



**POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A
GENERAL ELECTION**

Name of policy:	Soil Research
Person requesting costing:	Senator Milne
Date of request to cost the policy:	3 September 2013
<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 (i.e. from the Treasury or the Department of Finance and Deregulation)?	No
Details of the public release of this policy (Date, by whom and a reference to that release)	Senator Rachel Siewert 30 August 2013 http://greens.org.au/sites/greens.org.au/files/Helping-Our-Soils-Survive.pdf
Description of policy:	
Summary of policy (as applicable, please attach copies of relevant policy documents):	The policy will: • Invest \$75million over the forward estimates to fund the national soil health strategy. • Encourage state and territory governments to match this investment. • Support consistent, ongoing research and monitoring over the long term.
What is the purpose or intention of the policy?	Investment in a soil strategy will drive innovation in farming techniques to gives Australian farmers a lasting competitive advantage by: • reducing the costs of inputs such as fertilizer • reversing the decline in productivity that results from poor soil quality.
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.	No
Where relevant, is funding for the policy to be demand driven or a	Capped.

**PBO POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR
A GENERAL ELECTION**

capped amount?	
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?	Research will be carried out by existing research organisations. States and Territory Government's will be encouraged to match funding.
Are there associated savings, offsets or expenses? If yes, please provide details.	Research and development that drives the uptake of regenerative agricultural practices doesn't just have environmental benefits. It also delivers financial returns to our farmers. For example, the Centre for Policy Development Report Farming Smarter found that acting now to improve soil condition could increase wheat production by up to \$2.1 billion per year.
Does the policy relate to a previous budget measure? If yes, which measure?	No
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	NA
Will the funding/program cost require indexation? If yes, list factors to be used.	No

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)

	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-25	-25	-25
Fiscal balance (\$m)	-	-25	-25	-25

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in

PBO POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A GENERAL ELECTION

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)?	Capped amount.
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?	Investment in a soil strategy will drive innovation in farming techniques to gives Australian farmers a lasting competitive advantage by: • reducing the costs of inputs such as fertilizer • reversing the decline in productivity that results from poor soil quality.
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Australian Government
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).	Department should absorb expenses
Intended date of implementation.	1 July 2014.
Intended duration of policy.	3 years
Are there transitional arrangements associated with	No

**PBO POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR
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policy implementation?	
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	NA
Are there any other assumptions that need to be considered?	No
NOTE: <i>Please note that:</i> <i>The costing will be on the basis of information provided in this costing request.</i> <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>	