



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request, *Better regulation of GMOs* (letter of 3 September 2013).

The response to this request will be released on the PBO website (<http://aph.gov.au/pbo>).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

4 September 2013

COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	Better regulation of Genetically Modified Organisms (GMOs)
Summary of proposal:	<p>The proposal would provide \$2 million towards the creation of an independent Research and Development group tasked with establishing how to set up a Genetically Modified Contamination Cleanup Fund (the Fund) underwritten by a levy on genetically modified seed.</p> <p>The proposal would have effect from 1 July 2014.</p>
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	3 September 2013
Date costing completed:	4 September 2013
Date of public release of policy:	30 August 2013
Additional information requested (including date):	On 4 September 2013, the PBO sought clarification on whether the funding in this proposal was for the departmental activities involved in establishing the Fund or to begin compensation of non-GMO farmers in the first instance.
Additional information received (including date):	On 4 September 2013, the Office of Senator Christine Milne confirmed that the funding in this proposal was for the departmental activities in establishing the Fund and not for compensation.
Agencies from which information was obtained:	Not applicable

Costing overview

This proposal is expected to decrease the underlying cash and fiscal balances by \$2.0 million over the 2013-14 Budget forward estimates period. This is entirely due to an increase in expenses. Funding for this proposal would terminate on 30 June 2016.

Due to the activities that would be undertaken in establishing the Fund (such as stakeholder consultation, and drafting legislation and guidelines), it is expected that all the funding in this costing request would be departmental. Consistent with the costing request, this costing excludes any revenue or expenditure associated with the operation of the Fund once established.

This costing is considered to be of high reliability as it is based on a capped amount specified in the costing request.

POLICY COSTING – ELECTION CARETAKER PERIOD

Table 1: Financial implications (outturn prices)^(a)

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-1.0	-1.0	-
Fiscal balance (\$m)	-	-1.0	-1.0	-

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates a decrease in expenses in cash terms.