



Parliamentary  
Budget Office

## Policy costing

Trainee Doctors to have equal pay	
Person/party requesting the costing:	Mr Adam Bandt MP, Australian Greens
Date costing completed:	23 July 2024
Expiry date of the costing:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period
	<input checked="" type="checkbox"/> Confidential – <i>Authorised for public release on 3 October 2024</i> <input type="checkbox"/> Not confidential
<p>Summary of proposal:</p> <p>The proposal would provide funding of \$100 million per year ongoing (\$1 billion over 10 years) for a program to provide grants that address pay parity for trainee GPs. The program would be modelled on the Victorian grant program 'General practitioners grant program'.</p> <p>The proposal would not be indexed, with departmental funding included within the capped amount.</p> <p>The proposal would start from 1 July 2026.</p>	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$200 million over the 2024-25 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would have an impact beyond the 2024-25 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2034-35 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

**Table 1: Trainee Doctors to have equal pay – Financial implications (\$m)<sup>(a)(b)</sup>**

	2024-25	2025-26	2026-27	2027-28	Total to 2027-28
Fiscal balance	-	-	-100.0	-100.0	-200.0
Underlying cash balance	-	-	-100.0	-100.0	-200.0

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

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Methodology

The proposal is capped at a fixed annual amount per year from the commencement date. Administered expenses are as specified in the proposal, less expected departmental expenses. We assume that no funds allocated to a given year are left unspent.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

Commonwealth of Australia, *2024, 2024-25 Budget*, Canberra, Commonwealth of Australia.

Departmental expenses were informed by similar measures in the Commonwealth budgets from 2015-16 to 2021-22.

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Trainee Doctors to have equal pay – financial implications

**Table A1: Trainee Doctors to have equal pay – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total to 2027-28	Total to 2034-35
<b>Administered</b>													
<i>Parity Grant Funding</i>	-	-	-97.5	-98.7	-98.7	-98.7	-98.7	-98.7	-98.7	-98.7	-98.7	-196.2	-887.1
<b>Departmental</b>													
<i>Departmental Expenses</i>	-	-	-2.5	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-3.8	-12.9
<b>Total (excluding PDI)</b>	-	-	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-100.0	-200.0	-900.0

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

- Indicates nil.

**Table A2: Trainee Doctors to have equal pay – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total to 2027-28	Total to 2034-35
<b>Fiscal balance</b>	-	-	-2.1	-6.4	-10.9	-15.7	-20.7	-25.9	-31.5	-37.3	-43.4	-8.5	-193.9
<b>Underlying cash balance</b>	-	-	-1.6	-5.4	-9.8	-14.5	-19.5	-24.7	-30.1	-35.9	-42.0	-7.0	-183.5

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

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

- Indicates nil.

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