



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed: Australia-Wide National Institute for Forest Products Innovation	
Costing Identifier:	COA 001
Summary of costing:	<p>The proposal is to provide \$106.6 million over five years from 2022-23 to establish an Australia-wide National Institute for Forest Products Innovation (NIFPI) to support research, commercialisation and innovation within the Australia's forestry industry with:</p> <ul style="list-style-type: none">• \$100.0 million to establish the NIFPI host hub in Launceston (University of Tasmania), with five regionally located centres of excellence across Australia; and• \$6.6 million to extend funding for the 11 existing Regional Forestry Hubs in 2025-26 and 2026-27.
Ongoing or Terminating (including date)^(a)	Terminating on 30 June 2027.
Person making the request:	Prime Minister
Date costing request received:	Friday 22 April 2022
Date of public release of policy:	Thursday 14 April 2022
Date costing completed:	29 April 2022
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	-10.0	-15.0	-25.0	-28.3
Fiscal Balance (\$m)	0.0	-10.0	-15.0	-25.0	-28.3

(b) 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 UCB 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 specified amount.

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.

As specified in the costing request, the Department of Agriculture, Water and the Environment would absorb the associated departmental costs.

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).

Where relevant, include an explanation of the medium-term implications of the proposal.^(c)

Funding in 2026-27 will be \$28.3m, with a negative fiscal and underlying cash balance impact. The proposal terminates on 30 June 2027.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

The costing assumes:

- a specified amount of \$106.6 million is paid over five years from 2022-23, as per the funding profile provided in the request; and
- matched funding from state governments and industry, and contributions from research organisations, will be made in line with the Commonwealth contributions.

Behavioural assumptions used (as appropriate):

Not applicable.