



## Policy costing

National Rental Protection Authority	
Person/party requesting the costing:	Mr Adam Bandt MP, Australian Greens
Date costing completed:	28 August 2024
Expiry date of the costing:	Release of the next economic and fiscal outlook report
Status at time of request:	Submitted outside the caretaker period
	<input checked="" type="checkbox"/> <del>Confidential</del> – <i>Authorised for public release on 2 September 2024</i> <input type="checkbox"/> Not confidential
<p>Summary of proposal:</p> <p>The proposal seeks to implement, oversee and enforce national renter's rights. It has 2 components:</p> <p><u>Component 1: Commonwealth grants to states and territories to ensure a rental freeze</u></p> <ul style="list-style-type: none"> <li>• Provide \$2.5 billion a year (indexed to the Consumer Price Index, CPI) in housing grants to the states and territories to implement uniform tenancy standards nationwide, which would include:             <ul style="list-style-type: none"> <li>– A freeze on rental increases at January 2023 levels for two years, followed by a limit on rental increases of 2% every 2 years.                 <ul style="list-style-type: none"> <li>» Both the freeze and the ongoing limits to be attached to the property, not the specific tenancy or lease.</li> <li>» Freeze and ongoing cap to apply to newly rented or substantially renovated properties, with starting rents are set at the median rent for the area and property type</li> </ul> </li> <li>– Giving tenants the guaranteed right to lease renewal and presumed right to 5 year leases</li> <li>– Minimum standards covering ventilation, adequate heating, cooling and insulation sufficient for a changing climate, freedom from mould and adequate bathrooms, kitchens and security</li> <li>– Genuine end to no-grounds evictions, including at the end of a fixed term lease.                 <ul style="list-style-type: none"> <li>» Grounds for eviction to be clearly defined, with a requirement for a landlord to prove that the ground can be established. Grounds limited to:                     <ul style="list-style-type: none"> <li>- landlord or immediate family member moving into the property</li> <li>- demolition of the property</li> <li>- reconstruction and renovation of the property only where the work cannot be carried out unless the property is vacated, and only where relevant permits have been obtained</li> <li>- sale of property is not a ground for eviction. Where a property is sold, the tenant retains possession unless the new owner establishes a ground for eviction</li> <li>- un-remediated serious tenant breach.</li> </ul> </li> </ul> </li> </ul> </li> </ul>	

- This housing grant funding could be spent on building and maintaining public housing, as well as adequately funding tenancy authorities and tribunals to ensure rent caps and standards are enforced.

Component 2: Enforcement framework

- The Commonwealth will establish a National Renters Protection Authority of 1,000 FTE to implement and oversee nationwide rights and rent controls, including:
  - independently investigating breaches of rental law
  - issuing infringement notices and fines against landlords and real estate agencies
  - providing education, information and advocacy to tenants
  - advising on tenancy policy matters.

Funding would be ongoing for both components.

The proposal would start from 1 July 2025.

## Overview

The proposal would be expected to decrease the fiscal and underlying cash balances by \$8.3 billion over the 2024-25 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would have an ongoing impact beyond the 2024-25 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2034-35 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

**Table 1: National Rental Protection Authority – Financial implications (\$m)<sup>(a)(b)</sup>**

	2024-25	2025-26	2026-27	2027-28	Total to 2027-28
Fiscal balance	-	-2,720.0	-2,745.0	-2,807.0	<b>-8,272.0</b>
Underlying cash balance	-	-2,720.0	-2,745.0	-2,807.0	<b>-8,272.0</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Methodology and key assumptions

### Component 1: State and territory grants

Administered expenses are as specified in the proposal. It is assumed that the grant funding is passed straight through to the states and territories, consistent with normal arrangements and no additional funding would be required to administer this funding.

### Component 2: Enforcement framework

The PBO has assumed that the new entity would be established over 2 years to reach the full staff complement of 1,000 as specified in the proposal. Provision was made for initial set-up costs in the first year of the proposal. Staff costs were calculated using the PBO’s departmental cost calculator

that takes account of indexation to Wage Cost index (WCI) 3, and the application of an efficiency dividend.

For both components, we assume that no funds allocated to a given year are left unspent.

Financial implications were rounded consistent with the PBO's rounding rules<sup>1</sup>.

## Data sources

Commonwealth of Australia, 2024. *2024-25 Budget*, Canberra: Commonwealth of Australia.

Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination (2024) ([remtribunal.gov.au](https://remtribunal.gov.au))

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – National Rental Protection Authority – Financial implications

Table A1: National Rental Protection Authority – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total to 2027-28	Total to 2034-35
<b>Expenses</b>													
<b>Administered</b>													
<i>State and Territory Grants</i>	-	-2,500.0	-2,560.0	-2,620.0	-2,690.0	-2,760.0	-2,820.0	-2,900.0	-2,970.0	-3,040.0	-3,120.0	-7,680.0	-27,980.0
<b>Total – administered</b>	-	<b>-2,500.0</b>	<b>-2,560.0</b>	<b>-2,620.0</b>	<b>-2,690.0</b>	<b>-2,760.0</b>	<b>-2,820.0</b>	<b>-2,900.0</b>	<b>-2,970.0</b>	<b>-3,040.0</b>	<b>-3,120.0</b>	<b>-7,680.0</b>	<b>-27,980.0</b>
<b>Departmental</b>													
<i>National Rental Protection Authority</i>	-	-220.0	-185.0	-187.0	-189.0	-191.0	-193.0	-195.0	-198.0	-200.0	-202.0	-592.0	-1,960.0
<b>Total – departmental</b>	-	<b>-220.0</b>	<b>-185.0</b>	<b>-187.0</b>	<b>-189.0</b>	<b>-191.0</b>	<b>-193.0</b>	<b>-195.0</b>	<b>-198.0</b>	<b>-200.0</b>	<b>-202.0</b>	<b>-592.0</b>	<b>-1,960.0</b>
<b>Total (excluding PDI)</b>	-	<b>-2,720.0</b>	<b>-2,745.0</b>	<b>-2,807.0</b>	<b>-2,879.0</b>	<b>-2,951.0</b>	<b>-3,013.0</b>	<b>-3,095.0</b>	<b>-3,168.0</b>	<b>-3,240.0</b>	<b>-3,322.0</b>	<b>-8,272.0</b>	<b>-29,940.0</b>

(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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

**Table A2: National Rental Protection Authority – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total to 2027-28	Total to 2034-35
<b><i>Fiscal balance</i></b>	-	-60.0	-180.0	-300.0	-430.0	-580.0	-730.0	-900.0	-1,070.0	-1,260.0	-1,460.0	<b>-540.0</b>	<b>-6,970.0</b>
<b><i>Underlying cash balance</i></b>	-	-40.0	-150.0	-270.0	-400.0	-540.0	-690.0	-860.0	-1,030.0	-1,220.0	-1,420.0	<b>-460.0</b>	<b>-6,620.0</b>

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) 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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

<sup>2</sup> [https://www.aph.gov.au/about\\_parliament/parliamentary\\_departments/parliamentary\\_budget\\_office/online\\_budget\\_glossary](https://www.aph.gov.au/about_parliament/parliamentary_departments/parliamentary_budget_office/online_budget_glossary)