



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, *Keeping the Climate Change Authority* (letter of 30 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

30 June 2016



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

Name of proposal:	Keeping the Climate Change Authority
Summary of proposal:	<p>The proposal would provide \$35 million over the 2016-17 Budget forward estimates period to restore funding for the Climate Change Authority to 2013-14 levels from 2016 onwards, with indexation by the Consumer Price Index (CPI).</p> <p>This proposal would commence on 1 September 2016.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	21 June 2016 http://www.climateinstitute.org.au/news/election-2016-greens.html
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 the fiscal and underlying cash balances by \$33.5 million over the 2016-17 Budget forward estimates. This is entirely due to an increase in departmental expenditure.

This proposal would have an ongoing financial impact beyond the forward estimates period. The annual impact to the budget would be consistent with the impact in 2019-20 growing in line with CPI.

This costing is considered to be of high reliability as it is based on indexation of specified amounts.

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

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-6.1	-8.9	-9.1	-9.3	-33.5
Underlying cash balance	-6.1	-8.9	-9.1	-9.3	-33.5

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

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

Methodology

This proposal has been costed in two stages:

- Funding to the Climate Change Authority was restored to 2013-14 levels from 1 September 2016 taking into account the \$2.6 million in funding for 2016-17 currently reflected in the budget baseline.
- The full funding allocation would be provided over the 10 months of 2016-17 from the commencement date of 1 September 2016.
- Annual indexation by CPI was then applied to the restored CCA departmental appropriation amount.

Data sources

The Department of Finance provided efficiency dividend and indexation parameters.

Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education Portfolio 2013-14 Portfolio Budget Statements.

Climate Change Authority 2013-14 Annual Report.

Department of the Environment 2016-17 Portfolio Budget Statements.