



Australian Government

Department of Finance and Deregulation

MEDIA RELEASE

19 August 2010

Our Ref: GOV102

RECEIPT OF REQUEST FOR COSTING OF ELECTION COMMITMENT

The Department of Finance and Deregulation has been asked by the Prime Minister to cost the following election commitment under the *Charter of Budget Honesty Act 1998*:

Emerging Renewables.

The costing will be completed in accordance with the *Charter of Budget Honesty: Costing Election Commitments* guidelines issued on 11 June 2010. The guidelines are available at www.electioncostings.gov.au.

The guidelines provided that in certain circumstances a costing may not be completed. As the request was received on 19 August 2010 the department may be unable to complete the costing prior to polling day.

The costing request is attached to this media release. A further media release will be issued prior to polling day advising on whether the costing has been completed.

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

David Tune
Secretary
Department of Finance and Deregulation

Contact: Clive Hawkins
Telephone: 02 6215 3929

Name of policy:	Emerging Renewables
Person requesting costing (Prime Minister/Leader of the Opposition):	Prime Minister
Date of public release of policy:	19 August 2010
Date of request to cost the policy:	19 August 2010
Summary of policy (please attach copies of relevant policy documents):	Labor will invest an additional \$40 million in emerging renewable energy technologies.
Intention of policy:	To assist in overcoming significant hurdles for private sector investment in emerging technologies.
Description of policy	
What are the key assumptions that have been made in the policy including:	
Please note that where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request.	
Is the policy part of a package? <ul style="list-style-type: none"> 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 amount?	Funding is capped.
Will third parties, for instance the States/Territories, have a role in funding or delivering the policy? <ul style="list-style-type: none"> If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? 	No
Are there associated savings, offsets or expenses? <ul style="list-style-type: none"> If yes, please provide details. 	Yes. Emerging Renewables will be offset from the Renewable Energy Future Fund, announced in the 2010-11 Budget.
Description of policy (continued)	
What are the key assumptions that have been made in the policy including:	
Does the policy relate to a previous budget measure? <ul style="list-style-type: none"> If yes, which measure? 	Yes, the Renewable Energy Future Fund measure announced in the 2010-11 Budget.

<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program. Will funding/cost require indexation?</p> <ul style="list-style-type: none"> • If yes, list factors used. 	<p>This policy and associated policies funded from the REFF will require a re-profile of funds appropriated to the REFF across the forward estimates period to ensure adequate funds in each year of the forward estimates.</p>
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>There is no net impact on the underlying cash or fiscal balance from this proposal.</p>
<p>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)?</p>	<p>The profile of spending under this initiative is:</p> <ul style="list-style-type: none"> • 2010-11 Nil • 2011-12 \$15 million • 2012-13 \$ 20million • 2013-14 \$5 million
<p>Has the policy been costed by a third party?</p> <ul style="list-style-type: none"> • If yes, can you provide a copy of this costing and its assumptions? 	<p>No</p>
<p>What is the expected community impact of the policy?</p> <ul style="list-style-type: none"> • How many people will be affected by the policy? • What is the likely take up? • What is the basis for these impact assessments/assumptions? 	<p>To assist in overcoming significant hurdles for private sector investment in emerging technologies.</p>
<p>Administration of policy</p>	
<p>How will the policy be administered: who will administer the policy (for example, Australian Government Agency, States, non-government agency)?</p>	<p>The Australian Centre for Renewable Energy in the Department of Resources, Energy and Tourism portfolio will administer the program.</p>

<p>Should Departmental expenses associated with this policy be included in this costing?</p> <ul style="list-style-type: none"> • 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). 	<p>Any departmental costs are to be absorbed.</p>
<p>Intended date of implementation.</p>	<p>Departmental work will commence in 2010-11 to allow for the first round of grants to be paid from 2011-12.</p>
<p>Intended duration of policy.</p>	<p>To 2013-14.</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No</p>
<p>List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).</p>	<p>NA</p>
<p>Are there any other assumptions that need to be considered?</p>	<p>No</p>