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

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| **Name of policy:** |  National Community Infrastructure Fund  |
| Person requesting costing: | Senator Di Natale |
| Parliamentary party:  | Australian Greens |
| Date of request to cost the policy: | 1 July 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): | Thursday 30th June 2016 <http://greens.org.au/news/wa/greens-launch-national-community-infrastructure-fund>  |
| **Description of policy** |
| Summary of policy (as applicable, please attach copies of relevant policy documents): | We propose a National Community Infrastructure Fund that commits $100 million over four years, with grants available for eligible communities that can demonstrate a critical need for community facilities including:- Placemaking and social spaces- Community gardens- Hubs for education and training and small business support- Recreation and exercise infrastructure including gym and aquatic facilities- Spaces that support services to young people- Spaces to provide services including childcare and healthcare; and- Creative hubs, co-working spaces, and meeting places.The Fund will provide grants through merit-based funding rounds, with 70% dedicated to outer metropolitan growth areas. |
| What is the purpose or intention of the policy? | The benefits of well-planned and appropriately located community infrastructure are widely recognised and quantified.Enhancing access to cultural, sporting and recreational activity contributes to improved community health and has a number of benefits, including enhanced academic outcomes, increased self-esteem and social confidence, development of life skills such as team work, fair play and strategic thinking, community building and social cohesion, social inclusion of minority and disadvantaged groups; and enhanced mental and physical well-being.There is also an increasing body of evidence that investing in adequate community infrastructure brings real cost savings over time, and the economic benefits of providing community infrastructure far out-weighed the costs of provision and resulted in a net return on investment. |
| **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. | No |
| 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? | A capped amount worth $25m a year for four years.  |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | No |
| Are there associated savings, offsets or expenses?If yes, please provide details. | No |
| Does the policy relate to a previous budget measure? If yes, which measure? | No |
| If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? | No |
| Will the funding/program cost require indexation?If yes, list factors to be used. | No |
| **Expected impacts of the proposal** |
| If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis? |
| **Estimated financial implications (outturn prices)(a)** |
|  | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
| Underlying cash balance ($m) | -25 | -25 | -25 | -25 |
| Fiscal balance ($m) | -25 | -25 | -25 | -25 |
| 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)? | N/A |
| 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 opportunity is significant. Our outer growth suburbs (home to 5 million Australians) rural and regional communities, and remote communities lack community infrastructure, and the concept is not even recognised by the federal government. |
| **Administration of policy:** |
| Who will administer the policy (for example, Australian Government entity, the States, non‑government organisation, etc)? | The Australian government – Dept of Infrastructure  |
| 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). |  |
| Intended date of implementation: | 1 September 2016 |
| Intended duration of policy: | Ongoing |
| Are there transitional arrangements associated with policy implementation? |  |
| List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0). | http://alga.asn.au/site/misc/alga/downloads/publications/ALGA\_State\_Of\_The\_Assets\_Report\_2015.pdf https://infrastructure.gov.au/infrastructure/pab/files/Our\_Cities\_National\_Urban\_Policy\_Paper\_2011.pdf Elton Consulting (2012) *Tomorrow’s healthy and productive communities – The case for community infrastructure in outer metropolitan growth areas. Prepared for National Growth Areas Alliance,* November 2012  Dropping off the Edge Report (2015) http://k46cs13u1432b9asz49wnhcx.wpengine.netdna-cdn.com/wp-content/uploads/0001\_dote\_2015.pdf  http://www.regionalaustralia.org.au/wp-content/uploads/2013/06/RAI-Renewal-of-Local-Infrastructure-in-Regional-Australia.pdf  <http://www.abc.net.au/news/2016-05-22/>  |
| Are there any other assumptions that need to be considered? |  |
| **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.* |