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

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| Name of policy: | Empowering and supporting Aboriginal and Torres Strait Islander peoples |
| Person requesting costing: | Senator Richard di Natale |
| Parliamentary party:  | Australian Greens |
| Date of request to cost the policy: | 29 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): | Announced by Australian Greens Senator Rachel Siewert 29 May 2016; <http://rachel-siewert.greensmps.org.au/content/media-releases/greens-announce-package-create-better-future-australia%E2%80%99s-first-peoples>; <http://greens.org.au/atsi>  |
| **Description of policy** |
| Summary of policy (as applicable, please attach copies of relevant policy documents): | The policy includes:* $15m per year (not including PM&C administration costs) over two years for grants to Aboriginal and Torres Strait Islander individuals, organisations and communities, for projects to advance the conversation on sovereignty and treaty.
* Domestic implementation of the United Nations Declaration on the Rights of Indigenous Peoples, through:
	+ A comprehensive National Action Plan to provide a roadmap for implementing the UNDRIP into Australian law and policy making.
	+ $20m in grants over the forward estimates, for non-government organisations to facilitate participation in the National Action Plan, and help raise community awareness.
* Provide additional funding to offset Coalition cuts, including:
	+ $15m over four years for the National Congress of Australia’s First Peoples (excluding departmental costs)
	+ $556m over four years (excluding departmental costs) in additional funding for the Indigenous Advancement Strategy.
* Implementing key recommendations from the Change the Record Campaign’s *Blueprint for Change*, specifically:
	+ Funding the public service to develop a national, whole of government strategy to address imprisonment and violence rates
	+ A national target, based on a national agreement and sub-targets (to be agreed with states and territories, with funding as required for negotiations)
	+ Funding for the Department of the Prime Minister and Cabinet (PM&C) to work with Commonwealth and state and territory agencies to improve data collection on Aboriginal and Torres Strait Islander incarceration.
	+ Funding for an independent review of laws, policies and strategies aimed at and related to Aboriginal and Torres Strait Islander improvement and violence rates, underpinned by a human rights approach.
	+ $40m in grants funding over four years (capped, not including departmental costs) for projects to help reduce the rate of incarceration: $10m a year starting in 2017-18.
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| What is the purpose or intention of the policy? | To empower and support Aboriginal and Torres Strait Islander communities.  |
| **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. | - |
| 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? | The following are capped funding amounts over the forward estimates:* $15m per year for two years for projects to advance the national conversation on sovereignty and treaty
* $20m in grants for non-government organisations, to facilitate participation in the UNDRIP domestic implementation National Action Plan
* $15m for the National Congress of Australia’s First Peoples
* $556m over four years (excluding departmental costs) in additional funding for the Indigenous Advancement Strategy
* $40m in grants funding for projects to reduce the rate of incarceration.

Additional funding for the Commonwealth public service will be needed for: * Developing a national, whole of government strategy to address imprisonment and violence rates.
* A national target, based on a national agreement and sub-targets.
* PM&C to work with federal and state agencies to improve data collection on Aboriginal and Torres Strait Islander incarceration.
* An independent review of laws, policies and strategies aimed at and related to Aboriginal and Torres Strait Islander imprisonment and violence rates are underpinned by a human-rights approach.
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| 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? | PM&C (or other agencies as appropriate) to administer grants programs, which will involve projects by non-government organisations.  |
| Are there associated savings, offsets or expenses?If yes, please provide details. | - |
| Does the policy relate to a previous budget measure? If yes, which measure? | $556m in additional funding is to offset impacts of the reduction in funding in the 2014-15 Budget measure, *Indigenous Affairs Programme – rationalisation*, and the *Indigenous Advancement Strategy – indexation pause*.  |
| If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? | - |
| Will the funding/program cost require indexation?If yes, list factors to be used. | - |
| **Expected impacts of the proposal** |
| If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis? |
| **Estimated financial implications (outturn prices)(a)** |
|  | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
| Underlying cash balance ($m) | 157.6 | 179.9 | 164.4 | 161.2 |
| Fiscal balance ($m) | 157.6 | 179.9 | 164.4 | 161.2 |
| 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)? | - |
| Has the policy been costed by a third party?If yes, can you provide a copy of this costing and its assumptions? | - |
| 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? | Improved support to empower Aboriginal and Torres Strait Islander peoples in multiple ways.  |
| **Administration of policy:** |
| Who will administer the policy (for example, Australian Government entity, the States, non‑government organisation, etc)? | Department of Prime Minister and Cabinet to administer the majority of grant funding.  |
| 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: | Unless otherwise specified, 1 September 2016 |
| Intended duration of policy: | Forward estimates |
| Are there transitional arrangements associated with policy implementation? | - |
| List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0). | Change the Record – [*Blueprint for change*](https://changetherecord.org.au/blueprint-for-change) |
| 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.* |