

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

Name of policy	Freezing Deeming Rates for two years
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	4 May 2022.
Link to the publicly released policy:	<a href="https://www.liberal.org.au/latest-news/2022/05/04/cost-living-certainty-more-social-security-recipients">https://www.liberal.org.au/latest-news/2022/05/04/cost-living-certainty-more-social-security-recipients</a>
Date of request to cost the policy:	9 May 2022.
Summary of policy (please attach copies of relevant policy documents):	The Coalition will maintain the current lower deeming rate at 0.25 per cent and the upper deeming rate at 2.25 per cent until 30 June 2024.
Intention of policy:	To provide cost of living certainty to social security recipients.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office:	No, this or a substantially similar costing request has not been submitted to the Parliamentary Budget Office.
<b>Description of policy</b> ( <i>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</i> )	
<b>What are the key assumptions that have been made in the policy including:</b>	
Is the policy part of a package? <i>If yes, list and outline components and interactions with proposed or existing policies.</i>	No.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Not applicable.

<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).

<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>	Not applicable.
<p>Are there associated savings, offsets or expenses?</p> <p><i>If yes, please provide details.</i></p>	Not applicable.
<p><b>Description of policy</b> (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><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><i>If yes, which measure?</i></p>	No.
<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>	No.
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	There is no financial impact as a result of freezing deeming rates at their current rates for two years.
<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>	Not applicable.
<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>	Not applicable.
<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>	Not applicable.

<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>	<p>Around 450,000 age pensioners and 440,000 other payment recipients are expected to benefit from the greater certainty.</p>
<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>	
<p><b>Administration of policy</b></p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?</p>	<p>Department of Social Services.</p>
<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.</p>
<p>Intended date of implementation.</p>	<p>9 May 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>The policy is for no change in deeming rates until 30 June 2024.</p>
<p>If terminating:</p> <p>What is the intended date of termination?</p> <p>Are there any transitional arrangements associated with the conclusion of the policy?</p>	<p>The policy is for no change in deeming rates until 30 June 2024.</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.