



Parliament of Australia
Parliamentary Budget Office

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Parliamentary Budget Officer

Senator Richard Di Natale
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Di Natale

Please find attached a response to your costing request, *Marine Plastics CRC* (letter of 28 June 2016).

The response to this request will be released on the PBO website (www.pbo.gov.au).

If you have any queries about this costing, please contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

28 June 2016



Policy costing—during the caretaker period for the 2016 general election

Name of proposal:	Marine Plastics CRC
Summary of proposal:	<p>The proposal would establish a Marine Plastics Cooperative Research Council (CRC) to undertake research into the impact of plastic pollution on the marine environment.</p> <p>The Australian Government would provide the CRC with \$5 million in 2017-18, with funding indexed by the consumer price index (CPI) until this funding terminates in 2022-23.</p> <p>The proposal would have effect from 1 July 2017.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	10 June 2016 http://greens.org.au/news/tas/greens-propose-establishment-marine-plastics-crc-hobart
Date costing request received:	28 June 2016
Date costing completed:	28 June 2016
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

The proposal would decrease both the fiscal and underlying cash balances by \$15.3 million over the 2016-17 Budget forward estimates period. This impact is due to an increase of \$14.4 million in administered expenses and \$0.9 million in departmental expenses over this period.

The proposal would continue to have an impact until it terminates in 2022-23. Detailed financial implications are provided at [Attachment A](#).

This costing is considered to be of high reliability as it based on specified capped funding allocations. However, no analysis has been undertaken to determine the adequacy of the prescribed funding amounts to achieve the objective of the proposal.

Table 1: Financial implications (outturn prices)^{(a)(b)}

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-	-5.0	-5.1	-5.2	-15.3
Underlying cash balance	-	-5.0	-5.1	-5.2	-15.3

(a) A positive number represents an increase in the relevant budget balance, a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Methodology

The total impact of the proposal reflects the capped funding amount as specified in the request for 2017-18 indexed by CPI in subsequent years.

Departmental expenditure estimates were calculated based on previous similar budget measures.

Administered expenditure estimates are the remainder of the capped funding amounts after allowing for estimated departmental expenditure.

Data sources

The Department of Finance provided indexation and efficiency dividend parameters and extracts from the Central Budget Management System.

Attachment A: Marine Plastics CRC —financial implications

Table A1: Marine Plastics CRC —Financial implications (outturn prices)^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Fiscal and underlying cash balances – expenses/payments													
Administered	-	-4.7	-4.8	-4.9	-14.4	-5.0	-5.2	-	-	-	-	-	-24.6
Departmental	-	-0.3	-0.3	-0.3	-0.9	-0.3	-0.3	-	-	-	-	-	-1.6
Total	-	-5.0	-5.1	-5.2	-15.3	-5.4	-5.5	-	-	-	-	-	-26.2

(a) A negative number indicates an increase in expenses in accrual and cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.