



19 August 2010

Our Ref: GOV102

## **RELEASE OF COSTING OF ELECTION COMMITMENT**

The Secretary to the Department of Finance and Deregulation today released the following election commitment costing under the *Charter of Budget Honesty Act 1998*:

**Emerging Renewables** as announced by the Government.

This costing was completed consistent with the *Charter of Budget Honesty: Costing Election Commitments* guidelines which are available on [www.electioncostings.gov.au](http://www.electioncostings.gov.au).  
A copy of the completed costing is attached.

A handwritten signature in black ink, appearing to read 'D. Tune'.

David Tune  
Secretary  
Department of Finance and Deregulation

Contact: Clive Hawkins  
Telephone: 02 6215 3929

## PUBLIC RELEASE OF 2010 ELECTION COMMITMENT COSTING

**Summary of costing:** The Australian Labor Party would, through the Australian Centre for Renewable Energy, invest an additional \$40.0 million in emerging renewable energy technologies. This policy would be funded from the Renewable Energy Future Fund (REFF).

**Person making the request:** Prime Minister

**Date of request:** 19 August 2010

**Name of policy to be costed:** Emerging Renewables

**Date of public release of policy:** 19 August 2010

**Costing request provided by the Prime Minister/Leader of the Opposition:** Prime Minister

**Additional information requested (including date):** Not applicable

**Additional information received (including date):** Not applicable

### Financial implications (outturn prices)<sup>(a)</sup>

Impact on	2010-11	2011-12	2012-13	2013-14
Underlying Cash Balance (\$m)	0.0	0.0	0.0	0.0
Fiscal Balance (\$m)	0.0	0.0	0.0	0.0

(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 positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

### Where relevant, state that the proposal has been costed as a defined or specified amount.

The proposal has been costed as a capped grants program in line with the election costing request of 19 August 2010.

### Where relevant, include separate identification of revenue and expense components.

Not applicable

### Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable

**Qualifications to the costing (including reasons for the costing not being comprehensive).**

Not applicable

**Where relevant, explain effects of departmental expenses.**

The costing request specifies that any departmental costs are to be absorbed.

**Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.**

Not applicable

**Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).**

The ALP has submitted a number of costings to be funded from the REFF (GOV 4, 8, 16, 17, 80, 91, 100 and 102). There are sufficient funds in the REFF across the forward estimates to meet the costs of these policies.

**Background information**

**Costing methodology used:**

The costing request specifies that this policy would be funded from the REFF announced in the 2010-11 Budget and would therefore have no impact on the underlying cash balance or fiscal balance over the forward estimates.

The costing request specifies that the total cost of the proposal would be capped at \$40.0 million over three years, with the following profile: \$15.0 million in 2011-12, \$20.0 million in 2012-13 and \$5.0 million in 2013-14.

The costing request also specifies that the REFF would be re-profiled to ensure adequate funds in each year of the forward estimates for this and other commitments being met from the REFF. The re-profile required for this proposal, taking account of other announced and costed policies to date that are also to be funded from the REFF, is:

(\$m)	2010-11	2011-12	2012-13	2013-14
REFF	0.0	-16.2	11.2	5.0

Impact on underlying cash and fiscal balances. A positive number indicates an increase in revenue or a decrease in expenses or net capital investment.