

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

Name of policy	National Institute for Forest Products Innovation
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	31/5/2016
Date of request to cost the policy:	17/6/2016
Summary of policy (please attach copies of relevant policy documents):	This policy invests \$4 million towards the National Institute for Forest Products Innovation comprising of two research hubs.
Intention of policy:	To assist with collaboration in the forestry research and development sector across Australia
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office	This policy has not been submitted to the PBO.
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.
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)

Does the policy relate to a previous budget measure?

No.

If yes, which measure?

If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the programme? Will funding/ cost require indexation?

N/A

If yes, list factors used.

What are the estimated costs each year? Are these provided on a cash or fiscal basis?

The policy will have a total negative impact of \$4 million on the UCB over the budget forward estimates to 2019-20 (or \$1 million per year).

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)?

It is assumed that \$4 million is provided toward the National Institute for Forest Products Innovation. The Institute will operate as a dispersed network model with one hub in Launceston, based at the University of Tasmania, and another hub based in Mount Gambier in South Australia's Green Triangle.

Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?

No.

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?

The impact on the community is expected to be positive, as the National Institute for Forest Products Innovation will investigate innovation in areas such as forest management, timber processing, wood fibre recovery, advanced manufacturing and the bio-economy. This will help to boost opportunities for jobs and growth in the forest and forest products industry into the future.

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)?	The Department of Agriculture and Water Resources.
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, it is assumed that administration of the grant could be achieved within existing departmental resources.
Intended date of implementation.	As soon as practicable from the 2016-17 financial year.
Intended duration of policy.	To the end of the current forward estimates in 2019-20.
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.