

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

| Name of policy | Mobile Black Spot Programme – Round Three |
|---|---|
| Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party): | Prime Minister |
| Date of public release of policy: | 24/05/2016 |
| Date of request to cost the policy: | 17/06/2016 |
| Summary of policy (please attach copies of relevant policy documents): | The Mobile Black Spot Programme Round 3 will deliver an additional \$60.0 million in funding over three years, commencing in 2017-18, towards the Government's commitment to improve mobile phone coverage and competition in regional Australia. |
| Intention of policy: | To improve mobile phone coverage and competition in regional Australia. |
| 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? | Capped amount. |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | No. |
| Are there associated savings, offsets or expenses? If yes, please provide details. | No. |

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

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)

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| <p>Does the policy relate to a previous budget measure? If yes, which measure?</p> | <p>Yes. This proposal expands on Round 1 and 2 of the Mobile Black Spot Programme.</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 impact of \$60.0 million over three years from 2017-18 on UCB.</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>Improved mobile phone coverage and competition in regional Australia.</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.

| Administration of policy | |
|---|---|
| Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)? | Department of Communications and the Arts. |
| 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). | No. All departmental costs to be absorbed by the department, including ASL. |
| Intended date of implementation. | 1 July 2017 |
| Intended duration of policy. | Measure ceasing on 30 June 2019 |
| 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

Administered – \$60.0 million

- Round 3 of the Mobile Black Spot Programme seeks to invest \$60.0 million in funding over three years from 2017-18 to improve mobile phone coverage and competition in regional Australia.
- Round 3 will build on Rounds 1 and 2 of this Programme, and continue to address mobile phone black spots (black spots) in a number of different locations across regional Australia. Round 3 locations will be selected using the same database of reported mobile black spots and guidelines similar to those used for Round 2.
- Under Round 1, approximately 3,000 black spots will be upgraded. After the rollout of Round 1, there will still be over 10,600 locations remaining on the database of reported mobile black spots. Round 2 is yet to rollout improvements to black spot locations.
- It is anticipated that the black spots targeted in Round 3 will be more expensive to upgrade than those in rounds 1 and 2. This is because the locations to be upgraded in Round 3 are likely to be in more remote and difficult to reach locations.
- All three rounds of this Programme will overlap and be rolling out in 2017-18.

Departmental – Nil

- Rounds 1 and 2 of the Programme did not include any Departmental costs.
- Any costs associated with implementation of the Programme should be absorbed by the Department or included under Administered costs.

ASL – Nil

- Rounds 1 and 2 of the Programme did not include any additional ASL.
- Any ASL requirements associated with implementation of the Programme should be absorbed from within the Communications and the Arts portfolio.