



Parliament of Australia
Parliamentary Budget Office

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Parliamentary Budget Officer

Senator Richard Di Natale
Leader
Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Di Natale

Please find attached a response to your costing request, *Reverse Cuts to Legal Aid Services* (letter of 29 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:	Reverse Cuts to Legal Aid Services
Summary of proposal:	<p>The proposal would provide additional funding of \$883 million over the 2016-17 Budget forward estimates period to State and Territory governments for Legal Aid Commissions, Community Legal Centres and Environmental Defender's Offices.</p> <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
Date costing request received:	29 June 2016
Date costing completed:	30 June 2016
Additional information requested (including date):	On 29 June 2016, the office of Senator Di Natale (the office) was contacted to clarify the amount of capped funding which would be provided and the period over which funding would be provided.
Additional information received (including date):	On 30 June 2016, the office confirmed that funding would be \$883.0 million over the 2016-17 Budget forward estimates only.
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by \$883.0 million over the 2016-17 Budget forward estimates period. This is entirely due to an increase in administered expenses. This proposal would not be expected to have an impact on departmental expenses as it represents an increase in funding under a National Partnership Agreement.

This proposal would not have an ongoing impact beyond the 2016-17 Budget forward estimates period as it terminates in 2019-20.

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

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-220.8	-220.8	-220.8	-220.8	-883.0
Underlying cash balance	-220.8	-220.8	-220.8	-220.8	-883.0

(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.

Key assumptions

In costing this proposal it has been assumed that the full 2016-17 allocation of funding would be expended over the remaining 10 months of 2016-17 from 1 September 2016.