



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: Develop Indigenous Business Opportunities	
Costing Identifier:	COA 011
Summary of costing:	The Government would redirect existing resources to establish a \$115.0 million Indigenous Entrepreneurs package, including \$90.0 million for an Indigenous Entrepreneurs Fund; \$23.1 million for Indigenous Business Australia's (IBA's) Business Development and Assistance Program and \$1.9 million for the development of the Indigenous business sector strategy.
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	27/05/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^{(a)(b)}

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	0	0	0	0
Fiscal Balance (\$m)	0	0	0	0

(a) 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.

(b) The cost of the proposal (\$115.0 million over the forward estimates) is fully offset.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The proposal has been costed as a capped, specified amount of \$115.0 million, as detailed in the costing request form.



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Funding Profile	2016-17	2017-18	2018-19	2019-20
Cost (\$m)	-24.4	-45.6	-22.5	-22.5

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).

The costing assumes that \$90.0 million in funding for the Indigenous Entrepreneurs Fund would be provided over four years from 2016-17 to 2019-20, with \$22.5 million to be provided each year. As specified in the costing request, the Department of the Prime Minister and Cabinet would manage this fund and associated grants within existing departmental resources.

It is assumed that \$1.9 million for the Indigenous business sector strategy would be provided in 2016-17.

Funding for both of these components would be reallocated from within existing Indigenous Advancement Strategy (IAS) funding.

The IBA's *Business Development and Assistance Program* is an ongoing program that receives \$23.1 million in funding per year. It is assumed that this \$23.1 million commitment represents only one year of funding to deliver a redirected *Business Development and Assistance Program* in 2017-18 only.

The total cost of this proposal would be \$115.0 million over four years and would be fully offset from the IAS and IBA.

Where relevant, explain effects of departmental expenses.

As specified in the costing request, any departmental impacts or Average Staffing Level (ASL) requirements would be met from within the existing resourcing of the Department of the Prime Minister and Cabinet.

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.

Background information

Costing methodology used:

Not applicable.

Behavioural assumptions used (as appropriate).

Not applicable.



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