



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, *Migrant Communities Employment 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:	Migrant Communities Employment Fund
Summary of proposal:	<p>The proposal would re-establish the Migrant Communities Employment Fund with \$22 million in funding over the Budget 2016-17 forward estimates.</p> <p>Funding would be evenly distributed across each of the 2016-17 Budget forward estimate years. Administration costs would be in addition to the capped funding amount specified above.</p> <p>This proposal would commence on 1 September 2016.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	29 June 2016 http://www.adambandt.com/160629
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 both the fiscal and underlying cash balances by \$22.7 million over the 2016-17 Budget forward estimates period. This reflects an increase in administered expenses of \$22.0 million and an increase in departmental expenses of \$0.7 million. A breakdown of the financial implications is provided at [Attachment A](#).

The proposal would not be expected to have an impact beyond the 2016-17 Budget forward estimates as funding for the proposal would terminate on 30 June 2020.

The costing is considered to be of high reliability as it is based on specified capped amounts and the application of administrative costs based on similar programs.

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

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-5.7	-5.7	-5.7	-5.7	-22.7
Underlying cash balance	-5.7	-5.7	-5.7	-5.7	-22.7

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

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

Key assumptions

It has been assumed that a full year of funding would be provided in 2016-17.

Methodology

Administered expense estimates are as specified in the request. The departmental expense 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.

Data sources

Department of Finance provided indexation and efficiency dividend parameters.

Attachment A: Migrant Communities Employment Fund— financial implications

Table A1: Migrant Communities Employment 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					
Administered	-5.5	-5.5	-5.5	-5.5	-22.0
Departmental	-0.2	-0.2	-0.2	-0.2	-0.7
Total	-5.7	-5.7	-5.7	-5.7	-22.7

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual and cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

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