



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

Name of policy:	End Emissions Reduction Fund & Wind Farm Commissioner
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	1 July 2016
<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 http://www.governmentnews.com.au/2015/10/just-a-lot-of-hot-air-first-wind-farm-commissioner-appointed/
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	To end the Emissions Reduction Fund and Wind Farm Commissioner Office immediately. All existing contracts will be honoured, but no more entered into.
What is the purpose or intention of the policy?	To stop government spending on emission reduction projects that highly polluting industries would otherwise be funding.
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.	No
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?	Limited to spending not yet contracted.
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

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Are there associated savings, offsets or expenses? If yes, please provide details.	Yes, reduced departmental time spent on administering auctions			
Does the policy relate to a previous budget measure? If yes, which measure?	Yes, the Emissions Reduction Fund and Office of Wind Farm Commissioner.			
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	Yes			
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)				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	93.7	110.5	123.4	126.3
Fiscal balance (\$m)	93.7	110.5	123.4	126.3
(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)?	Clean Energy Regulator Auction Data			
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?	Very small impact due to the minimal reach of the current program. Most entities would be able to generate carbon credits under the carbon trading scheme and sell to polluting entities rather than spend their time bidding into the government auctions.			

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Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	Clean Energy Regulator
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).	A review of existing methodologies would occur with a transfer of robust methodologies returning to be part of the carbon pricing mechanism.
Intended date of implementation:	Immediately
Intended duration of policy:	Ongoing
Are there transitional arrangements associated with policy implementation?	A review of existing methodologies would occur with a transfer of robust methodologies returning to be part of the carbon pricing mechanism.
List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).	Clean Energy Regulator Data
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>	