



Australian Government

Department of Finance

The Treasury

## PUBLIC RELEASE OF 2019 ELECTION COMMITMENT COSTING

<b>Name of proposal costed: National Water Grid</b>	
<b>Costing Identifier:</b>	COA009
<b>Summary of costing:</b>	<p>The proposal is to establish a new statutory authority called the National Water Grid (NWG). Program funding of \$100.0 million from 2019-20 would be allocated to the NWG to deliver strategic planning and project management for water policy and water infrastructure across Australia.</p> <p>This funding would be offset by a reduction in funding to the National Water Infrastructure Development Fund (NWIDF).</p>
<b>Ongoing or Terminating (including date)<sup>(a)</sup></b>	Terminating 30 June 2025.
<b>Person making the request:</b>	Prime Minister.
<b>Date costing request received:</b>	9 May 2019.
<b>Date of public release of policy:</b>	2 May 2019.
<b>Date costing completed:</b>	15 May 2019.
<b>Additional information requested (including date):</b>	Not applicable.
<b>Additional information received (including date):</b>	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)<sup>(b)</sup>

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.

**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.**

Consistent with the costing request, the costing assumes that the cost of the establishment of the NWG authority, and any other departmental expenses and capital costs, would be absorbed by the Department of Agriculture and Water Resources.

**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.**

While the costing request advises the program is ongoing, Finance notes that the NWIDF, the identified funding source to offset the \$100.0 million program funding, terminates on 30 June 2025. Finance therefore assumes that the NWG program funding would be provided over six years to June 2025.

**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<sup>(c)</sup>.**

The amount of funding in 2023-24 and 2024-25 would be \$16.7 million in each year, offset from the NWIDF.

(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:**

The costing assumes that the amount of funding provided to the NWG is evenly spread across six years (\$16.7 million per year) and the offsetting reduction from the NWIDF matches the funding profile.

### **Behavioural assumptions used (as appropriate)**

Not applicable.