

PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

Name of policy	Increasing the Income Threshold for the Commonwealth Seniors Health Card
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	2 May 2022
Link to the publicly released policy:	https://www.liberal.org.au/latest-news/2022/05/02/cost-living-help-older-australians
Date of request to cost the policy:	2 May 2022
Summary of policy (please attach copies of relevant policy documents):	The Coalition will increase the income threshold for the Commonwealth Seniors Health Card on the 1 July 2022. The income thresholds for singles will increase from \$57,761 to \$90,000, for couples from \$92,416 to \$144,000, and for couples separated by illness from \$115,522 to \$180,000.
Intention of policy:	To support more than 50,000 senior Australians to manage the cost of living by enabling access to cheaper medical services and pharmaceuticals.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office:	No, this or a substantially similar cost request has not been submitted to the Parliamentary Budget Office.

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

<p>Description of policy (note: 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>Is the policy part of a package?</p> <p><i>If yes, list and outline components and interactions with proposed or existing policies.</i></p>	<p>No.</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount?</p>	<p>Demand driven.</p>
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?</p> <p><i>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</i></p>	<p>Some state and territories also provide their own concessions, such as transport, health, education and recreational concessions to eligible Commonwealth Seniors Health Card holders.</p>
<p>Are there associated savings, offsets or expenses?</p> <p><i>If yes, please provide details.</i></p>	<p>No.</p>
<p>Description of policy (note: 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><i>If yes, which measure?</i></p>	<p>No.</p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? Will funding/cost require indexation?</p> <p><i>If yes, list factors used.</i></p>	<p>No.</p>

What are the estimated costs each year? Are these provided on a cash or fiscal basis?	<p>\$16.1 million in 2022-23</p> <p>\$17.8 million in 2023-24</p> <p>\$19.4 million in 2024-25</p> <p>\$20.7 million in 2025-26</p> <p>Cash basis</p>
<p>Are the revenue and/or expense costs likely to be significantly different beyond the forward estimates period?</p> <p><i>If yes, why?</i></p>	No.
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)?	It is assumed that the Commonwealth Seniors Health Card recipients grow at 4 per cent per annum over the forward estimates in line with recent average growth. The growth rate is expected to return to historical average of 1 per cent per annum by the end of the medium term.
<p>Has the policy been costed by a third party?</p> <p><i>If yes, can you provide a copy of this costing and its assumptions?</i></p>	No.
<p>What is the expected community impact of the policy?</p> <p>How many people or businesses 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>	More than 50,000 senior Australians will have access to cheaper medical services and pharmaceuticals.
<p><i>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.</i></p>	
Administration of policy	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Department of Social Services.

<p>Should departmental expenses associated with this policy be included in this costing?</p> <p><i>If no, will the Australian Government Entity be expected to absorb expenses associated with this policy?</i></p> <p><i>If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).</i></p>	<p>No, the Department of Social Services is expected to absorb expenses associated with this policy.</p>
<p>Intended date of implementation.</p>	<p>1 July 2022.</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No.</p>
<p>Will the policy be ongoing or terminating*?</p>	<p>Ongoing.</p>
<p>If terminating: What is the intended date of termination? Are there any transitional arrangements associated with the conclusion of the policy?</p>	<p>Not applicable.</p>
<p>List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).</p>	<p>Not applicable.</p>
<p>Are there any other assumptions that need to be considered?</p>	<p>Not applicable.</p>

* Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.