



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request on *social housing – cutting waiting lists* (letter of 14 August 2013).

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

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

16 August 2013



COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	Social housing – cutting waiting lists
Summary of proposal:	<p>This proposal would co-fund the construction of 5,000 new dwellings per year with matched funding from States, Territories or community housing organisations.</p> <p>The proposal will have effect from 1 July 2014.</p>
Party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	14 August 2013
Date costing completed:	16 August 2013
Date of public release of policy:	27 July 2013
Agencies from which information was obtained:	Not applicable

Costing overview

This costing relates to the direct finance component of the *A stronger social housing system* package announced by the Australian Greens on 27 July 2013.

This proposal would decrease the underlying cash and fiscal balances by \$1.240 billion over the 2013-14 Budget forward estimates.

The proposal is for administered funding at a capped amount. Funding is intended as ongoing with an annual cost of \$710 million beyond the forward estimates.

Departmental costs are expected to be minimal and are not included in the costing.

This costing is considered to be of high reliability as it is based on a capped funding amount specified in the costing request. The PBO has not made an assessment of the feasibility of achieving the construction of the 5,000 dwellings annually from within the specified funding amount.

POLICY COSTING – ELECTION CARETAKER PERIOD

Table 1: Financial implications (outturn prices)^(a)

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	0.0	- 180.0	- 350.0	- 710.0
Fiscal balance (\$m)	0.0	- 180.0	- 350.0	- 710.0

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates an increase in expenses in cash terms.

Key assumptions

The expense profile is as specified in the costing request.

Methodology

The estimates are based on the capped funding amount specified in the costing request.

Data sources

Australian Greens, *A stronger social housing system*, released on 27 July 2013.