



Parliament of Australia
Parliamentary Budget Office

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Parliamentary Budget Officer

Senator Richard Di Natale
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Di Natale

Please find attached a response to your costing request, *Sustainable Schools Fund* (letter of 30 June 2016).

The response to this request will be released on the PBO website (www.pbo.gov.au).

If you have any queries about this costing, please contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

30 June 2016



Policy costing—during the caretaker period for the 2016 general election

Name of proposal:	Sustainable Schools Fund
Summary of proposal:	<p>The proposal would invest \$188 million over the 2017 and 2018 calendar years into a Sustainable Schools Programme that schools could bid into to pay for minor sustainability infrastructure works, for purposes such as energy efficiency, energy capture and water capture.</p> <p>Departmental expenses would be additional to the proposed annual spending commitments.</p> <p>The proposal would have effect from 1 September 2016.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	6 June 2016 http://greens.org.au/news/vic/greens-announce-support-solar-homes-and-businesses
Date costing request received:	30 June 2016
Date costing completed:	30 June 2016
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by \$192.0 million over the 2016–17 Budget forward estimates period. This impact reflects an increase in administrative expenses of \$188.0 million and an increase in departmental expenses of \$4.0 million over this period.

The proposal would not have an impact beyond the forward estimates period as the proposal would terminate in 2019-20. Detailed financial implications are provided at [Attachment A](#).

The departmental expense estimates in this costing are considered to be of high reliability as they are based on the costs of similar programs.

The administered expense estimates in this costing are considered to be of high reliability as the amounts are as specified in the request. However, no analysis has been undertaken to determine the adequacy of the prescribed funding amounts to achieve the objectives of the proposal.

Table 1: Financial implications (outturn prices)^{(a)(b)}

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-48.0	-96.0	-48.0	-	-192.0
Underlying cash balance	-48.0	-96.0	-48.0	-	-192.0

(a) A positive number represents an increase in the relevant budget balance, a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

- Indicates nil

Key assumptions

Administered expenditure is assumed to occur evenly throughout the calendar year.

Methodology

Administered expenditure estimates are as specified in the request. The departmental expenditure estimates are in addition to capped amounts, as specified, and are based on other like initiatives and estimates account for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance’s costing practices.

Estimates are derived on a calendar (school) year basis and converted to financial years.

Data sources

The Department of Finance provided indexation and efficiency dividend parameters.

Attachment A: Sustainable Schools Fund— financial implications

Table A1: Sustainable Schools Fund—Financial implications (outturn prices)^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20
Impact on fiscal and underlying cash balances					
<i>Administered expenses</i>	-47.0	-94.0	-47.0	-	-188.0
<i>Departmental expenses – Department of Education</i>	-1.0	-2.0	-1.0	-	-4.0
Total	-48.0	-96.0	-48.0	-	-192.0

(a) A negative sign indicates an increase in expenses.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.