



**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, *Abolishing direct assistance to clean coal initiatives* (letter of 2 September 2013).

The response to this request will be released on the PBO website (<http://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

4 September 2013

## COSTING – ELECTION CARETAKER PERIOD

<b>Name of proposal to be costed:</b>	<b>Abolishing direct assistance to clean coal initiatives</b>
Summary of proposal:	The proposal would abolish funding for the Global Carbon Capture and Storage Institute, the Carbon Capture and Storage Flagships, and the National Low Emissions Coal Initiative.  The proposal would have effect from 1 January 2014.
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	2 September 2013
Date costing completed:	4 September 2013
Date of public release of policy:	14 July 2013
Agencies from which information was obtained:	Department of Resources, Energy and Tourism (RET)

### Costing overview

The proposal is expected to increase both the underlying cash and fiscal balance by \$271.9 million over the 2013-14 Budget forward estimates period. This impact is entirely due to a decrease in expenses.

The departmental cost associated with terminating contracts is expected to be immaterial and therefore is not included in this costing.

This costing is considered to be of medium reliability. The estimated savings are based on funding that remains uncommitted to specific projects as at the 2013 Pre-Election Economic and Fiscal Outlook (PEFO).

**Table 1: Financial implications (outturn prices)<sup>(a)</sup>**

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	47.8	150.4	73.7
Fiscal balance (\$m)	-	47.8	150.4	73.7

(a) A positive number for the fiscal balance indicates a decrease in expenses in accrual terms. A positive number for the underlying cash balance indicates a decrease in expenses in cash terms.

## **POLICY COSTING – ELECTION CARETAKER PERIOD**

### **Methodology**

The estimates in this costing are based on 2013 PEFO estimates for the Carbon Capture and Storage Flagships program less funding identified by RET as publicly announced for specific projects. Funding for the National Low Emissions Coal Initiative has been fully committed and the Global Carbon Capture and Storage Institute program terminated on 20 March 2013.

### **Data sources**

Program estimates as at the 2013 PEFO and levels of committed and uncommitted funding were obtained from RET.