

## APPENDIX C – PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT<sup>1</sup>

| Name of policy  | Expand Tax Garnishee   |
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| 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):  | This proposal would expand the partnership between the Australian Tax Office and the Department of Human Services beyond tax and child support debt to include all debtors with repayment arrangements.                        |
| Intention of policy:  | Improve the integrity of our welfare payments system by including all debtors who are current or former customers, where they are eligible for a tax refund, regardless of whether or not they are in a repayment arrangement. |
| Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office  | This has not been submitted to the Parliamentary Budget Office.  |
| <b>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)</b>  |  |
| <b>What are the key assumptions that have been made in the policy including:</b>  |  |
| Is the policy part of a package?<br>If yes, list and outline components and interactions with proposed or existing policies.  | Yes, part of the Better Management of the Social Welfare System package.   |
| Where relevant, is funding for the policy to be demand driven or a capped amount?   | N/A  |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?<br>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | No   |
| Are there associated savings, offsets or expenses?  | No   |

<sup>1</sup> An electronic version of this pro-forma can be found at [www.electioncostings.gov.au/templates](http://www.electioncostings.gov.au/templates).

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| If yes, please provide details.   |  |
| <p><b>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)</b></p> <p><b>What are the key assumptions that have been made in the policy including:</b></p> <p><b>(continued)</b></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 will have a positive underlying cash impact of \$48.5 million over the forward estimates to 2019-20:</p> <p>2016-17: -\$1.0 million</p> <p>2017-18: \$15.9 million</p> <p>2018-19: \$16.6 million</p> <p>2019-20: \$17.0 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>This costing assumes increased departmental expenses of \$5.7 million over the forward estimates to the Department of Human Services, and \$0.9 million over the forward estimates to 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><b>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.</b></p>  |  |

| <b>Administration of policy</b>   |   |
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| Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?   | The Department of Human Services, the Department of Social Services and the Administrative Appeals Tribunal.                                |
| Should departmental expenses associated with this policy be included in this costing?<br>If no, will the Department be expected to absorb expenses associated with this policy?<br>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). | It is assumed that departmental expenses are included as outlined above. Other departmental expenses should be absorbed by the 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).  |   |
| Are there any other assumptions that need to be considered?   | No.   |