

PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

Name of policy	Australia-Wide National Institute for Forest Products Innovation
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister.
Date of public release of policy:	14 April 2022.
Link to the publicly released policy:	https://www.liberal.org.au/our-plan-australian-forestry
Date of request to cost the policy:	22 April 2022.
Summary of policy (please attach copies of relevant policy documents):	<p>The Coalition will provide a total of \$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 million to establish to NIFPI host hub in Launceston (University of Tasmania), with five regionally located centres of excellence across Australia. ● \$6.6 million to extend funding for the 11 existing Regional Forestry Hubs in 2025-26 and 2026-27.
Intention of policy:	The NIFPI will support transformative research and innovation and commercialisation in the forestry industry and build

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

	Australia's sovereign capability as a timber producer.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office:	This, or a substantially similar costing request has not been submitted to the Parliamentary Budget office.
<p>Description of policy (note: 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)</p> <p>What are the key assumptions that have been made in the policy including:</p>	
Is the policy part of a package? <i>If yes, list and outline components and interactions with proposed or existing policies.</i>	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? <i>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</i>	Yes. Matched funding from state governments and industry, and contributions from research organisations, will be sought.
Are there associated savings, offsets or expenses? <i>If yes, please provide details.</i>	No.
<p>Description of policy (note: 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)</p> <p>What are the key assumptions that have been made in the policy including:</p> <p>(continued)</p>	
Does the policy relate to a previous budget measure? <i>If yes, which measure?</i>	Builds upon the 2021-22 Budget <i>Agriculture 2030</i> measure which funded a feasibility study into an Australia-wide NIFPI and the appropriate model.

<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> <p><i>If yes, list factors used.</i></p>	Not applicable.
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>\$10.0 million in 2022-23 \$15.0 million in 2023-24 \$25.0 million in 2024-25 \$28.3 million in 2025-26 \$28.3 million in 2026-27</p> <p>Cash basis.</p>
<p>Are the revenue and/or expense costs likely to be significantly different beyond the forward estimates period?</p> <p><i>If yes, why?</i></p>	Funding of \$28.3m will be provided in 2026-27.
<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>	Not applicable.
<p>Has the policy been costed by a third party?</p> <p><i>If yes, can you provide a copy of this costing and its assumptions?</i></p>	No.
<p>What is the expected community impact of the policy?</p> <p>How many people or businesses will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>Australia's forestry industry and research institutions would benefit from increased research and innovation and Australians would benefit from sovereign capability in timber production.</p>
<p><i>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.</i></p>	
<p>Administration of policy</p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?</p>	The Department of Agriculture, Water and the Environment.

<p>Should departmental expenses associated with this policy be included in this costing?</p> <p><i>If no, will the Australian Government Entity be expected to absorb expenses associated with this policy?</i></p> <p><i>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).</i></p>	<p>No.</p> <p>The Department of Agriculture, Water and the Environment will absorb the associated Departmental costs.</p>
<p>Intended date of implementation.</p>	<p>1 July 2022</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No.</p>
<p>Will the policy be ongoing or terminating*?</p>	<p>Terminating measure.</p>
<p>If terminating:</p> <p>What is the intended date of termination?</p> <p>Are there any transitional arrangements associated with the conclusion of the policy?</p>	<p>30 June 2027.</p>
<p>List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).</p>	<p>Not applicable.</p>
<p>Are there any other assumptions that need to be considered?</p>	<p>No.</p>

* 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.