# Policy costing request—during the caretaker period for a general election

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| **Name of policy:** | Renter’s Rights |
| Person requesting costing: | Senator Di Natale |
| Parliamentary party:  | Australian Greens |
| Date of request to cost the policy: | 24 June 2016 |
| *Note: This policy costing request and the response to this request will be made publicly available.* |
| Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)? | No |
| Details of the public release of this policy (Date, by whom and a reference to that release): | <http://greens.org.au/sites/greens.org.au/files/Greens-Initiaitive-Renters-Rights-2016.pdf>  |
| **Description of policy** |
| Summary of policy (as applicable, please attach copies of relevant policy documents): | A package to improve the quality and standard of Australia’s private rental stock by:* Introducing a new national minimum standard for private rental tenancies (no cost)
* Provide a funding package worth $500 per property  to assist for landlords to make upgrades to meet the new standards (to a cap of $100m per year for up to 200,000 properties per year)
* Urgently review and increase funding to Tenancy Advice Services in each state and territory – by $10m per year
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| What is the purpose or intention of the policy? | The proportion of Australian households renting is 31%. Around one quarter (26%) of all households rented privately, with 4% of households renting from state and territory government housing authorities[[1]](#footnote-1).  The new national minimum standard would cover the five most urgent issues facing tenants today:* **Stability and fairness of rent prices**
* **Security of tenure** provisions such as longer minimum notice periods for evictions and longer leases as of right
* **A new ‘efficiency standard’ to guarantee the home is cheap to run and comfortable and cosy to live in.** This would coverenergy and water efficiency, heating and cooling, and hot water systems, and fixed appliances (like ovens) are energy and water efficient, as well as insulation, ventilation and so on.
* **Safety and security** of the home
* **Better protection for marginal groups** (including people in boarding houses and caravan parks) who are at risk of homelessness not currently covered in state and territory tenancy laws

The Greens propose a **new national body** to set and oversee the implementation of national minimum standards and would be based on the same body that administers similar programs such as the Universal design for housing policy, which supports the implementation of livable housing designs for those with disabilities. |
| **What are the key assumptions that have been made in the policy, including:** |
| Is the policy part of a package?If yes, list the components and interactions with proposed or existing policies. | Yes, part of the Greens Housing Affordability Platform. |
| Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount? | Capped |
| 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? | No |
| 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? | No |
| If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? | N/A |
| 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)** |
|  | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
| Underlying cash balance ($m) | -102 | -124 | -124 | -124 |
| Fiscal balance ($m) | -102 | -124 | -124 | -124 |
| 1. 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.
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| 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)? | Emissions reductions from improving the quality of rental housing stock. |
| Has the policy been costed by a third party?If yes, can you provide a copy of this costing and its assumptions? | No |
| What is the expected community impact of the policy?How many people will be affected by the policy?What is the likely take up?What is the basis for these impact assessments/assumptions? | The Greens conducted a widespread rental survey in 2013 which found renters are living in insecure tenure, inefficient housing, with very little rights. For example:* 66% of renters wanted the option to enter into a long term lease
* 58% of respondents had been forced to couch surf with friends or family because they couldn’t find a place to live
* 73% said their houses were not cool in summer or warm in winter, meaning heating or cooling was required with the associated financial and environmental cost
* 67% are in rental stress, paying more than 30% of their income on rent, 14% paying up to 70%.
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| **Administration of policy:** |
| Who will administer the policy (for example, Australian Government entity, the States, non‑government organisation, etc)? | Department of Housing and Treasury |
| Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies). | None |
| Intended date of implementation: | 1 September 2016 |
| Intended duration of policy: | Ongoing |
| Are there transitional arrangements associated with policy implementation? | No |
| List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0). | ABS 4130.0 - Housing Occupancy and Costs, 2013-14 |
| Are there any other assumptions that need to be considered? | No |
| **NOTE:***Please note that:**The costing will be on the basis of information provided in this costing request.**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.* |

1. [http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4130.0~2013-14~Main%20Features~Key%20Findings~1](http://www.abs.gov.au/ausstats/abs%40.nsf/Lookup/by%20Subject/4130.0~2013-14~Main%20Features~Key%20Findings~1) [↑](#footnote-ref-1)