



Policy costing request—during the caretaker period for a general election

Name of policy:	RenewAustralia Authority
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	1 July
<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 (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	http://greens.org.au/renew
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	To assist the transition from Australia being one of the dirtiest energy systems in the world to one of the cleanest, the <i>RenewAustralia Authority</i> is to be established to manage the staged phase out of coal-fired power and ensure a stable pipeline of clean energy investment to secure an energy system with at least 90% clean energy by 2030.
What is the purpose or intention of the policy?	To modernise and democratise Australia's energy system which is undergoing rapid technological change, while ensuring a continuity of electricity supply.
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.	Yes, the RenewAustralia Authority is connected to the proposed Australian Infrastructure Bank which is responsible for raising finance. RenewAustralia will make investments directly in clean energy assets while also supporting private sector investment through contracts for difference by paying the price difference between the market price and the guaranteed price for a determined period of time.

PBO Policy costing request—during the caretaker period for a general election

<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	<p>Operational costs of the Authority are capped at \$500 million over five years.</p> <p>The capital investment facilitated by the Authority (but raised and costed within the Australia Infrastructure Bank policy) are demand driven with an upper cap listed below:</p> <table border="1" data-bbox="432 472 1498 584"> <thead> <tr> <th></th> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> <th>2019-20</th> <th>Total (\$m)</th> </tr> </thead> <tbody> <tr> <td>Infrastructure Bank</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>RenewAustralia Authority</td> <td>-1785</td> <td>-3571</td> <td>-4263</td> <td>-4779</td> <td>-17,479</td> </tr> </tbody> </table>		2016-17	2017-18	2018-19	2019-20	Total (\$m)	Infrastructure Bank						RenewAustralia Authority	-1785	-3571	-4263	-4779	-17,479
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<p>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?</p>	<p>State governments may be partners in clean energy projects, but the degree of involvement cannot be accurately quantified.</p>																		
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>No</p>																		
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>No</p>																		
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?</p>	<p>N/A</p>																		
<p>Will the funding/program cost require indexation? If yes, list factors to be used.</p>	<p>No</p>																		

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)				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	-100	-100	-100	-100
Fiscal balance (\$m)	-100	-100	-100	-100
(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 made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	Operational costs only.			
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?	Drive jobs and investment in clean energy infrastructure, market analysis, staged closure of coal fired generators, generate research into managing electricity grids and off-grid solutions.			

Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	Insert text
Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).	N/A
Intended date of implementation:	1 September 2016
Intended duration of policy:	Ongoing
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).	
Are there any other assumptions that need to be considered?	No
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><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></p>	