



MEDIA RELEASE

13 August 2010

Our Ref: GOV57

**RECEIPT OF REQUEST FOR COSTING OF
ELECTION COMMITMENT**

The Department of Finance and Deregulation has been asked by the Prime Minister to cost the following election commitment under the *Charter of Budget Honesty Act 1998*:

Strong action on illegal logging.

The costing will be completed in accordance with the *Charter of Budget Honesty: Costing Election Commitments* guidelines issued on 11 June 2010. The guidelines are available at www.electioncostings.gov.au.

The costing request is attached to this media release. A further media release will be issued when the costing has been completed.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

Senate Rural Affairs and Transport Legislation Committee
Supplementary budget estimates 2010-2011
DAFF

Tabled document no: 1

By: *Senator Colbeck*

Date: *20* October 2010

Name of policy:		Strong action on illegal logging	
Person requesting costing (Prime Minister/Leader of the Opposition):		Prime Minister	
Date of public release of policy:		10 August 2010	
Date of request to cost the policy:		13 August 2010	
Summary of policy (please attach copies of relevant policy documents):		A re-elected Gillard Labor Government will implement a package of reforms to restrict the sale of illegally logged wood in Australia. Activities will be taken within the existing resources of government agencies.	
Intention of policy:		<p>To protect our environment for future generations. After consultation with relevant stakeholders Labor will:</p> <ul style="list-style-type: none"> • introduce tough new legislation making it an offence to import any timber products into Australia. • implement a code of conduct to require suppliers who first place timber into the Australian market to carry out the proper tests to ensure wood coming into the country is legal. • require the use of a trade description and the circumstances under which it can be used. • continue to work through our bilateral agreements with Indonesia, China and Papua New Guinea to ensure a consistent global approach to eliminating illegal logging. 	
Description of policy			
What are the key assumptions that have been made in the policy including:			
Please note that where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request.			
Is the policy part of a package?		No	
• If yes, list and outline components and interactions with proposed or existing policies.			
Where relevant, is funding for the policy to be demand driven or a capped amount?		NA	

<p>Will third parties, for instance the States/Territories, have a role in funding or delivering the policy?</p> <ul style="list-style-type: none"> • If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? 	No.
<p>Are there associated savings, offsets or expenses?</p> <ul style="list-style-type: none"> • If yes, please provide details. 	No
<p>Description of policy (continued)</p> <p>What are the key assumptions that have been made in the policy including:</p>	
<p>Does the policy relate to a previous budget measure?</p> <ul style="list-style-type: none"> • If yes, which measure? 	No
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program. Will funding/cost require indexation?</p> <ul style="list-style-type: none"> • If yes, list factors used. 	NA
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	There is no impact on the underlying cash or fiscal balance from this policy.
<p>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)?</p>	NA
<p>Has the policy been costed by a third party?</p> <ul style="list-style-type: none"> • If yes, can you provide a copy of this costing and its assumptions? 	No
<p>What is the expected community impact of the policy?</p> <ul style="list-style-type: none"> • How many people will be affected by the policy? • What is the likely take up? • What is the basis for these impact assessments/assumptions? 	
<p>NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.</p>	

Administration of policy	
How will the policy be administered: who will administer the policy (for example, Australian Government Agency, States, non-government agency)?	Agriculture, Forestry and Fisheries Portfolio
Should Departmental expenses associated with this policy be included in this costing?	Any departmental costs would be absorbed.
<ul style="list-style-type: none"> • If no, will the Department be expected to absorb expenses associated with this policy? • 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). 	
Intended date of implementation.	2010-11
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 cat. no. 3201.0).	NA
Are there any other assumptions that need to be considered?	No.



18 August 2010

Our Ref: GOV57

RELEASE OF COSTING OF ELECTION COMMITMENT

The Secretary to the Department of Finance and Deregulation today released the following election commitment costing under the *Charter of Budget Honesty Act 1998*:

Strong action on illegal logging as announced by the Government.

This costing was completed consistent with the *Charter of Budget Honesty: Costing Election Commitments* guidelines which are available on www.electioncostings.gov.au.
A copy of the completed costing is attached.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

PUBLIC RELEASE OF 2010 ELECTION COMMITMENT COSTING

Summary of costing: The Australian Labor Party would implement a package of reforms to restrict the sale of illegally logged timber in Australia.
Prime Minister

Person making the request: Prime Minister

Date of request: 13 August 2010

Name of policy to be costed: Strong Action on Illegal Logging

Date of public release of policy: 10 August 2010

Costing request provided by the Prime Minister/Leader of the Opposition: Prime Minister

Additional information requested: Not applicable

Additional information received: Not applicable

Financial implications (outturn prices)^(a)

Impact on	2010-11	2011-12	2012-13	2013-14
Underlying cash balance (\$m)	0.0	0.0	0.0	0.0
Fiscal balance (\$m)	0.0	0.0	0.0	0.0

(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 for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Not applicable.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Background information

Costing methodology used:

The costing request of 13 August 2010 specifies that this policy would be funded from within the existing resources of government agencies and would therefore have no impact on the underlying cash balance or fiscal balance over the forward estimates.

Based on experience with comparable policies implemented in recent years, we estimate the cost of implementing this proposal would be \$4.2 million over four years (\$0.5 million in 2010-11, \$0.9 million in 2011-12 and \$1.4 million per annum from 2012-13 to 2013-14). We consider the relevant government agencies (the Department of Agriculture, Fisheries and Forestry and the Australian Customs and Border Protection Service) have the scope to absorb these costs within their existing resources.



MEDIA RELEASE

19 August 2010

Our Ref: GOV104

**RECEIPT OF REQUEST FOR COSTING OF
ELECTION COMMITMENT**

The Department of Finance and Deregulation has been asked by the Prime Minister to cost the following election commitment under the *Charter of Budget Honesty Act 1998*:

Forestry Policy.

The costing will be completed in accordance with the *Charter of Budget Honesty: Costing Election Commitments* guidelines issued on 11 June 2010. The guidelines are available at www.electioncostings.gov.au.

The guidelines provided that in certain circumstances a costing may not be completed. As the request was received on 19 August 2010 the department may be unable to complete the costing prior to polling day.

The costing request is attached to this media release. A further media release will be issued prior to polling day advising on whether the costing has been completed.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

Name of policy:	Forestry Policy
Person requesting costing (Prime Minister/Leader of the Opposition):	Prime Minister
Date of public release of policy:	19 August 2010
Date of request to cost the policy:	19 August 2010
Summary of policy (please attach copies of relevant policy documents):	The Gillard Labor Government will commit \$20 million to help Tasmanian contractors and their employees respond to the challenges facing the Tasmanian forest industry and assist them in an expected restructure of their industry.
Intention of policy:	To improve the management of issues surrounding food and ensure that our country's food security is protected in the years to come.
Description of policy	
What are the key assumptions that have been made in the policy including:	
Please note that where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request.	
Is the policy part of a package? • If yes, list and outline components and interactions with proposed or existing policies.	No
Where relevant, is funding for the policy to be demand driven or a capped amount?	NA
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?	This Plan will include a consultation process with key stakeholders.
Are there associated savings, offsets or expenses? • If yes, please provide details.	NA

Description of policy (continued)**What are the key assumptions that have been made in the policy including:**

Does the policy relate to a previous budget measure? <ul style="list-style-type: none">• If yes, which measure?	No
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program. Will funding/cost require indexation? <ul style="list-style-type: none">• If yes, list factors used.	NA
What are the estimated costs each year? Are these provided on a cash or fiscal basis?	This policy will reduce the underlying cash and fiscal balance by: <ul style="list-style-type: none">• 2010-11: \$20 million• 2011-12: Nil• 2012-13: Nil• 2013-14: Nil
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)?	NA
Has the policy been costed by a third party? <ul style="list-style-type: none">• If yes, can you provide a copy of this costing and its assumptions?	No
What is the expected community impact of the policy? <ul style="list-style-type: none">• How many people will be affected by the policy?• What is the likely take up?• What is the basis for these impact assessments/assumptions?	Support Tasmanian forestry workers and the Tasmanian forest industry.

NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.

Administration of policy	
How will the policy be administered: who will administer the policy (for example, Australian Government Agency, States, non-government agency)?	Agriculture, Forestry and Fisheries Portfolio
<p>Should Departmental expenses associated with this policy be included in this costing?</p> <ul style="list-style-type: none"> • If no, will the Department be expected to absorb expenses associated with this policy? • 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). 	Any departmental costs would be absorbed.
Intended date of implementation.	2010-11
Intended duration of policy.	One-off
Are there transitional arrangements associated with policy implementation?	No.
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	NA
Are there any other assumptions that need to be considered?	No.



MEDIA RELEASE

13 August 2010

Our Ref: GOV62

**RECEIPT OF REQUEST FOR COSTING OF
ELECTION COMMITMENT**

The Department of Finance and Deregulation has been asked by the Prime Minister to cost the following election commitment under the *Charter of Budget Honesty Act 1998*:

Food producers.

The costing will be completed in accordance with the *Charter of Budget Honesty: Costing Election Commitments* guidelines issued on 11 June 2010. The guidelines are available at www.electioncostings.gov.au.

The costing request is attached to this media release. A further media release will be issued when the costing has been completed.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

Name of policy:	Food producers
Person requesting costing (Prime Minister/Leader of the Opposition):	Prime Minister
Date of public release of policy:	10 August 2010
Date of request to cost the policy:	13 August 2010
Summary of policy (please attach copies of relevant policy documents):	As part of Securing Jobs for North Western Tasmania, Labor will make a \$3 million contribution to upgrade the Simplot vegetable processing plant.
Intention of policy:	Help secure jobs in North Western Tasmania.
Description of policy	
What are the key assumptions that have been made in the policy including:	
Please note that where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request.	NA
Is the policy part of a package? • If yes, list and outline components and interactions with proposed or existing policies.	No
Where relevant, is funding for the policy to be demand driven or a 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.	Yes.

Description of policy (continued)	
What are the key assumptions that have been made in the policy including:	
Does the policy relate to a previous budget measure? • If yes, which measure?	NA
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program. Will funding/cost require indexation? • If yes, list factors used.	NA
What are the estimated costs each year? Are these provided on a cash or fiscal basis?	The budget impact of this policy on the underlying cash balance is: 2010-11: Nil 2011-12: Nil 2012-13: Nil 2013-14: Nil Funding of \$3.0m for will be redirected from the Retooling for Climate Change Program. The profile is \$2 million in 2010-11 and \$1 million in 2011-12.
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)?	Capped at \$3 million.
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?	
NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.	

Administration of policy	
How will the policy be administered: who will administer the policy (for example, Australian Government Agency, States, non-government agency)?	The Department of Innovation, Industry, Science and Research.
Should Departmental expenses associated with this policy be included in this costing? <ul style="list-style-type: none"> • If no, will the Department be expected to absorb expenses associated with this policy? • 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). 	No.
Intended date of implementation.	2010-11 and 2011-12
Intended duration of policy.	Two years
Are there transitional arrangements associated with policy implementation?	No.
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	NA
Are there any other assumptions that need to be considered?	No.



Australian Government
Department of Finance and Deregulation

MEDIA RELEASE

19 August 2010

Our Ref: GOV62

RELEASE OF COSTING OF ELECTION COMMITMENT

The Secretary to the Department of Finance and Deregulation today released the following election commitment costing under the *Charter of Budget Honesty Act 1998*:

Food producers as announced by the Government.

This costing was completed consistent with the *Charter of Budget Honesty: Costing Election Commitments* guidelines which are available on www.electioncostings.gov.au.
A copy of the completed costing is attached.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

PUBLIC RELEASE OF 2010 ELECTION COMMITMENT COSTING

Summary of costing:

The Australian Labor Party would provide a contribution of \$3.0 million over two years (2010-11 and 2011-12) to upgrade the coal-fired Simplot vegetable processing plant in Ulverstone, North West Tasmania to natural gas.

The cost of the proposal would be offset by redirecting funding from the Retooling for Climate Change program.

Person making the request:

Prime Minister

Date of request:

13 August 2010

Name of policy to be costed:

Food Producers

Date of public release of policy:

10 August 2010

Costing request provided by the Prime Minister/Leader of the Opposition:

Prime Minister

Additional information requested (including date):

Not applicable

Additional information received (including date):

Not applicable

Financial implications (outturn prices)^(a)

Impact on	2010-11	2011-12	2012-13	2013-14
Underlying Cash Balance (\$m)	0.0	0.0	0.0	0.0
Fiscal Balance (\$m)	0.0	0.0	0.0	0.0

(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 for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The proposal has been costed as a capped amount of \$3.0 million over two years (\$2.0 million in 2010-11 and \$1.0 million in 2011-12) in line with the costing request of 13 August 2010.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Any departmental expenses would be absorbed within the departmental resourcing of the Department of Innovation, Industry, Science and Research.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

Expenditure has been capped at \$3.0 million over two years as per the costing request.

This will be offset from the Retooling for Climate Change program. Taking into account rephasing of unspent funds from the Retooling for Climate change program from 2009-10 to 2010-11 and 2011-12 and funding commitments made since the 2010-11 Budget, the total uncommitted funding stands at \$40.6 million.

Finance notes that the Australian Labor Party has separately proposed \$37.6 million in savings from the Retooling for Climate Change program over 2010-11 and 2011-12 (costing GOV77 refers). Therefore, \$3.0 million in savings from the Retooling for Climate Change program is available, and would remove all uncommitted funding from the program.

Behavioural assumptions used (as appropriate).

Not applicable.



MEDIA RELEASE

13 August 2010

Our Ref: GOV45

**RECEIPT OF REQUEST FOR COSTING OF
ELECTION COMMITMENT**

The Department of Finance and Deregulation has been asked by the Prime Minister to cost the following election commitment under the *Charter of Budget Honesty Act 1998*:

National Food Plan.

The costing will be completed in accordance with the *Charter of Budget Honesty: Costing Election Commitments* guidelines issued on 11 June 2010. The guidelines are available at www.electioncostings.gov.au.

The costing request is attached to this media release. A further media release will be issued when the costing has been completed.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

Name of policy:	National food plan
Person requesting costing (Prime Minister/Leader of the Opposition):	Prime Minister
Date of public release of policy:	3 August 2010
Date of request to cost the policy:	13 August 2010
Summary of policy (please attach copies of relevant policy documents):	A re-elected Gillard Labor Government will develop a National Food Plan covering food security, food quality, the affordability of food and the sustainability of food.
Intention of policy:	To improve the management of issues surrounding food and ensure that our country's food security is protected in the years to come.
Description of policy	
What are the key assumptions that have been made in the policy including:	
Please note that where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request.	
Is the policy part of a package? • If yes, list and outline components and interactions with proposed or existing policies.	No
Where relevant, is funding for the policy to be demand driven or a capped amount?	NA
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?	This Plan will include a consultation process with key stakeholders such as the National Farmers' Federation, the Australian Food and Grocery Council, CSIRO and Woolworths.
Are there associated savings, offsets or expenses? • If yes, please provide details.	This commitment will be funded from the Regional Food Producers Innovation and Productivity Program (RFPIPP), which is already provided for in the budget.

Description of policy (continued)	
What are the key assumptions that have been made in the policy including:	
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. Will funding/cost require indexation? • If yes, list factors used.	NA
What are the estimated costs each year? Are these provided on a cash or fiscal basis?	There is no impact on the underlying cash or fiscal balance from this policy.
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)?	NA
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?	Improved food security for the Australian community.
NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.	

Administration of policy	
How will the policy be administered: who will administer the policy (for example, Australian Government Agency, States, non-government agency)?	Agriculture, Forestry and Fisheries Portfolio
<p>Should Departmental expenses associated with this policy be included in this costing?</p> <ul style="list-style-type: none"> • If no, will the Department be expected to absorb expenses associated with this policy? • 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). 	Any departmental costs would be absorbed.
Intended date of implementation.	Ongoing
Intended duration of policy.	Forward estimates
Are there transitional arrangements associated with policy implementation?	No.
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	NA
Are there any other assumptions that need to be considered?	No.



Australian Government
Department of Finance and Deregulation

MEDIA RELEASE

18 August 2010

Our Ref: GOV45

RELEASE OF COSTING OF ELECTION COMMITMENT

The Secretary to the Department of Finance and Deregulation today released the following election commitment costing under the *Charter of Budget Honesty Act 1998*:

National Food Plan as announced by the Government.

This costing was completed consistent with the *Charter of Budget Honesty: Costing Election Commitments* guidelines which are available on www.electioncostings.gov.au.
A copy of the completed costing is attached.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

PUBLIC RELEASE OF 2010 ELECTION COMMITMENT COSTING

Summary of costing:

The Australian Labor Party would develop a National Food Plan covering food security, food quality, the affordability of food and the sustainability of food.

Person making the request:

Prime Minister

Date of request:

13 August 2010

Name of policy to be costed:

National Food Plan

Date of public release of policy:

3 August 2010

Costing request provided by the Prime Minister/Leader of the Opposition:

Prime Minister

Additional information requested:

Not applicable

Additional information received:

Not applicable

Financial implications (outturn prices)^(a)

Impact on	2010-11	2011-12	2012-13	2013-14
Underlying cash balance (\$m)	0.0	0.0	0.0	0.0
Fiscal balance (\$m)	0.0	0.0	0.0	0.0

(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 for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Not applicable.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Background information

Costing methodology used:

The costing request of 13 August 2010 specifies that this policy would be funded from the Regional Food Producers' Innovation and Productivity Program (RFPIPP) announced in the 2008-09 Budget and would therefore have no impact on the underlying cash balance or fiscal balance over the forward estimates.

Based on experience with comparable policies implemented in recent years, we estimate the cost of developing the Plan would be of the order of \$1.5 million over four years. Given that there is a total of \$12.3 million in uncommitted funding for the RFPIPP in 2010-11 and 2011-12, there is adequate funding available to complete the Plan. Depending on the proposed implementation timeframe, it may however be necessary to re-profile some RFPIPP funding beyond 2011-12.



MEDIA RELEASE

16 August 2010

Our Ref: GOV80

**RECEIPT OF REQUEST FOR COSTING OF
ELECTION COMMITMENT**

The Department of Finance and Deregulation has been asked by the Prime Minister to cost the following election commitment under the *Charter of Budget Honesty Act 1998*:

Carbon farming.

The costing will be completed in accordance with the *Charter of Budget Honesty: Costing Election Commitments* guidelines issued on 11 June 2010. The guidelines are available at www.electioncostings.gov.au.

The costing request is attached to this media release. A further media release will be issued when the costing has been completed.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

Name of policy:	Carbon farming
Person requesting costing (Prime Minister/Leader of the Opposition):	Prime Minister
Date of public release of policy:	14 August 2010
Date of request to cost the policy:	16 August 2010
Summary of policy (please attach copies of relevant policy documents):	<p>A re-elected Gillard Labor government will provide \$45.6 million towards Carbon Farming Initiatives including:</p> <ul style="list-style-type: none"> • providing farmers, landholders and forestry growers with the tools to understand how to generate carbon credits • linking farmers, land managers and forestry operators with brokers, who could sell their credits on the domestic or international market • helping Landcare assist farmers by providing information on how to further benefit under the initiative • supporting research and on-farm testing of biochar as a further option for land managers to contribute to reducing Australia's pollution.
Intention of policy:	Farmers and landholders will benefit from a new income stream, and the environment will benefit from reduced pollution.
Description of policy	
What are the key assumptions that have been made in the policy including:	
Please note that where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request.	
Is the policy part of a package? • If yes, list and outline components and interactions with proposed or existing policies.	No
Where relevant, is funding for the policy to be demand driven or a capped amount?	Capped

<p>Will third parties, for instance the States/Territories, have a role in funding or delivering the policy?</p> <ul style="list-style-type: none"> If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? 	NA
<p>Are there associated savings, offsets or expenses?</p> <ul style="list-style-type: none"> If yes, please provide details. 	<p>Funding for this initiative is already included in the Budget, through the Renewable Energy Future Fund.</p>
<p>Description of policy (continued)</p> <p>What are the key assumptions that have been made in the policy including:</p>	
<p>Does the policy relate to a previous budget measure?</p> <ul style="list-style-type: none"> If yes, which measure? 	<p>Yes, <i>Renewable Energy Future Fund</i></p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program. Will funding/cost require indexation?</p> <ul style="list-style-type: none"> If yes, list factors used. 	NA
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>This proposal will have no impact on the underlying cash and fiscal balance.</p>
<p>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)?</p>	<p>The profile of expenditure is: \$4.4 million in 2010–11, \$16.1 million in 2011-12; \$13.1 million in 2012-13 and \$11.9 million in 2013-14. The methodology and policy development elements will start in 2010-11. The implementation element will not commence until 2011-12. The Bio – char study will be capped at \$2.0 million.</p>
<p>Has the policy been costed by a third party?</p> <ul style="list-style-type: none"> 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 initiative will provide new opportunities for Australian farmers and landholders to participate in lucrative international markets for carbon credits.

NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.

Administration of policy	
How will the policy be administered: who will administer the policy (for example, Australian Government Agency, States, non-government agency)?	The Department of Climate Change and Energy Efficiency will work with other Commonwealth agencies.
Should Departmental expenses associated with this policy be included in this costing? <ul style="list-style-type: none"> If no, will the Department be expected to absorb expenses associated with this policy? 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). 	No.
Intended date of implementation.	2010-11
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 cat. no. 3201.0).	NA.
Are there any other assumptions that need to be considered?	No.



Australian Government
Department of Finance and Deregulation

MEDIA RELEASE

19 August 2010

Our Ref: GOV80

RELEASE OF COSTING OF ELECTION COMMITMENT

The Secretary to the Department of Finance and Deregulation today released the following election commitment costing under the *Charter of Budget Honesty Act 1998*:

Carbon farming as announced by the Government.

This costing was completed consistent with the *Charter of Budget Honesty: Costing Election Commitments* guidelines which are available on www.electioncostings.gov.au.
A copy of the completed costing is attached.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

PUBLIC RELEASE OF 2010 ELECTION COMMITMENT COSTING

Summary of costing:

The Australian Labor Party (ALP) would provide \$45.6 million towards carbon farming initiatives that would facilitate farmers, who reduce and/or store carbon emissions, receiving credits that can be sold on carbon credit markets. The carbon farming initiatives would include:

- providing farmers, landholders and forestry operators with tools to understand how to generate carbon credits;
- linking farmers, land managers and forestry operators with brokers who could sell their credits;
- helping Landcare provide information to farmers on how to benefit under the initiatives; and
- supporting research and on-farm testing of bio-char as a further option for land managers to contribute to reducing emissions.

The program would be funded from the Renewable Energy Future Fund (REFF).

Person making the request: Prime Minister

Date of request: 16 August 2010

Name of policy to be costed: Carbon farming

Date of public release of policy: 14 August 2010

Costing request provided by the Prime Minister/Leader of the Opposition: Prime Minister

Additional information requested (including date): Not applicable

Additional information received (including date): Not applicable

Financial implications (outturn prices)^(a)

Impact on	2010-11	2011-12	2012-13	2013-14
Underlying Cash Balance (\$m)	0.0	0.0	0.0	0.0
Fiscal Balance (\$m)	0.0	0.0	0.0	0.0

(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 for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The proposal has been costed as a capped amount in line with the election costing request of 16 August 2010.

Where relevant, include separate identification of revenue and expense components.

Not applicable

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable

Where relevant, explain effects of departmental expenses.

Not applicable

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

The ALP has submitted a number of costings to be funded from the REFF (GOV 4, 8, 16, 17 and 80). There are sufficient funds in the REFF across the forward estimates to meet the costs of these policies.

Background information

Costing methodology used:

The costing request specifies that this policy would be funded from the REFF announced in the 2010-11 Budget and would therefore have no impact on the underlying cash balance or fiscal balance over the forward estimates.

The costing request specifies that the total cost of the proposal would be capped at \$45.6 million over four years, with the following profile: \$4.4 million in 2010-11, \$16.1 million in 2011-12, \$13.1 million in 2012-13 and \$11.9 million in 2013-14, including the costs of a bio-char study to be capped at \$2.0 million.

Based on experience costing similar proposals, and given that most components of the proposal are scalable, this is considered a reasonable level of funding for the Department of Climate Change and Energy Efficiency and other Commonwealth agencies to develop, implement and administer the initiatives, including funding to be provided to Landcare. Any departmental costs above the \$45.6 million would need to be absorbed by the relevant agencies.

It has been assumed that the REFF would be re-profiled to ensure adequate funds in each year of the forward estimates for this and other commitments being met from the REFF. The re-profile required for this proposal, taking account of other announced and costed policies to date that are also to be funded from the REFF, is:

(\$m)	2010-11	2011-12	2012-13	2013-14
REFF	-2.7	14.6	0.0	-11.9

Impact on underlying cash and fiscal balances. A positive number indicates an increase in revenue or a decrease in expenses or net capital investment.