



Policy costing request—during the caretaker period for a general election

Name of policy:	Innovation in Agriculture
Person requesting costing:	Senator Richard Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	27 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	Released 19 May 2016 by Australian Greens Senator Rachel Siewert: http://greens.org.au/innovative-ag ; http://rachel-siewert.greensmps.org.au/content/media-releases/greens-launch-ag-package-would-help-innovate-agriculture-combat-climate-chang
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<ul style="list-style-type: none">- Providing an additional \$75m over the forward estimates to be allocated to agricultural R&D (including administration costs)- Providing a capped amount of \$100m over four years to establish a new Centre for Sustainable Agriculture (including administration costs)- A national network of 180 agricultural extension officers. These are to be FTE Commonwealth employees, with remuneration and on-costs equivalent to an APS 6 employee. The network is to start in 2017-18, with an enrolment period in that year.- Providing an additional \$722 million in capped funding for Landcare over the forward estimates (not including administration costs).
What is the purpose or intention of the policy?	To improve the efficiency and sustainability of the agriculture sector by increasing investment in agricultural research and development, and providing extension officers to improve extension.
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.	-

PBO Policy costing request—during the caretaker period for a general election

Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?	<p>The additional \$75m and \$100m are capped amounts spread over the forward estimates, with administration costs included.</p> <p>The agricultural extension officers are based on the associated FTE costs.</p> <p>The additional Landcare funding is capped, but does not include administration costs, to be spread evenly across the estimates.</p>			
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?	-			
Are there associated savings, offsets or expenses? If yes, please provide details.	-			
Does the policy relate to a previous budget measure? If yes, which measure?				
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?				
Will the funding/program cost require indexation? If yes, list factors to be used.	No indexation for the capped amounts.			
Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices)^(a)				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	-270	-281.8	-281.7	-281.7
Fiscal balance (\$m)	-270	-281.8	-281.7	-281.7
(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 in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
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)?				

PBO Policy costing request—during the caretaker period for a general election

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?	Drive productivity and sustainability in Australia’s agricultural sector
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	Department of Agriculture
Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).	-
Intended date of implementation:	Extension officers network to start from 1 July 2017, with an enrolment period in 2017-18. Reversal of the budget measure to apply from 1 July 2016. Other capped amounts to be spread over the forward estimates, including 2016-17.
Intended duration of policy:	Forward estimates.
Are there transitional arrangements associated with policy implementation?	-
List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).	-
Are there any other assumptions that need to be considered?	-
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	