



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2019 ELECTION COMMITMENT COSTING

Name of proposal costed: Energy Efficient Communities Program – Dairy Support	
Costing Identifier:	COA023
Summary of costing:	<p>The proposal is to allocate \$10.0 million from the \$50.0 million <i>Energy Efficient Communities Program</i> (EECP) as capped grants to support dairy farmers invest in energy efficient equipment to reduce energy and gas use, and save costs.</p> <p>As the EECP was allocated funding in the 2019-20 Budget, this proposal has no impact on underlying cash balance.</p> <p>The maximum grant size will be up to \$25,000 per farmer and small dairy farming business. Large businesses will be required make a co-contribution on a 1:1 basis. Co-contributions will not be required for small businesses.</p>
Ongoing or Terminating (including date)^(a)	Terminating on 30/06/2023
Person making the request:	Prime Minister
Date costing request received:	9 May 2019
Date of public release of policy:	8 May 2019
Date costing completed:	13 May 2019
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	2018-19	2019-20	2020-21	2021-22	2022-23
Underlying Cash Balance (\$m)	0.0	0.0	0.0	0.0	0.0
Fiscal Balance (\$m)	0.0	0.0	0.0	0.0	0.0

(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 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 specified amount - \$10.0 million will be available over four years from 2019-20, within the existing funding for the *Energy Efficient Communities Program*, which is part of the 2019-20 Budget measure *Climate Solutions Package*.

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).

It is assumed that \$10.0 million of the EECF will be allocated, as capped grants, to support dairy farmers and small dairy businesses to invest in energy efficient equipment to reduce energy and gas use and save costs.

It is assumed that small businesses will not be required to make a co-contribution, while large businesses will be required to do so on a 1:1 basis.

Large and small businesses are assumed to have been classified according to the Australian Taxation Office definition with small business defined as having less than \$10.0 million in aggregated turnover and large business defined as being part of an economic group with combined turnover greater than \$250.0 million.

Costs agreed for the EECF included departmental funding. It is assumed that these departmental expenses will also be available to deliver the \$10.0 million component for dairy farmers and small dairy businesses.

Where relevant, explain effects of departmental expenses.

There are no additional departmental resources associated with the costing request.

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

Background information

Costing methodology used:

Policy parameters

The policy has been costed on the assumption that \$10.0 million within the existing \$50.0 million EECP will be allocated to specifically support dairy farmers.

Behavioural assumptions used (as appropriate).

Not applicable.