



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2019 ELECTION COMMITMENT COSTING

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| Name of proposal costed: Further support for the Australian Dairy Industry | |
| Costing Identifier: | COA007 |
| Summary of costing: | <p>The proposal is to provide \$0.95 million to support the Australian dairy industry including:</p> <ul style="list-style-type: none"> • \$0.15 million to Australian Dairy Farmers in 2019-20 to develop a simple standard form contract template for all processors to use across the industry; • \$0.25 million per annum to Dairy Australia in 2020-21 and 2021-22 to extend financial and legal advice support services; and • \$0.15 million per annum to Dairy Australia in 2019-20 and 2020-21 to develop a real time payments system and supply chain information sharing system utilising blockchain technology. |
| Ongoing or Terminating (including date)^(a) | Terminating on 30 June 2022. |
| 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: | 14 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 | -0.3 | -0.4 | -0.3 | 0.0 |
| Fiscal Balance (\$m) | 0.0 | -0.3 | -0.4 | -0.3 | 0.0 |

Note: totals do not add to \$0.95 million due to rounding.

(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.

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 the proposal is to provide direct grants to Australian Dairy Farmers and Dairy Australia.

Where relevant, explain effects of departmental expenses.

Consistent with the costing request, the costing assumes that the Department of Agriculture and Water Resources would absorb any associated departmental operating or capital expenses.

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.

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

It is assumed that the proposal is to provide direct grants to Australian Dairy Farmers and Dairy Australia to conduct the following:

- \$0.15 million to Australian Dairy Farmers in 2019-20 to develop a simple standard form contract template for all processors to use across the industry;
- \$0.25 million per annum to Dairy Australia in 2020-21 and 2021-22 to extend financial and legal advice support services; and
- \$0.15 million per annum to Dairy Australia in 2019-20 and 2020-21 to develop real time payments system and supply chain information sharing system utilising blockchain technology.

Behavioural assumptions used (as appropriate)

Not applicable.