



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed:	
Costing Identifier:	COA 002
Summary of costing:	The proposal is to provide \$107.5 million over three years from 2023-24 for the Cairns Water Security – Stage 1 project.
Ongoing or Terminating (including date)^(a)	Terminating 30 June 2026.
Person making the request:	Prime Minister
Date costing request received:	22 April 2022
Date of public release of policy:	13 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	0.0	-10.0	-43.8	-53.8
Fiscal Balance (\$m)	0.0	0.0	-10.0	-43.8	-53.8

(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 Infrastructure, Transport, Regional Development and Communications 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)

Not applicable.

(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 construction of the Cairns Water Security – Stage 1 project will commence on 1 July 2024 and be completed on 30 June 2026 with some initial project funding required in 2023-24.

The costing relates to Stage 1 only of the project.

The Australian Government is funding 50 per cent of the total project cost (\$215.0 million).

Behavioural assumptions used (as appropriate):

Not applicable.