



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request on *helping farmers sell direct* (letter of 14 August 2013).

The response to this request will be released on the PBO website (www.aph.gov.au/pbo).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

15 August 2013

COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	Helping farmers sell direct
Summary of proposal:	The proposal would provide a capped amount of \$85 million over four years for grants to infrastructure and initiatives that support farmers to sell produce to local communities. The proposal will have effect from 1 July 2014.
Person/party requesting costing:	Senator Christine Milne, The Australian Greens
Date costing request received:	14 August 2013
Date costing completed:	15 August 2013
Date of public release of policy:	28 July 2013
Agencies from which information was obtained:	Not applicable

Costing overview

This proposal is expected to decrease both the underlying cash balance and fiscal balance by \$65 million over the 2013-14 Budget forward estimates period.

The proposal would also involve expenditure of \$20 million for 2017-18, outside the forward estimates period.

Departmental expenses associated with this proposal are to be absorbed in the capped amount of \$85 million over the four years.

This costing is considered to be of high reliability as the funding is capped, and departmental expenses are to be absorbed in the capped amount.

Table 1: Financial implications (outturn prices)^(a)

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-25	-20	-20
Fiscal balance (\$m)	-	-25	-20	-20

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates an increase in expenses in cash terms.

POLICY COSTING – ELECTION CARETAKER PERIOD

Key assumptions

The expense profile is as specified in the costing request.

Methodology

The estimates are based on the capped funding amount specified in the costing request.