



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.



For more information see www.electioncostings.gov.au/copyright-notice-2

Behavioural assumptions used (as appropriate).

Not applicable.



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