



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

Name of policy:	Great Barrier Reef
Person requesting costing:	Senator Milne
Date of request to cost the policy:	29 August 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)	16 August 2013, Senator Milne / Senator Waters http://larissa-waters.greensmps.org.au/content/media-releases/greens-plan-save-great-barrier-reef-mining-destruction http://greens.org.au/sites/greens.org.au/files/Great_Barrier_Reef.pdf
Description of policy:	
Summary of policy (as applicable, please attach copies of relevant policy documents):	A package of measures to protect the Great Barrier Reef, including: • banning dredging and offshore dumping of dredge spoil within World Heritage waters; • protecting pristine areas, such as the Fitzroy Delta and Cape York, from new coal and gas ports, and stopping damaging port expansions, including Abbot Point coal terminal; • undertaking a comprehensive ‘strategic assessment’ for the Reef before any new developments can be approved; • increasing funding for the successful Reef Rescue programme by \$25 million per annum for 4 years from 1 July 2014; • increasing funding for the Great Barrier Reef Marine Park Authority by \$20 million per year from 1 July 2014; and • providing an additional \$16 million over the forward estimates to deliver a long-term plan for the Reef.
What is the purpose or intention of the policy?	To protect the Great Barrier Reef for future generations
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	No, but related to “No new CSG or coal mines” policy

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policies.	
Where relevant, is funding for the policy to be demand driven or a capped amount?	The increased funding for the Reef Rescue programme is capped at \$100 million, the increased funding for the Great Barrier Reef Marine Park Authority is capped at \$20 million per year and the additional funding for a long term plan is capped at \$16 million.
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?	No
Are there associated savings, offsets or expenses? If yes, please provide details.	No
Does the policy relate to a previous budget measure? If yes, which measure?	Yes, it is increasing spending on the existing Reef Rescue programme and the existing Great Barrier Reef Marine Park Authority.
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	No
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)	0	-50	-50	-50
Fiscal balance (\$m)	0	-50	-50	-50

(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 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	
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made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	Yes – PBO 24 June 2013
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?	Large numbers of Australians and future tourists will be able to enjoy the Great Barrier Reef.
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Department of Sustainability, Environment, Water, Population and Communities; Great Barrier Reef Marine Park Authority; other departments
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).	Yes
Intended date of implementation.	Immediately for banning damaging activities; 1 July 2014 for the spending measures
Intended duration of policy.	Mostly ongoing, but the additional spending for the Reef Rescue programme is for four years and the long-term plan development is over three years.
Are there transitional	No

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arrangements associated with policy implementation?	
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	
Are there any other assumptions that need to be considered?	No

NOTE:

Please note that:

- *The costing will be on the basis of information provided in this costing request.*
- *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.*