



**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, *Support for people with disability: A Royal Commission into abuse, violence and neglect* (letter of 28 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

29 June 2016



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

Name of proposal:	Support for people with disability: A Royal Commission into abuse, violence and neglect
Summary of proposal:	<p>The proposal would provide capped funding of \$400 million over five years (\$42 million in 2016-17, \$89 million in 2017-18, 2018-19 and 2019-20 and \$91 million in 2020-21) to establish a Royal Commission into violence, abuse and neglect of people with disability.</p> <p>The Royal Commission would have a reporting date of 30 June 2021, with departmental costs to be met from within the capped funding amounts.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	23 June 2016 <a href="http://rachel-siewert.greensmps.org.au/content/media-releases/greens-commit-royal-commission-abuse-violence-and-neglect-people-disability-a">http://rachel-siewert.greensmps.org.au/content/media-releases/greens-commit-royal-commission-abuse-violence-and-neglect-people-disability-a</a>
Date costing request received:	28 June 2016
Date costing completed:	29 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 \$309.0 million over the 2016-17 Budget forward estimates period. The impact is due to an increase in administered expenses of \$295.0 million and an increase in departmental expenses of \$14.0 million.

This proposal would have an impact beyond the 2016-17 Budget forward estimates period, with funding of \$91 million proposed for 2020-21. Detailed financial implications are provided at [Attachment A](#).

This costing is considered to be of high reliability as it is based on specified capped amounts. However, no analysis has been undertaken to determine the adequacy of the prescribed funding amounts to achieve the objective of the proposal.

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

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-42.0	-89.0	-89.0	-89.0	<b>-309.0</b>
Underlying cash balance	-42.0	-89.0	-89.0	-89.0	<b>-309.0</b>

(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.

## Methodology

The total impact of the proposal reflects the capped funding amount as specified in the request.

Departmental expenditure estimates were calculated by applying appropriate indexation rates to the average annual operating costs of the Attorney-General’s Department in relation to the Royal Commission into Institutional Responses to Child Sexual Abuse over 2012-13 to 2017-18.

Administered expenditure estimates are the remainder of the capped funding amounts after allowing for estimated departmental expenditure.

## Data sources

The Attorney-General’s Department provided actual expenditure and expenditure estimates for the Royal Commission into Institutional Responses to Child Sexual Abuse over 2012-13 to 2017-18.

The Department of Finance provided indexation and efficiency dividend parameters.

## Attachment A: Support for people with disability: A Royal Commission into abuse, violence and neglect—financial implications

**Table A1: Support for people with disability: A Royal Commission into abuse, violence and neglect—financial implications<sup>(a)(b)</sup>**

(\$m)	2016–17	2017–18	2018–19	2019–20	<b>Total to 2019–20</b>	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	<b>Total to 2026–27</b>
Administered	-40.0	-85.0	-85.0	-85.0	<b>-295.0</b>	-86.0	-	-	-	-	-	-	<b>-381.0</b>
Departmental – Attorney General’s Department	-2.0	-4.0	-4.0	-4.0	<b>-14.0</b>	-5.0	-	-	-	-	-	-	<b>-19.0</b>
<b>Total</b>	<b>-42.0</b>	<b>-89.0</b>	<b>-89.0</b>	<b>-89.0</b>	<b>-309.0</b>	<b>-91.0</b>	-	-	-	-	-	-	<b>-400.0</b>

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

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

- Indicates nil.