



**Parliament of Australia**  
**Parliamentary Budget Office**

**Phil Bowen PSM FCPA**  
**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, *Repowering Public and Community Housing* (letter of 30 June 2016).

The response to this request will be released on the PBO website ([www.pbo.gov.au](http://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:	Repowering Public and Community Housing
Summary of proposal:	<p>The proposal would upgrade Australia’s entire public and community housing stock by 2030 by providing capped funding of \$2,000 for every dwelling.</p> <p>The \$2,000 for each dwelling would be used to:</p> <ul style="list-style-type: none"><li>• Put a two kilowatt (2kW) solar PV system on the roof of all Australia’s social housing properties</li><li>• Install energy efficient appliances, LED lighting, window glazing, smart meters, water efficient appliances and shower heads, roof and wall insulation, ceiling and ventilation fans, efficient heating and cooling, low cost sensors, and draught proofing</li><li>• Add secure door and window fittings for cross ventilation</li><li>• Provide a property energy assessment, education and advice for tenants</li><li>• Provide a training, employment and education package for tenants interested in developing skills in the green jobs sector, to employ at least 5,000 tenants in the roll-out and maintenance of this package.</li></ul> <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:	14 June 2016 <a href="http://greens.org.au/renew-community-housing">http://greens.org.au/renew-community-housing</a>
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 \$250.0 million over the 2016-17 Budget forward estimates period. This reflects an increase in administered expenses of \$241.0 million and an increase in departmental expenses of \$9.0 million over this period.

**Table 1: Financial implications (outturn prices)<sup>(a)(b)</sup>**

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-62.0	-62.0	-62.0	-62.0	<b>-250.0</b>
Underlying cash balance	-62.0	-62.0	-62.0	-62.0	<b>-250.0</b>

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

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

The proposal would have ongoing financial implications beyond the 2016-17 Budget forward estimates period until 2029-30 at which point funding for the proposal would terminate. The annual impact over the period 2020-21 to 2029-30 would be in line with the impact in 2019-20. A breakdown by administered and departmental expenses is at [Attachment A](#).

This costing is considered to be of high reliability as it is largely based on specified capped amounts.

## Key assumptions

- The PBO has not undertaken any analysis of whether the prescribed funding amounts would be adequate to achieve the activities outlined in the proposal.
- It was assumed that around 30,000 dwellings would be upgraded annually until 2030.

## Methodology

Administered expense estimates are as specified in the request.

Departmental expense estimates are in addition to the administered costs and are based on similar sized grant programs and estimates account for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance's costing practices.

Administered and departmental expense estimates were rounded to the nearest \$1 million.

## Data sources

Department of Finance provided indexation and efficiency dividend parameters.

## Attachment A: Repowering Public and Community Housing—financial implications

**Table A1: Repowering Public and Community Housing—Financial implications (outturn prices)<sup>(a)(b)</sup>**

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20
<b>Impact on fiscal and underlying cash balances</b>					
<i>Administered</i>	-60.0	-60.0	-60.0	-60.0	<b>-241.0</b>
<i>Departmental</i>	-2.0	-2.0	-2.0	-2.0	<b>-9.0</b>
<b>Total</b>	<b>-62.0</b>	<b>-62.0</b>	<b>-62.0</b>	<b>-62.0</b>	<b>-250.0</b>

(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.