



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

**Phil Bowen PSM FCPA**  
**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, *National Community Infrastructure Fund* (letter of 1 July 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

/ July 2016



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

Name of proposal:	National Community Infrastructure Fund
Summary of proposal:	<p>The proposal would establish the National Community Infrastructure Fund (the Fund) to provide grants of \$100.0 million over four years. Grants would be available to eligible communities that can demonstrate a critical need for community facilities including:</p> <ul style="list-style-type: none"><li>• placemaking and social spaces</li><li>• community gardens</li><li>• hubs for education and training and small business support</li><li>• recreation and exercise infrastructure, including gym and aquatic facilities</li><li>• spaces that support services to young people</li><li>• spaces to provide services including childcare and healthcare</li><li>• creative hubs, co-working spaces, and meeting places.</li></ul> <p>The Fund would provide grants through merit-based funding rounds, with 70 per cent dedicated to outer metropolitan growth areas.</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:	30 June 2016 <a href="http://greens.org.au/news/wa/greens-launch-national-community-infrastructure-fund">http://greens.org.au/news/wa/greens-launch-national-community-infrastructure-fund</a>
Date costing request received:	1 July 2016
Date costing completed:	1 July 2016
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 \$100.0 million over the 2016-17 Budget forward estimates period. This reflects an increase in administered expenses of \$97.1 million and departmental expenses of \$2.9 million.

This proposal would not have financial implications outside the 2016-17 Budget forward estimates period as it is scheduled to conclude at the end of 2019-20. A breakdown of the financial implications over the 2016-17 Budget forward estimates period has been provided at [Attachment A](#).

The costing is considered to be of high reliability as it is based on specified capped amounts, and the application of administrative costs from within the capped amounts is based on similar programs.

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

Impact on (\$m)	2016-17	2017-18	2018-19	2019-20	Total
Fiscal balance	-25.0	-25.0	-25.0	-25.0	<b>-100.0</b>
Underlying cash balance	-25.0	-25.0	-25.0	-25.0	<b>-100.0</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.

## Key assumptions

In costing this proposal it has been assumed that:

- the full \$25.0 million (including departmental expenses) would be spent over the ten months of 2016-17 from the commencement date of 1 September 2016
- administrative expenses would be met from within the capped funding amount.

## Methodology

Departmental expenditure estimates are accommodated within the capped funding amounts and are based on other like programs and the estimates account for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance's costing practices.

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

## Data sources

The Department of Finance provided efficiency dividend and indexation parameters.

## Attachment A: National Community Infrastructure Fund— financial implications

**Table A1: National Community Infrastructure Fund—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>					
Administered	-24.3	-24.3	-24.3	-24.3	<b>-97.1</b>
Departmental	-0.7	-0.7	-0.7	-0.7	<b>-2.9</b>
<b>Total</b>	<b>-25.0</b>	<b>-25.0</b>	<b>-25.0</b>	<b>-25.0</b>	<b>-100.0</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.