

APPENDIX C – PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

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| Name of policy | The Coalition's Policy for More Jobs and Growth through Increased Trade and Investment |
| Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party): | Prime Minister |
| Date of public release of policy: | 20 May 2016 |
| Date of request to cost the policy: | 17 June 2016 |
| Summary of policy (please attach copies of relevant policy documents): | <p>The proposal is to:</p> <ul style="list-style-type: none"> • extend the existing Free Trade Agreement (FTA) advertising campaign in 2016-17; • provide additional online resources; • provide more training grants to registered training organisations to run courses for SMEs; and • run a series of showcases of Australian businesses in FTA markets. <p>The policy also establishes the Professional Services Mutual Recognition Unit to provide assistance to professional associations and regulators in negotiating the international recognition of Australian Professional qualifications and licencing.</p> |
| Intention of policy: | The proposals will encourage increased trade and investment by promoting the benefits of the FTAs signed by Australia, and by providing assistance to professional associations in negotiating international recognition. Currently many countries do not recognise Australian qualifications and licensing which limits the exports of Australian professional services. |
| Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office | This costing has not been submitted to the Parliamentary Budget Office. |
| Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request) | |
| What are the key assumptions that have been made in the policy including: | |
| Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies. | No. |
| Where relevant, is funding for the policy to be demand driven or a capped amount? | N/A |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? | No. |

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

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| <p>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p> | |
| <p>Are there associated savings, offsets or expenses? If yes, please provide details.</p> | <p>No.</p> |
| <p>Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request) What are the key assumptions that have been made in the policy including: (continued)</p> | |
| <p>Does the policy relate to a previous budget measure? If yes, which measure?</p> | <p>Yes. This builds upon the 2015-16 Budget measure <i>Free Trade Agreement Promotion</i> and the 2016-17 Budget measure <i>Free Trade Agreements Portal – Enhancements</i>.</p> |
| <p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the programme? Will funding/cost require indexation? If yes, list factors used.</p> | <p>No.</p> |
| <p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p> | <p>The policy will have a negative fiscal and underlying cash balance impact of \$16.5 million over the forward estimates to 2019-20:</p> <p>2016-17: -\$7.875 million 2017-18: -\$2.875 million 2018-19: -\$2.875 million 2019-20: -\$2.875 million</p> |
| <p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p> | <p>See attached.</p> |
| <p>Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?</p> | <p>No.</p> |
| <p>What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?</p> | <p>The proposals will encourage increased trade and investment by promoting the benefits of the FTAs signed by Australia, and by providing assistance to professional associations in negotiating international recognition. Currently many countries do not recognise Australian qualifications and licensing which limits the exports of Australian professional services.</p> |
| <p>NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.</p> | |

| Administration of policy | |
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| Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)? | This proposal will be administered by the Australian Trade and Investment Commission and the Department of Foreign Affairs and Trade (DFAT). |
| Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to programme management (by policy agencies) and additional transactions/processing (by service delivery agencies). | Funding from this policy will be directed to Austrade (as per attached). |
| Intended date of implementation. | As soon as practicable in the 2016-17 fiscal year. |
| Intended duration of policy. | Proposals to promote the benefits of FTAs are terminating, while the Professional Services Mutual Recognition Unit is ongoing. |
| Are there transitional arrangements associated with policy implementation? | No. |
| List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0). | N/A |
| Are there any other assumptions that need to be considered? | No. |

Costing Assumptions

ASL assumptions

Additional ASL would be provided to Austrade for the establishment of the Professional Services Recognition Unit as below. ASL for other elements of the policy are assumed to be absorbed by the relevant entities.

| Entity | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|----------|---------|---------|---------|---------|
| Austrade | 3 | 3 | 3 | 3 |

Extending existing FTA advertising campaign in 2016-17

This costing assumes that Austrade would extend the existing FTA advertising campaign in to 2016-17 (in line with the 2015-16 Budget measure) at a cost of \$6.0 million.

Online material

Austrade would provide more online resources for the openforbusiness.gov.au website at a cost of \$2.0 million over four years.

Training Grants

Austrade would provide grants of up to \$1.0 million per annum to registered training organisations to run training courses for small and medium enterprises, at a cost of \$3.0 million over three years from 2017-18.

Showcases

This costing assumes that Austrade would run a series of showcases of Australian businesses in FTA markets at a cost of \$3.5 million over four years. This includes development, production, travel, venue promotion and other costs.

Professional Services Mutual Recognition Unit

This costing assumes the provision of 3 ASL per annum and some small associated ICT costs to establish the Professional Services Mutual Recognition Unit.