



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.

