

Appendix 1 – Options analysis for policy cost savings options, and assumptions and caveats

	Savings estimate ^{1, 2} \$ millions (\$m) 2024/25 - 2028/29	MSD confidence in savings estimate	Scale of impact on benefit incomes	Estimated time to deliver following policy decisions (standalone)	Proposal requires primary legislative amendments	OECD precedence	Proposal shifts costs somewhere else (e.g. other Votes, communities)	Changes existing welfare system settings/frameworks
s9(2)(f)(iv)								
Option 5: Introducing a parental income test for JS recipients s9(2)(f)(iv)	s9(2)(f)(iv) \$0-5m per year, \$0-15m over five years s9(2)(f)(iv) \$25-100m per year, \$75-300m over five years	Low	Low-medium – some clients may not be financially supported by their parents, despite the expectation that they will be	Approximately 24 months due to expected design complexity	Yes	Yes – Australia’s Youth Allowance for jobseekers aged 16-21 years	Yes – would place additional cost burden on parents/families, may see flow through to Student Loans	Yes – includes parental income in a person’s eligibility assessment, may interact with legal interpretations of who is a dependent child
s9(2)(f)(iv)								

¹ For the purpose of costings, each option has assumed a 1 July 2026 commencement date. This is illustrative only and commencement timeframes should be based on the delivery estimates in column 6.
² Costing ranges would be refined in future advice. This range does not account for any costs to implement the option (e.g. from FTE or IT requirements), or due to grandparenting arrangements if relevant.

Modelling and delivery estimates: assumptions and caveats

- All modelling estimates assume:
 - Five-year forecast period from 2024/25 to 2028/29
 - 1 July 2026 commencement date (for illustrative purposes only)
 - No flow-through impact to other assistance, e.g. hardship assistance.
- All delivery timeframe estimates are illustrative. Costings and timeframes presented are individual to each proposal within each option, meaning that they represent the costings and timeframes if that proposal was progressed on its own. Because of this, we will need further direction on your preferred options before we can provide a more accurate representation of the possible impacts. This includes savings, timeframes, flow-ons to other assistance, nature of regulatory changes, IT and other operational costs (e.g. FTE), and required trade-offs for implementation.

	Modelling assumptions/caveats	Delivery timeframes assumptions/caveats
s9(2)(f)(iv)		
Option 5: Introducing a parental income test for JS recipients s9(2)(f)(iv)	<ul style="list-style-type: none">• Assumes same s9(2)(f)(iv)<ul style="list-style-type: none">◦ s9(2)(f)(iv)◦ Cut-out points: s9(2)(f)(iv)• Assumes one to ten percent of the applicable population would have s9(2)(f)(iv) per year• MSD does not collect s9(2)(f)(iv) information – further modelling could seek to use IDI to refine assumptions	s9(2)(f)(iv)
s9(2)(f)(iv)		