



Policy costing request—during the caretaker period for a general election

Name of policy:	Repowering Public and Community Housing
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	30 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	http://greens.org.au/sites/greens.org.au/files/Greens%20initiatve%20-%20Renewing%20public%20and%20communtiy%20housing%20initiative%20finalbkjune14.pdf
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<p>The Greens' plan has the simple objective to deliver clean power, lower electricity bills, and homes that are cheaper to run and more comfortable to live in, through a nationwide upgrade program for Australia's 421,000 public and community housing dwellings.</p> <p>Our proposal is to upgrade Australia's entire public and community housing stock by 2030. We will provide a \$2000 capital upgrade for every dwelling to:</p> <ul style="list-style-type: none">• Put solar on every roof with 2kW rooftop solar PV systems;• Retrofit homes with 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;• Add secure screen doors and window fittings for cross ventilation• Provide energy efficiency assessment, education and advice to tenants on how they can make behavioural changes to help save energy in the home• Provide a training, employment and education package for tenants interested in developing skills in clean energy, to employ at least 5000 tenants over the rollout of this package <p>The least energy efficient housing would be prioritised first.</p>
What is the purpose or intention of the policy?	The benefits of well-planned and appropriately located community infrastructure are widely recognised and quantified.

	<p>Enhancing access to cultural, sporting and recreational activity contributes to improved community health and has a number of benefits, including enhanced academic outcomes, increased self-esteem and social confidence, development of life skills such as team work, fair play and strategic thinking, community building and social cohesion, social inclusion of minority and disadvantaged groups; and enhanced mental and physical well-being.</p> <p>There is also an increasing body of evidence that investing in adequate community infrastructure brings real cost savings over time, and the economic benefits of providing community infrastructure far out-weighed the costs of provision and resulted in a net return on investment.</p>
<p>What are the key assumptions that have been made in the policy, including:</p>	
<p>Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.</p>	<p>No</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	<p>A capped amount of \$2000 per home for 421,000 homes, by 2030.</p>
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>No</p>
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>No</p>

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Does the policy relate to a previous budget measure? If yes, which measure?	No			
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	No			
Will the funding/program cost require indexation? If yes, list factors to be used.	No			
Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices)^(a)				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	-76	-78	-80	-82
Fiscal balance (\$m)	-76	-78	-80	-82
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	N/A			
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	No			
What is the expected community impact of the policy? How many people will	This initiative will help about 800,000 Australians living in 421,000 public and community housing dwellings over the next decade. The CEFC estimates annual savings of up to \$1075 per household can be made from			

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<p>be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?</p>	<p>improving insulation in walls and floors, adding double glazing, LED lighting instead, induction stoves in place of gas stoves, installing secure screen doors to improve ventilation, and in-home energy monitoring.</p> <p>A 2kW rooftop solar PV unit alone would save each household around \$780 per year on average.</p> <p>Public and community housing tenants are more vulnerable to the effects of poorly performing housing. Older single people currently make up the highest proportion of household types, with the median age of tenants in public housing being 54 years. A high proportion of public housing tenants are aged 65 years and over (32%), and 43% of all tenants reported a disability.</p>
<p>Administration of policy:</p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?</p>	<p>The Australian government</p>
<p>Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).</p>	
<p>Intended date of implementation:</p>	<p>1 September 2016</p>
<p>Intended duration of policy:</p>	<p>Ongoing</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	
<p>List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).</p>	<p>At 30 June 2014, there were 393,844 households in social housing, with the majority in public rental housing (317,000), 9,800 in state managed and owned Indigenous housing (SOMIH) and 67,000 in mainstream community housing.</p> <p>Although Indigenous community housing (ICH) data do not allow for number of households, as at 30 June 2014 there were 17,500 ICH dwellings. http://www.aihw.gov.au/housing-assistance/haa/2015/social-housing-tenants/</p> <p>The average household size in social housing is 2 people. AIHW (2011) Housing Assistance.</p> <p>Figure adapted from 2.5kW system so reduced by 1/6 at http://www.solargain.com.au/how-much-does-solar-energy-save-you</p> <p>AIHW (2010) A profile of social housing in Australia.</p>

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Are there any other assumptions that need to be considered?	
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	