



POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A GENERAL ELECTION

Name of policy:	Better deal for renter
Person requesting costing:	Senator Milne
Date of request to cost the policy:	29 August 2013
<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 (i.e. from the Treasury or the Department of Finance and Deregulation)?	No
Details of the public release of this policy (Date, by whom and a reference to that release)	22 August 2013, Senator Milne/ Senator Ludlam http://scott-ludlam.greensmps.org.au/better-deal-renters
Description of policy:	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<p>A New Deal for Renters package that will:</p> <ul style="list-style-type: none"> • establish a new national body responsible for setting, introducing and overseeing a new National Standard for all rental tenancies. The National Standard will cover security of tenure, stability and fairness of rents, a new ‘efficiency standard’ to ensure the home is cheap to run and comfortable to live in, safety and security of the home and better protection for vulnerable groups. Provide \$0.3 million. • provide a funding package worth \$500 per property to assist private landlords make upgrades to meet the standard. This would be phased in and occur at the change of lease or through tenant or landlord referral to the new body, through a simple checklist. A total allocation of up to \$100 million per year would be allocated; and • urgently review and increase funding by \$3 million per year for Tenancy Advice Services in each state and territory. This will dramatically increase the level of advocacy and consumer protection provided to renters.
What is the purpose or intention of the policy?	To improve conditions for households living in rental housing
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.	No

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Where relevant, is funding for the policy to be demand driven or a capped amount?	Capped amount			
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?	Yes, existing tenancy advice services operated by state and territory governments.			
Are there associated savings, offsets or expenses? If yes, please provide details.	No			
Does the policy relate to a previous budget measure? If yes, which measure?	Yes, existing tenancy advice services operated by state and territory governments.			
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)				
	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	0	-103	-103	-103
Fiscal balance (\$m)	0	-103	-103	-103
(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)?				
Has the policy been costed by a third party? If yes, can you provide a copy	Yes – PBO costing 7 August 2013			

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of this costing and its assumptions?	
<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	Better conditions for the almost 2 million Australian households in the private rental market.
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Department of Families, Housing, Community Services and Indigenous Affairs
<p>Should departmental expenses associated with this policy be included in this costing?</p> <p>If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).</p>	Any additional departmental expenses to be absorbed by existing resources.
Intended date of implementation.	1 July 2014
Intended duration of policy.	The development of the Standard will occur over the forward estimates period but the other measures will be ongoing.
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	
Are there any other assumptions that need to be considered?	No
<p>NOTE:</p> <p><i>Please note that:</i></p> <ul style="list-style-type: none"> <i>The costing will be on the basis of information provided in this costing request.</i> <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> 	