

APPENDIX C – PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

Name of policy	Enforcing Welfare Recipient Obligations
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	28 June 2016
Date of request to cost the policy:	28 June 2016
Summary of policy (please attach copies of relevant policy documents):	The aim of this proposal is to establish more active engagement with welfare recipients at key life points to reduce the risk of unintended welfare errors and non-compliance. This proposal builds on the 2015-16 Budget Measure <i>Strengthening the Integrity of Welfare Payments</i> .
Intention of policy:	To improve the integrity of the welfare payments system by preventing and reducing current overpayments to welfare recipients.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office	This policy has not been submitted to the Parliamentary Budget Office.
<p>Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)</p> <p>What are the key assumptions that have been made in the policy including:</p>	
Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.	Yes - the Better Management of the Social Welfare System.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Capped departmental expenditure to achieve ongoing savings.
Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?	N/A
Are there associated savings, offsets or expenses?	No

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

If yes, please provide details.	
<p>Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)</p> <p>What are the key assumptions that have been made in the policy including:</p> <p>(continued)</p>	
<p>Does the policy relate to a previous budget measure?</p> <p>If yes, which measure?</p>	No
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the programme? Will funding/cost require indexation?</p> <p>If yes, list factors used.</p>	No
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>The policy is expected to have a positive underlying cash impact of \$284.9 million over the forward estimates to 2019-20:</p> <p>2016-17: -\$12.9 million</p> <p>2017-18: \$97.5 million</p> <p>2018-19: \$102.2 million</p> <p>2019-20: \$98.1 million</p>
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>The costing assumes total departmental funding of \$95 million over the forward estimates to be provided to DHS and the Administrative Appeals Tribunal (AAT).</p>
<p>Has the policy been costed by a third party?</p> <p>If yes, can you provide a copy of this costing and its assumptions?</p>	No
<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>It is expected that this will have a positive impact on the community as it will generate a fairer and more transparent welfare system.</p>
<p>NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.</p>	

Administration of policy	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	Department of Human Services. AAT. Department of Social Services.
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to programme management (by policy agencies) and additional transactions/processing (by service delivery agencies).	Departmental expenses for DHS and the AAT should be included as above. Other departmental expenses associated with administering the policy should be absorbed by departments.
Intended date of implementation.	1 January 2017
Intended duration of policy.	Ongoing.
Are there transitional arrangements associated with policy implementation?	No.
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	N/A
Are there any other assumptions that need to be considered?	No.