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 *Community renewable energy* (letter of 30 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

/ September 2013

COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	**Community Renewable Energy**
Summary of proposal:	The proposal would provide $100 million over five years to the Australian Renewable Energy Agency to administer an Australian Community Renewable Energy Program which will be a competitive tender programme supporting the development of community-owned renewable energy projects to the point where they could attract other sources of funding. The proposal would have effect from 1 July 2014.
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	30 August 2013
Date costing completed:	1 September 2013
Date of public release of policy:	21 August 2013

Costing overview

This proposal is expected to decrease both the underlying cash balance and fiscal balance by $60 million over the 2013-14 Budget forward estimates period. This impact is entirely due to an increase in expenses.

The proposal would also involve expenditure of $20 million in 2017-18 and 2018-19. As per the costing request, departmental expenses for this proposal will be met from within the funding cap.

This costing is considered to be of high reliability as it for a capped amount over a specified time-frame.

Table 1: Financial implications (outturn prices)[(a)]

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance ($m)	-	-20.0	-20.0	-20.0
Fiscal balance ($m)	-	-20.0	-20.0	-20.0

(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.