



Australian Government

Department of Finance and Deregulation

**MEDIA RELEASE**

30 July 2010

Our Ref: OP02

## **RECEIPT OF REQUEST FOR COSTING OF ELECTION COMMITMENT**

The Department of Finance and Deregulation has been asked by the Leader of the Opposition to cost the following election commitment under the *Charter of Budget Honesty Act 1998*:

### **Reduce funding for the Green Car Innovation Fund.**

The costing will be completed in accordance with the *Charter of Budget Honesty: Costing Election Commitments* guidelines issued on 11 June 2010. The guidelines are available at [www.electioncostings.gov.au](http://www.electioncostings.gov.au).

The costing request is attached to this media release. A further media release will be issued when the costing has been completed.

A handwritten signature in black ink, appearing to read 'David Tune'.

David Tune  
Secretary  
Department of Finance and Deregulation

Contact: Clive Hawkins  
Telephone: 02 6215 3929

## APPENDIX B: REQUEST FOR COSTING AN ELECTION COMMITMENT — PRO-FORMA

<b>Name of policy</b>	
Person requesting costing (Prime Minister/Leader of the Opposition):	Leader of the Opposition
Date of public release of policy:	19 May 2010
Date of request to cost the policy:	30 July 2010
Summary of policy (please attach copies of relevant policy documents):	The Coalition will reduce funding for the Green Car Innovation Fund.
Intention of policy:	To improve the allocation of the budget resources.
<b>Description of policy</b>	
<b>What are the key assumptions that have been made in the policy including:</b>	
Please note that where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request.	N/A
Is the policy part of a package? <ul style="list-style-type: none"> <li>If yes, list and outline components and interactions with proposed or existing policies.</li> </ul>	No
Where relevant, is funding for the policy to be demand driven or a capped amount?	N/A
Will third parties, for instance the States/Territories, have a role in funding or delivering the policy? <ul style="list-style-type: none"> <li>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</li> </ul>	N/A
Are there associated savings, offsets or expenses? <ul style="list-style-type: none"> <li>If yes, please provide details.</li> </ul>	No.
<b>Description of policy (continued)</b>	
<b>What are the key assumptions that have been made in the policy including:</b>	
Does the policy relate to a previous budget measure? <ul style="list-style-type: none"> <li>If yes, which measure?</li> </ul>	Yes.  The Coalition will reduce funding for the Budget 2010-11 measure 'Green Car Innovation Fund'.

<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program. Will funding/cost require indexation?</p> <ul style="list-style-type: none"> <li>• If yes, list factors used.</li> </ul>	<p>N/A</p>
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>The saving will have the following positive impact on the fiscal balance:</p> <ul style="list-style-type: none"> <li>• 2010-11 \$22 million</li> <li>• 2011-12 \$76 million</li> <li>• 2012-13 \$99 million</li> <li>• 2013-14 \$81 million</li> </ul>
<p>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)?</p>	<p>The 2010-11 Budget papers have been used. (See the Department of Innovation, Industry, Science and Research Portfolio Budget Statement, page 36.)</p>
<p>Has the policy been costed by a third party?</p> <ul style="list-style-type: none"> <li>• If yes, can you provide a copy of this costing and its assumptions?</li> </ul>	<p>No</p>
<p>What is the expected community impact of the policy?</p> <ul style="list-style-type: none"> <li>• How many people will be affected by the policy?</li> <li>• What is the likely take up?</li> <li>• What is the basis for these impact assessments/assumptions?</li> </ul>	<p>N/A</p>
<p>NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.</p>	

<b>Administration of policy</b>	
How will the policy be administered: who will administer the policy (for example, Australian Government Agency, States, non-government agency)?	The Department of Innovation, Industry, Science and Research
<p>Should Departmental expenses associated with this policy be included in this costing?</p> <ul style="list-style-type: none"> <li>• If no, will the Department be expected to absorb expenses associated with this policy?</li> <li>• 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).</li> </ul>	No Yes
Intended date of implementation.	2010-11
Intended duration of policy.	N/A
Are there transitional arrangements associated with policy implementation?	N/A
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	N/A
Are there any other assumptions that need to be considered?	N/A