



**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, *Independent Office of Animal Welfare* (letter of 29 June 2016).

The response to this request will be released on the PBO website ([www.pbo.gov.au](http://www.pbo.gov.au)).

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

Yours sincerely

Phil Bowen

30 June 2016



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

Name of proposal:	Independent Office of Animal Welfare
Summary of proposal:	<p>The proposal would establish an independent Office of Animal Welfare (the Office) to provide independent and expert advice to government about animal welfare issues; to promote and oversee animal welfare; to investigate complaints; and work to harmonise and improve animal welfare laws across Australia.</p> <p>Funding for the Office would be offset by an annual reduction of \$1 million for existing animal welfare funding within the Department of Agriculture and Water Resources (DAWR).</p> <p>The proposal would have effect from 1 September 2016.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	26 May 2016 <a href="http://greens.org.au/animal-welfare">http://greens.org.au/animal-welfare</a>
Date costing request received:	30 June 2016
Date costing completed:	30 June 2016
Expiry date for the costing:	Release of the next economic and fiscal outlook report

### Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by \$6.2 million over the 2016-17 Budget forward estimates period. This impact is entirely due to an increase in departmental expenses.

This proposal would have an ongoing impact that extends beyond the 2016-17 Budget forward estimates period consistent with the level of the impact in 2019-20.

Detailed financial implications are provided at [Attachment A](#).

This costing is considered to be of medium reliability due to the uncertain nature of the size and function of the new office.

The PBO has made no judgement if existing activities within DAWR could still be completed due to this reduction of departmental expenditure.

**Table 1: Financial implications (outturn prices)<sup>(a)(b)</sup>**

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-1.8	-1.5	-1.5	-1.5	<b>-6.2</b>
Underlying cash balance	-1.8	-1.5	-1.5	-1.5	<b>-6.2</b>

(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.

## Methodology

The cost of the establishment and operation of the Office was based on the costs of the establishment of a similar small independent office, the Asbestos Safety and Eradication Agency in the 2013-14 Budget. This included accounting for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance’s costings, and the part-year effect of the proposal.

The impact of the proposal was derived as the difference between the cost of the Office and the reduction in DAWR departmental funding.

## Data sources

Budget 2013-14, Budget Paper No. 2

## Attachment A: Independent Office of Animal Welfare— financial implications

**Table A1: Independent Office of Animal Welfare—Financial implications (outturn prices)<sup>(a)(b)</sup>**

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20
<b>Impact on fiscal and underlying cash balances</b>					
<b>Departmental expenses</b>					
<i>Establishment of the Office</i>	-0.5	-	-	-	<b>-0.5</b>
<i>Ongoing funding for the Office</i>	-2.1	-2.5	-2.5	-2.5	<b>-9.5</b>
<i>Reduced DAWR funding</i>	0.8	1.0	1.0	1.0	<b>3.8</b>
<b>Total</b>	<b>-1.8</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-6.2</b>

(a) A negative number for the fiscal and underlying cash balances indicates an increase in expenditure. A positive number for the fiscal and underlying cash balances indicates a decrease in expenditure.

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

- Indicates nil.