Commission (ROC) to regulate unions and employer associations. This cost will be partially offset by reduced expenses for the Fair Work Commission (FWC) of \$15.3 million over the same period.</p> <p>The commitment also provides \$21.0 million over the forward estimates to establish the temporary police taskforce and regulator working group progressing criminal and civil referrals from the Royal Commission into Trade Union Corruption and Governance.</p>
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	17/06/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^{(a)(b)}

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-7.2	-16.5	-15.6	-15.1
Fiscal Balance (\$m)	-7.2	-16.5	-15.6	-15.1

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

(b) The cost of the proposal is \$54.4 million which is partially offset from reduced expenses for the FWC.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The commitment has been costed as a specified amount of \$54.4 million over the forward estimates.

Where relevant, include separate identification of revenue and expense components.

This is an expense measure with no revenue component.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The costing request specifies that implementation of the proposal would be as soon as practicable in 2016-17. Consistent with the staffing profile provided in the costing request, funding for the ROC is assumed to be provided from 1 March 2017. An implementation date of 1 January 2017 is assumed for the joint police taskforce and regulator working group, as there are existing arrangements in place until 31 December 2016.

Where relevant, explain effects of departmental expenses.

The costing request provides for departmental funding for the ROC and the Australian Federal Police (AFP), and reduces funding to the FWC, over the forward estimates.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

Establishment of the ROC

Consistent with the staffing profile provided in the costing request, and providing for additional costs relating to the establishment of the ROC (including upfront establishment and capital costs, a communication and education campaign, and legal costs), the departmental costs associated with the proposal would be:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-5.7	-15.0	-14.2	-13.7

The costing request also specifies a reduction to the FWC's Average Staffing Levels (ASL), which would result in the following savings:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	+1.5	+4.6	+4.6	+4.6

Establishment of the police taskforce and regulator working group

The costing request specifies that the establishment of the police taskforce is expected to cost \$21.0 million over the forward estimates. The departmental costs associated with the police taskforce, assuming a start date of 1 January 2017, would be:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-3.0	-6.0	-6.0	-6.0

Behavioural assumptions used (as appropriate).

Not applicable.

COA032: Enhanced visitor visas for sponsored parents



Australian Government
 Department of Finance
 The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Enhanced visitor visas for sponsored parents	
Costing Identifier:	COA 032
Summary of costing:	This costing relates to the Coalition's proposal to allow sponsored parents of Australian citizens and permanent residents to be issued with an enhanced visitor visa of up to five years, provided they can demonstrate that they hold adequate private health insurance from an Australian provider and pay a bond based on the existing Assurance of Support System.
Person making the request:	Prime Minister
Date costing request received:	23 June 2016
Date of public release of policy:	30 June 2016
Date costing completed:	30 June 2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	0	0	0	0
Fiscal Balance (\$m)	0	0	0	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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Treasury has costed the measure to have no revenue impact on the underlying cash balance and fiscal balance, as per the costing request. Finance has costed the proposal to have no expense impact on the underlying cash balance and fiscal balance.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The costing is assumptions driven and subject to a high degree of uncertainty around the assumptions on take-up. For these reasons the reliability of the costing is assessed to be low.

Where relevant, explain effects of departmental expenses.

Consistent with the costing request, the Department of Immigration and Border Protection will absorb any processing costs associated with this policy.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

- **Costing techniques.**

Tax revenue modelling

The policy is expected to have a net nil impact on the UCB and fiscal balance. To achieve this outcome the visa charge rates under the proposal are adjusted so that aggregate revenue estimated under the proposed new visa is the same as that under the base case, in each year.

The Department of Immigration and Border Protection (DIBP) has provided advice on these potential take-ups and interactions with existing visa arrangements.

The new visa is available in the 2016-17 financial year and the policy is ongoing.

Expense and non-tax revenue modelling

As the costing request advises that the visa-holder will not have access to government programs such as welfare payments or Medicare, and must have full private health insurance cover, there will be no administered expenses.

The sponsor or assurer for an applicant will pay a bond based on the existing Assurance of Support Scheme, which will have no impact on the underlying cash balance and fiscal balance.

Behavioural assumptions used (as appropriate).

It is assumed that there is no increase in overall demand for visas so that all applicants for the new visa would otherwise have applied for existing visas, as outlined above.

COA033: A Stronger Agricultural Sector



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: A Stronger Agriculture Sector	
Costing Identifier:	COA 033
Summary of costing:	<p>The proposal is to support a number of initiatives under the 'A Stronger Agriculture Sector' policy all commencing in 2016-17. This includes:</p> <p><u>Invasive Animal Solutions</u> \$20.0 million over five years for research and development aimed at eradicating invasive pest species.</p> <p><u>Livestock Global Assurance programme</u> \$8.3 million over four years to better protect the welfare of animals by ensuring comprehensive animal assessment.</p> <p><u>Thoroughbred Research and Development</u> \$1.2 million over three years in R&D intended to support biosecurity and reproductive capabilities in the Australian thoroughbred industry. Funding provided will match dollar-for-dollar any money raised through an industry supported R&D levy</p> <p><u>Northern Australia Rice Industry</u> \$4.0 million over four years to support the development of the rice industry in northern Australia.</p> <p><u>Establish Commodity Milk Price Index</u> \$2.0 million to establish a price index to provide greater transparency and market signals in domestic and global milk prices.</p> <p><u>Leadership in Agriculture Industries Fund</u> \$5.0 million over four years to develop leadership capacity within the agricultural sector.</p>
Person making the request:	Prime Minister

Date costing request received:	23/06/2016
Date of public release of policy:	23/06/ 2016
Date costing completed:	27/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-2.6	-4.4	-4.1	-3.6
Fiscal Balance (\$m)	-2.6	-4.4	-4.1	-3.6

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

(b) The total cost of the proposal (\$40.5 million), is partly offset by savings of \$26.0 million from the *A Competitive Agriculture Sector – boosting farm profits through rural R&D* measure announced in the 2014-15 Budget and the National Landcare Programme.

Where relevant, state that the proposal has been costed as a defined or specified amount.

All elements of the costing are costed as a specified amount, with the exception of the Thoroughbred Research and Development which will match the money raised through the industry levy.

Where relevant, include separate identification of revenue and expense components.

The Thoroughbred Research and Development proposal has the following costing components:

Impact on	2016-17	2017-18	2018-19	2019-20
Revenue – thoroughbred industry levy (\$m)	0.0	0.4	0.4	0.4
Expense (\$m)	0.0	-0.8	-0.8	-0.8
Total impact (\$m)	0.0	-0.4	-0.4	-0.4

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The costs for Invasive Animal Solutions, Commodity Milk Price Index and Northern Australia Rice Industry would come from within the existing resources of *A Competitive Agriculture Sector – boosting farm profits through rural R&D* measure announced in the 2014-15 Budget and the *National Landcare Programme*.

Where relevant, explain effects of departmental expenses.

As specified in the costing proposal, departmental expenses associated with the Leadership in Agriculture Industries Fund and the Livestock Export Global Assurance programme are included within the specified amount stated in the costing request. Departmental costs associated with administering the Landcare and R&D programs, and the thoroughbred R&D levy will be met from within the existing resources of the Department of Agriculture and Water Resources.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

Overall costs for the proposal (with the exception of the Thoroughbred Research and Development proposal) are based on the table contained in the costing request that identifies the profile for each element of the costing.

Thoroughbred Research and Development

- **Costing techniques.**

The estimated production of mares is multiplied by the proposed levy rate to calculate the levy revenue.

- **Policy parameters.**

A levy of \$10 per mare covered per season and a levy of \$10 per mare returned per season. Sourced from the press release *Coalition backs in the thoroughbred industry* released by the Minister for Agriculture on 20 June 2016.

It is assumed that the levy commences from 1 July 2017.

- **Statistical data used.**

The Department of Agriculture and the Thoroughbred Breeders' Association have advised that the production of mares subject to the levy is estimated to be 40,000 per annum.

COA034: Regional Students Access to Education



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Regional Student Access to Education Package	
Costing Identifier:	COA 034
Summary of costing:	<p>FIRST ELEMENT: reduce, from 18 months to 14 months, the period that regional and remote students need to be employed under the self-supporting criteria for Youth Allowance and ABSTUDY living allowance commencing in 2017-18.</p> <p>SECOND ELEMENT: 1,200 new rural and regional enterprise scholarships for undergraduate, postgraduate and vocational education students to undertake STEM studies, commencing in 2017-18.</p> <p>THIRD ELEMENT: provide up to \$44.7 million over the forward estimates in additional support for isolated children, including \$3.9 million to increase the existing Assistance for Isolated Children's (AIC) Additional Boarding Allowance by 50 per cent from 1 January 2017.</p> <p>FOURTH ELEMENT: an independent comprehensive review into equity of access, aspiration and achievement of rural and regional students to seek fresh ideas and fresh thinking to bridge the divide.</p>
Person making the request:	Prime Minister
Date costing request received:	23/06/2016
Date of public release of policy:	22/06/2016
Date costing completed:	27/06/2016

Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-11.2	-31.8	-51.7	-53.0
Fiscal Balance (\$m)	-11.2	-31.8	-51.7	-53.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

This proposed package has been costed to provide \$147.7 million over four years from 2016-17, including:

- \$83.0 million over four years from 2016-17 (\$0.1 million in 2016-17, \$16.7 million in 2017-18, \$32.5 million in 2018-19 and \$33.7 million in 2019-20) to relax the concessional self-supporting criteria under Youth Allowance and ABSTUDY living allowance for Regional and Remote students noting this element is demand driven;
- \$24.0 million over four years for a scholarship of \$20,000 each for 1,200 students undertake STEM studies (\$4.0 million in 2017-18, \$8.0 million in 2018-19, \$8.0 million in 2019-20 and \$4.0 million in 2020-21); and
- \$44.7 million over four years from 2016-17 (\$11.1 million in 2016-17, \$11.1 million in 2017-18, \$11.2 million in 2018-19 and \$11.3 million in 2019-20) to increase the existing Assistance for Isolated Children. This is a capped component.

Where relevant, include separate identification of revenue and expense components.

For the First Element, \$78.8 million relates to increases in administered expenses for the Student Payments program which is paid to students by the Department of Social Services (DSS), over four years.

\$4.2 million relates to increases in services delivery costs for the Department of Human Services (DHS).

The Third Element includes \$3.9 million in administered expenses for Program 1.2: Child Payments in the Social Services Portfolio.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Refer to costing assumptions below. The costing request for the second element does not provide policy parameters (e.g. timing of payments, take-up rate, start date and eligibility criteria) for this commitment and the profile may change depending on the final design of the program.

For the Third Element, only impacts for the increase to existing Assistance for Isolated Children Scheme (AIC) Additional Boarding Allowance by 50 per cent have been detailed. Expenditure for the remaining \$40.8 million has not been specified within the costing request.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, any departmental expenses associated with this package would be met from within existing funding by the Department of Education and Training and Department of Social Services.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

For the First Element, the Deputy Prime Minister identified that this policy would cost \$83.0 million in his press conference on 22 June 2016.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

First Element

This policy would reduce the period, from 18 months to 14 months, over which students from areas classified as inner regional, outer regional, remote and very remote would need to be employed under the self-supporting criteria to be assessed as independent for Youth Allowance and ABSTUDY living allowance purposes. This policy would take effect from 1 January 2018, in line with the school year.

Costing methodology used:

- **Costing techniques.**
 - Finance identified impacted cohorts and the average recipient impact for each cohort to determine the cost of the policy.
- **Policy parameters.**
 - The Deputy Prime Minister identified that this policy would cost \$83.0 million. This is consistent with the costs identified in this costing; Finance has included \$4.2 million for DHS service delivery expenses.
 - This policy would impact 3,700 students that would now gain independence and 2,500 students that would gain independence four months sooner.

Behavioural assumptions used (as appropriate).

It is assumed that recipients would actively attempt to maximise their payment and so would take advantage of the change of policy.

Second Element**Costing methodology used:**

- **Costing techniques.**

Consistent with the costing request, the scholarship commitment is capped at \$24.0 million and will conclude on 30 June 2021.

- **Policy parameters.**

Scholarships of up to \$20,000 (refer Coalition Media Release of 23 June 2016) are assumed to be provided to 600 eligible students on 1 January 2018 and a further 600 students on 1 January 2019 to enable them to complete three-year qualifications.

Financial impacts in 2020-21 are expected to total \$4.0 million.

Behavioural assumptions used

Assumes the Enterprise Scholarship program is fully subscribed and that all students successfully complete their STEM studies.

Third Element**Costing methodology used:**

- **Policy parameters.**

- The costing request specifies that funding would be capped at \$44.7 million. The cost to increase to existing AIC Additional Boarding Allowance by 50 per cent is \$3.9 million over the forward estimates.
- The estimate of \$3.9 million over the forward estimates includes around 1,200 recipients receiving the additional boarding allowance each year, based on actual 2013-14 data of recipients receiving Additional Boarding Allowance. The additional boarding allowance cost is determined at 50% of the current rate and indexed. The costing assumes that the proposal is ongoing.
- The remaining \$40.8 million has been distributed over four years from 2016-17.

	2016-17	2017-18	2018-19	2019-20
AIC	-0.9	-0.9	-1.0	-1.0
Remaining	-10.2	-10.2	-10.2	-10.3
Total	-11.1	-11.1	-11.2	-11.3

Note: Figures have been rounded.

Behavioural assumptions used (as appropriate).

Not applicable.

COA039: Support Veterans and their Families



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Support Veterans and Their Families	
Costing Identifier:	COA 039
Summary of costing:	<p>This policy continues to support Australia's veterans by:</p> <ul style="list-style-type: none"> • Supporting veterans' mental health; • Streamlining the claims process; • Supporting female veterans; and • Supporting younger veterans. <p>The total cost of this policy is estimated to be \$14.9 million over four years.</p>
Person making the request:	Prime Minister
Date costing request received:	27/06/2016
Date of public release of policy:	25/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-4.2	-4.2	-4.2	-2.2
Fiscal Balance (\$m)	-4.2	-4.2	-4.2	-2.2

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

As specified in the costing request, \$14.9 million over four years, from 2016-17 to 2018-19, to be expended as follows:

Supporting veterans' mental health

- Establishing the Centenary Institute at a cost of \$2.0 million each year, from 2016-17 to 2018-19.
- Extending access to the Veterans and Veterans Families Counselling Service (VVCS) at a cost of \$0.8 million each year over the Forward Estimates.

Streamlining claims process

- Increasing the amount veterans can be reimbursed for obtaining medical reports from the current \$467.50 to up to \$1,000, at a cost of \$0.3 million each year over the Forward Estimates.

Supporting female veterans

- Establishing a Female Veterans Policy Forum at a cost of \$0.2 million each year over the Forward Estimates.

Supporting our younger veterans

- Providing \$1.0 million to ex-service organisations each year over the Forward Estimates for a range of projects that promote social inclusion and peer to peer support for younger veterans.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Streamlining claims process

- As this program is demand driven, actual costs may vary from year to year. While up to \$1,000 can be reimbursed, Finance has assumed that the average amount that veterans would be reimbursed for obtaining medical reports is \$800.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, all departmental costs are to be met from within the existing resources of the Department of Veterans' Affairs (DVA).

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used

Policy parameters:

General

- The implementation date for this policy is as soon as practicable in 2016-17.
- This policy is ongoing and subject to review in 2019-20.

Supporting veterans' mental health

- The Centenary Institute will work collaboratively in support of practitioners and ex-service organisations that work closely with veterans with mental health concerns.
- As specified in the costing request, funding for the Centenary Institute is over three years to 2018-19.
- Funding to extend access to the VVCS is demand driven and uncapped.
- It is assumed there would be no:
 - increase to the unit cost for each service provided under VVCS;
 - expansion to the range of services provided by VVCS; or
 - expansion of the number of VVCS service centres and outpost locations.

Statistical data used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Supporting more women and girls into STEM careers	
Costing Identifier:	COA 045
Summary of costing:	<p>FIRST ELEMENT: provide \$28.2 million to support 1,400 internships for PhD researchers, with a particular focus on women. Internships will be administered by the Australian Mathematical Sciences Institute (AMSI) under the AMSI Intern program by expanding it to a national-scale program.</p> <p>SECOND ELEMENT: provide \$3.0 million to develop a new National Careers Education Strategy, to be administered by the Department of Education and Training.</p>
Person making the request:	Prime Minister
Date costing request received:	28/06/2016
Date of public release of policy:	26/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-2.3	-8.6	-10.2	-10.1
Fiscal Balance (\$m)	-2.3	-8.6	-10.2	-10.1

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

This proposed package has been costed to provide \$31.2 million over four years from 2016-17, including:

- \$28.2 million over four years from 2016-17 to support 1,400 internships for PhD researchers, with a particular focus on women, by expanding the AMSI Intern program; and
- \$3.0 million over four years from 2016-17 to develop a new National Careers Education Strategy to support all students, with a particular focus on supporting girls to study STEM subjects.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Not applicable.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

First Element

Costing methodology used:

- **Costing techniques.**
 - The costing assumes that \$28.2 million will be provided over four years from 2016-17 to support 1,400 internships by expanding the AMSI Intern program, including:
 - 1,400 vouchers for amounts of up to \$20,000 to eligible Australian businesses to support them to participate in the AMSI Intern program; and
 - \$200,000 to support AMSI to meet the initial set up costs involved in expanding the AMSI Intern program.

Behavioural assumptions used.

Not applicable.

Second Element

Costing methodology used:

- **Costing techniques.**
 - The costing assumes \$3.0 million over four years from 2016-17 to develop a new National Careers Education Strategy in consultation with industry, states and territories and the non-government sector.

Behavioural assumptions used.

Not applicable.

COA047: Better Management of the Social Welfare System – Enforcing Welfare Recipient Obligations



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Enforcing Welfare Recipient Obligations	
Costing Identifier:	COA 047
Summary of costing:	The aim of this proposal is to establish more active engagement with welfare recipients (including risk profiling and real-time monitoring) at key transition points to reduce the risk of unintended welfare errors and non-compliance and thereby reduce the administrative burden of pursuing historical debts. This proposal builds on the 2015-16 Budget Measure <i>Strengthening the Integrity of Welfare Payments</i> .
Person making the request:	Prime Minister
Date costing request received:	28/06/2016
Date of public release of policy:	28/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-12.9	97.5	102.2	98.1
Fiscal Balance (\$m)	-13.0	106.9	108.4	102.9

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The Enforcing Welfare Recipient Obligations proposal would achieve net savings of \$284.9 million over four years by extending the Department of Human Services' (DHS') data analysis capability to engage in more intensive eligibility assessments before payment is granted, with the objective of prompting current recipients to fulfil their obligations before debts occur.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

This proposal has been costed on the basis of a 1 January 2017 start date. A change to this start date would result in a different financial profile for the proposal.

This costing assumes that the policy can be delivered with departmental costs of approximately \$92.6 million, including by making adjustments elsewhere in the portfolio if required. In the event that DHS cannot fully meet this requirement, further departmental costs could be required for this initiative.

Where relevant, explain effects of departmental expenses.

This policy would cost DHS approximately \$92.6 million to administer, which includes contractors and ICT requirements. As specified in the costing request, any additional departmental costs associated with administering this policy is to be met from within the existing resources of DHS.

The Administrative Appeals Tribunal (AAT) would incur approximately \$2.5 million in total costs to deliver this proposal with any additional costs to be absorbed.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Debt is recognised in Fiscal Balance terms when it is identified, and an estimated underlying cash impact occurs when it is expected that repayments will be made against the debt.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.

COA048: Better Management of the Social Welfare System – Extend Enhanced Welfare Payment Integrity – Income data matching



Australian Government
 Department of Finance
 The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Extend Enhanced Welfare Payment Integrity: Income Data Matching	
Costing Identifier:	COA 048
Summary of costing:	This proposal will increase the capability of the Department of Human Services (DHS) to better target individuals who do not declare their employment income accurately. The proposal will identify welfare recipients who are at risk of non-compliance through the self-service digital channel developed and implemented under the Employment Income Matching element of the <i>Strengthening the Integrity of Welfare Payments</i> measure in the 2015-16 Budget, thereby mitigating the risk of recipients making incorrect declarations and incurring a debt.
Person making the request:	Prime Minister
Date costing request received:	28/06/2016
Date of public release of policy:	28/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-13.5	112.5	246.3	316.3
Fiscal Balance (\$m)	-13.7	562.0	553.4	553.2

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The Income Data Matching proposal would achieve net savings of \$661.6 million over four years by extending the Employment Income Matching element of the 2015-16 *Strengthening the Integrity of Welfare Payments* measure to address an anticipated 924,000 employment income discrepancies for the financial years 2015-16 to 2017-18 inclusive. The 2015-16 Budget measure was to manage employment income discrepancies for the 2010-11, 2011-12 and 2012-13 financial years. The 2015-16 MYEFO measure *Enhanced Welfare Payment Integrity – Income Data Matching* extended the original Budget measure to cover the 2013-14 and 2014-15 financial years.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

This proposal has been costed on the basis of a 1 January 2017 start date. A change to this start date would result in a different financial profile for the proposal.

This costing assumes that the policy can be delivered with departmental costs of approximately \$111.4 million, including by making adjustments elsewhere in the portfolio if required. In the event that DHS cannot fully meet this requirement, further departmental costs could be required for this initiative.

Where relevant, explain effects of departmental expenses.

This policy would cost DHS approximately \$111.4 million to administer, which includes costs for contractors and ICT requirements. As specified in the costing request, any additional departmental costs associated with administering this policy is to be met from within the existing resources of DHS.

The Administrative Appeals Tribunal (AAT) would incur approximately \$4.7 million in total costs to deliver this proposal with any additional costs to be absorbed.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Debt is recognised in Fiscal Balance terms when it is identified, and an estimated underlying cash impact occurs when it is expected that repayments will be made against the debt.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.



2016 post-election report—Addendum to costing prepared under the *Charter of Budget Honesty Act 1998* – COA048: Better Management of the Social Welfare System – Extend Enhanced Welfare Payment Integrity – Income data matching

The estimated financial implications of this proposal over the forward estimates period were calculated by the Department of Finance and the estimated financial implications beyond the forward estimates period were calculated by the Parliamentary Budget Office (PBO).

The financial implications for this proposal were estimated by multiplying the expected number of payment recipients that would be subject to additional compliance interventions under this proposal by the proportion of compliance interventions that would be expected to result in the raising of a welfare debt and by the expected average debt raised. These proportions are based on the outcomes of historical compliance activity undertaken by the Department of Human Services (DHS).

The PBO considers that the estimates in this costing would be of low reliability as they are subject to significant uncertainty. Past outcomes from compliance activity may not be a reliable predictor of revenue from future compliance activities, particularly if the historical compliance activities informing assumptions are not the same as those that would be carried out under this proposal or if previous compliance activity has an impact on future beneficiary reporting behaviour.

As stated in the costing response prepared by the Department of Finance, there is a difference between the estimated impact of this proposal on the fiscal and underlying cash balances due to a difference between when debt is recognised, when repayments are made against the debt, and the impact of some of the debt raised becoming uncollectable. As the proposal is time limited, it would have no impact on the fiscal balance after 2019-20, but would have an impact on the underlying cash balance beyond the forward estimates period, as shown in Table 1 below, due to delays in the collection of debts raised under the proposal.

**Table 1: Better Management of the Social Welfare System - Extend Enhanced Welfare Payment Integrity – Income data matching—
financial implications^{(a)(b)}**

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Fiscal balance	-13.7	562.0	553.4	553.2	1,654.9	-	-	-	-	-	-	-	1,654.9
Underlying cash balance	-13.5	112.5	246.3	316.3	661.6	250.9	108.7	30.7	-	-	-	-	1,051.9

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual and cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

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

- Indicates nil.

COA049: Better Management of the Social Welfare System – Expand Tax Garnishee



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Expand Tax Garnishee	
Costing Identifier:	COA 049
Summary of costing:	This proposal will expand the existing partnership between the Australian Tax Office and the Department of Human Services (DHS) beyond tax and child support debt to include all debtors who are current or former recipients. Where debtors are eligible for a tax refund, this proposal would allow debt to be recovered, regardless of whether they are in a repayment arrangement.
Person making the request:	Prime Minister
Date costing request received:	28/06/2016
Date of public release of policy:	28/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-1.0	15.9	16.6	17.0
Fiscal Balance (\$m)	-1.0	-2.5	-1.8	-1.3

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The Expand the Tax Garnishee proposal would achieve net savings of \$48.5 million over four years from 2016-17 to 2019-20 by expanding the Government's existing taxation garnishee process to include all customers who owe debts to Centrelink when those customers are assessed as being eligible for a taxation refund.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

This proposal has been costed on the basis of a 1 January 2017 start date. A change to this start date would result in a different financial profile for the proposal.

This costing assumes that the policy can be delivered with departmental costs of approximately \$5.7 million, including by making adjustments elsewhere in the portfolio if required. In the event that DHS cannot fully meet this requirement, further departmental costs could be required for this initiative.

Where relevant, explain effects of departmental expenses.

This policy would cost DHS approximately \$5.7 million to administer, which includes costs for contractors and ICT requirements. As specified in the costing request, any additional departmental costs associated with administering this policy is to be met from within the existing resources of DHS.

The Administrative Appeals Tribunal (AAT) would incur approximately \$0.9 million in total costs to deliver this proposal with any additional costs to be absorbed.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Debt is recognised in Fiscal Balance terms when it is identified, and an estimated underlying cash impact occurs when it is expected that repayments will be made against the debt.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.

COA050: Better Management of the Social Welfare System – Extend Enhanced Welfare Payment Integrity – Non-employment income data matching



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Extend Enhance Welfare Integrity: Non-employment income data matching	
Costing Identifier:	COA 050
Summary of costing:	This proposal will extend the <i>Enhanced Welfare Payment Integrity – non-employment income data matching</i> measure from the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) by including the remaining 125,000 non-employment income discrepancies from the 2013-14 financial year and generating an additional 750,000 compliance interventions by extending non-employment income date matching to the 2014-15 to 2017-18 financial years.
Person making the request:	Prime Minister
Date costing request received:	28/06/2016
Date of public release of policy:	28/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-7.8	44.1	220.6	269.7
Fiscal Balance (\$m)	-7.9	183.7	556.6	399.7

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The Extension of Non-Employment Income Data Matching proposal would achieve net savings of \$526.6 million over four years by extending the Enhanced Welfare Payment Integrity — non-employment income data matching measure, which was announced in the 2015-16 MYEFO. The initiative would enable the Department of Human Services (DHS) to undertake 750,000 additional compliance interventions for the 2014-15 to 2017-18 financial years and manage the remaining 125,000 income discrepancies for the 2013-14 financial year, which were not included in the MYEFO measure.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

This proposal has been costed on the basis of a 1 January 2017 start date. A change to this start date would result in a different financial profile for the package.

This costing assumes that the policy can be delivered with departmental costs of approximately \$93.6 million, including by making adjustments elsewhere in the portfolio if required. In the event that DHS cannot fully meet this requirement, further departmental costs could be required for this initiative.

Where relevant, explain effects of departmental expenses.

This policy would cost DHS approximately \$93.6 million to administer, which includes contractors and ICT requirements. As specified in the costing request, any additional departmental costs associated with administering this policy is to be met from within the existing resources of DHS.

The Administrative Appeals Tribunal (AAT) would incur approximately \$3.3 million in total costs to deliver this proposal with any additional costs to be absorbed.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Debt is recognised in Fiscal Balance terms when it is identified, and an estimated underlying cash impact occurs when it is expected that repayments will be made against the debt.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.



2016 post-election report—Addendum to costing prepared under the *Charter of Budget Honesty Act 1998* – COA050: Better Management of the Social Welfare System – Extend Enhanced Welfare Payment Integrity – Non-employment income data matching

The estimated financial implications of this proposal over the forward estimates period were calculated by the Department of Finance and the estimated financial implications beyond the forward estimates period were calculated by the Parliamentary Budget Office (PBO).

The financial implications for this proposal were estimated by multiplying the expected number of payment recipients that would be subject to additional compliance interventions under this proposal by the proportion of compliance interventions that would be expected to result in the raising of a welfare debt and by the expected average debt raised. These proportions are based on the outcomes of historical compliance activity undertaken by the Department of Human Services.

The PBO considers that the estimates in this costing would be of low reliability as they are subject to significant uncertainty. Past outcomes from compliance activity may not be a reliable predictor of revenue from future compliance activities, particularly if the historical compliance activities informing assumptions are not the same as those that would be carried out under this proposal or if previous compliance activity has an impact on future beneficiary reporting behaviour.

As stated in the costing response prepared by the Department of Finance, there is a difference between the estimated impact of this proposal on the fiscal and underlying cash balances due to a difference between when debt is recognised, when repayments are made against the debt, and the impact of some of the debt raised becoming uncollectable. As the proposal is time limited, it would have no impact on the fiscal balance after 2019-20, but would have an impact on the underlying cash balance beyond the forward estimates period, as shown in Table 1 below, due to delays in the collection of debts raised under the proposal.

Table 1: Better Management of the Social Welfare System — Extend Enhanced Welfare Payment Integrity – Non-employment income data matching— financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Fiscal balance	-7.9	183.7	556.6	399.7	1,132.1	-	-	-	-	-	-	-	1,132.1
Underlying cash balance	-7.8	44.1	220.6	269.7	526.6	143.8	65.6	20.4	-	-	-	-	756.4

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual and cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

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

- Indicates nil.

COA051: Better Management of the Social Welfare System – Increased Welfare Compliance for Assets and Investments



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Increased Welfare Compliance for Assets and Investments	
Costing Identifier:	COA 051
Summary of costing:	<p>The proposal would include an additional 490,151 compliance interventions to manage the risk of non-compliance for welfare recipients who have undisclosed or under-declared assets and investments.</p> <p>This proposal would target welfare recipients who are at risk of inaccurate declaration of assets and investments.</p>
Person making the request:	Prime Minister
Date costing request received:	28/06/2016
Date of public release of policy:	28/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-11.7	98.0	186.8	253.6
Fiscal Balance (\$m)	-11.8	219.6	279.6	331.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The Increased Welfare Compliance Assets and Investments proposal would achieve net savings of \$526.7 million over four years, from 2016-17 to 2019-20 by enhancing the Department of Human Service's (DHS) capability to manage the risk of non-compliance for welfare recipients by augmenting the self-service digital solution which is being implemented as part of the *Strengthening the Integrity of Welfare Payments* measure announced in the 2015-16 Budget.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

This package has been costed on the basis of a 1 January 2017 start date. A change to this start date would result in a different financial profile for the proposal.

This costing assumes that the policy can be delivered with departmental costs of approximately \$113.4 million, including by making adjustments elsewhere in the portfolio if required. In the event that DHS cannot fully meet this requirement, further departmental costs could be required for this initiative.

Where relevant, explain effects of departmental expenses.

This policy would cost DHS approximately \$113.4 million to administer, which includes costs for contractors and ICT requirements. As specified in the costing request, any additional departmental costs associated with administering this policy is to be met from within the existing resources of DHS.

The Administrative Appeals Tribunal (AAT) would incur approximately \$2.7 million in total costs to deliver this proposal with any additional costs to be absorbed.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Debt is recognised in Fiscal Balance terms when it is identified, and an estimated underlying cash impact occurs when it is expected that repayments will be made against the debt.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.



2016 post-election report—Addendum to costing prepared under the *Charter of Budget Honesty Act 1998* – COA051: Better Management of the Social Welfare System – Increased Welfare Compliance for Assets and Investments

The estimated financial implications of this proposal over the forward estimates period were calculated by the Department of Finance and the estimated financial implications beyond the forward estimates period were calculated by the Parliamentary Budget Office (PBO).

The financial implications for this proposal were estimated by multiplying the expected number of payment recipients that would be subject to additional compliance interventions under this proposal by the proportion of compliance interventions that would be expected to result in the raising of a welfare debt and by the expected average debt raised. These proportions are based on the outcomes of historical compliance activity undertaken by the Department of Human Services.

The PBO considers that the estimates in this costing would be of low reliability as they are subject to significant uncertainty. Past outcomes from compliance activity may not be a reliable predictor of revenue from future compliance activities, particularly if the historical compliance activities informing assumptions are not the same as those that would be carried out under this proposal or if previous compliance activity has an impact on future beneficiary reporting behaviour.

As stated in the costing response prepared by the Department of Finance, there is a difference between the estimated impact of this proposal on the fiscal and underlying cash balances due to a difference between when debt is recognised, when repayments are made against the debt, and the impact of some of the debt raised becoming uncollectable. As the proposal is time limited, it would have no impact on the fiscal balance after 2019-20, but would have an impact on the underlying cash balance beyond the forward estimates period, as shown in Table 1 below, due to delays in the collection of debts raised under the proposal.

Table 1: Better Management of the Social Welfare System — Increased Welfare Compliance for Assets and Investments—financial implications ^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Fiscal balance	-11.8	219.6	279.6	331.0	818.3	-	-	-	-	-	-	-	818.3
Underlying cash balance	-11.7	98.0	186.8	253.6	526.6	86.8	40.6	14.3	-	-	-	-	668.3

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual and cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

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

- Indicates nil.

COA052: Reduction in the Wage Subsidy Pool



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Reduction in the Wage Subsidy Pool	
Costing Identifier:	COA 052
Summary of costing:	The commitment is to achieve savings of \$254.4 million over the forward estimates by capping the amount of funding in the wage subsidy pool for wage subsidies other than PaTH (Prepare – Trial – Hire, announced as part of the Youth Employment Package in the 2016-17 Budget).
Person making the request:	Prime Minister
Date costing request received:	29/06/2016
Date of public release of policy:	28/06/2016
Date costing completed:	30/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	57.2	66.5	65.6	65.1
Fiscal Balance (\$m)	57.2	66.5	65.6	65.1

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The proposal has been costed at a specified saving amount of \$254.4 million over the Forward Estimates.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, any departmental expenses including ICT costs relating to this commitment will be met from within the existing resources of the Department of Employment.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

The proposal will cap funding for wage subsidy pool for the wage subsidies other than PaTH at \$357.9 million over the forward estimates.

Consistent with the costing request, the costing assumes that wage subsidies other than the youth wage subsidies available under the PaTH program would be capped at a reduced level that is \$254.4 million less than the existing funding over the Forward Estimates.

Changes to the Wage Subsidy Pool will be as follows (in underlying cash impact terms):

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)	2019-20 (\$m)	Total (\$m)
PaTH Wage Subsidies	-41.3	-76.6	-92.1	-88.3	-298.3
Other Wage Subsidies	-175.4	-146.6	-147.8	-142.4	-612.3
Reduction in Other Wage Subsidies	57.2	66.5	65.5	65.1	254.4
Revised Other Wage Subsidies (Capped)	-118.2	-80.1	-82.3	-77.3	-357.9
Total Revised Wage Subsidy Pool (PaTH and Capped others)	-159.5	-156.7	-174.4	-165.5	-656.1

The savings would be redirected to fully offset the costs of the Coalition's policies for Restoring Fairness and Transparency to Australian Workplaces (costing COA 028, \$54.4 million over four years) and the Regional Jobs package (costing COA 037, \$200.0 million over four years).