

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

Name of policy	Extend Enhance Welfare Integrity: Non-employment income data matching
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 will provide for an additional 750,000 compliance interventions by including non-employment income discrepancies generated from data matching. This proposal extends the <i>Enhanced Welfare Payment Integrity- non-employment income data matching</i> measure from the 2015-16 Mid-Year Economic and Fiscal Outlook.
Intention of policy:	Improve the integrity of our welfare system by improving DHS' capability to manage the risk of non-compliance by 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 PBO.
<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, 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

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

<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?</p> <p>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>No.</p>
<p>Are there associated savings, offsets or expenses?</p> <p>If yes, please provide details.</p>	<p>No.</p>
<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: (continued)</p>	
<p>Does the policy relate to a previous budget measure?</p> <p>If yes, which measure?</p>	<p>Yes – Extension of 2015-16 Budget measure titled <i>Strengthening the Integrity of Welfare Payments</i> and 2015-16 MYEFO measure <i>Enhanced Welfare Payment Integrity – non employment income data matching</i>.</p>
<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>	<p>No.</p>
<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 \$526.6 million over the forward estimates to 2019-20:</p> <p>2016-17: -\$7.8 million</p> <p>2017-18: \$44.1 million</p> <p>2018-19: \$220.6 million</p> <p>2019-20: \$269.7 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 assumes increased departmental expenses of \$93.6 million over the forward estimates to the Department of Human Services, and \$3.3 million over the forward estimates to the Administrative Appeals Tribunal.</p>

<p>Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?</p>	<p>No.</p>
<p>What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? 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)?	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? 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).	It is assumed that departmental expenses should be included as outlined above. All 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.