



Return funding from the Great Barrier Reef Foundation	
Party:	Australian Labor Party
Summary of proposal: The proposal would return all uncommitted funds of the \$443 million granted to the Great Barrier Reef Foundation (GBRF) in 2018-19, including interest earned, as at 1 July 2022. The funds would be returned in 2022-23.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$88.5 million over the 2022-23 Budget forward estimates period.

The proposal would not have a direct impact that extends beyond the 2022-23 Budget forward estimates, but it would have implications for public debt interest payments. A breakdown of these implications across the period 2022-23 to 2032-33 is at Attachment A.

The financial implications of the proposal are sensitive to assumptions around the level of funds committed as well as interest earned across the period.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	88.5	-	-	-	88.5
Underlying cash balance	88.5	-	-	-	88.5

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

(b) PDI impacts are not included in the totals.

- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing the proposal.

- The Government would be able to pass legislation that instructs the GBRF to return all funds that are not contractually committed as at 1 July 2022, including earned interest.
- The Department of Agriculture, Water and the Environment (DAWE) advises that all funds provided to the GBRF are notionally committed to various activities, but these funds are not contractually committed.
 - The PBO has treated these uncommitted funds as able to be returned to the Government.
- The GBRF would expend or contractually commit all funds budgeted in 2021-22 in accordance with the Reef Trust Partnership Annual Work Plan 2021-22.
- Interest earnings would follow historical observations.

- The ratio of funds expended to those committed would remain consistent with the ratio as at 31 December 2021 across the period to 1 July 2022.
- No additional departmental funding would be required to implement the proposal.

Methodology

The increase in the budget balances represent the funds estimated to not be contractually committed as at 1 July 2022, inclusive of interest earnings.

The PBO utilised information provided by DAWE as well as public information to estimate the amount that could be returned to the Government. Projected expenditure and interest revenue in 2021-22 were based on the GBRF's budgeted commitments.

The financial implications of this proposal were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.¹

Data sources

The Department of Agriculture, Water and the Environment provided financial information on the amount of grant funding committed and uncommitted by the Great Barrier Reef Foundation as at 31 December 2021 as well historical data as at 30 June 2021, 31 December 2021, and 31 December 2018.

Great Barrier Reef Foundation (GBRF) (2021) [2021-22 Annual Work Plan for the Reef Trust Partnership](#), accessed 19 January 2022.

¹ https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Return funding from the Great Barrier Reef Foundation – financial implications

Table A1: Return funding from the Great Barrier Reef Foundation – Fiscal and underlying cash balances (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Return funding from the Great Barrier Reef Foundation</i>	88.5	-	-	-	-	-	-	-	-	-	-	88.5	88.5
Total (excluding PDI)	88.5	-	88.5	88.5									

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Return funding from the Great Barrier Reef Foundation – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	1.0	2.0	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.5	3.2	7.2	24.4
Underlying cash balance	0.9	1.9	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.5	3.1	7.0	24.1

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)