



21 March 2011

### Budget Impact Statement Policies Proposed by the Premier

This statement, prepared under Section 23 of the *Parliamentary Budget Officer Act 2010*, shows the budget impact of those costed election policies which the Premier submitted for inclusion in this report. The statement also contains a detailed costing of each of those policies. The Premier's requests and associated election policy documents, along with the Treasury costings provided by the Premier can be found in Appendices 1-12.

The statement has been prepared in accordance with the accounting standard AASB 1049 Whole-of-Government and General Government Sector Financial Reporting.

The financial impact of the policies on the State Budget has been presented in nominal dollars and therefore can be directly compared to the Half-Yearly Review Net Operating Balance released in December 2010. The Half-Yearly Review uses the term Budget Result which is equivalent to the term, Net Operating Balance, used in AASB 1049. The impact on the Net Operating Balance refers to the General Government sector. The Australian Bureau of Statistics (ABS) defines the General Government sector as those government units and non-profit institutions controlled and mainly financed by government.

Table 1 – Impact on General Government Net Operating Balance

General Government Net Operating Balance	2010-11 \$'M	2011-12 \$'M	2012-13 \$'M	2013-14 \$'M
Half-Yearly Review estimate	167	176	432	129
Estimated impact of policies	-1	-56	-284	-315
Half-Yearly Review estimate after impact (1)	166	120	148	-186

The Net Operating Balance does not include expenditure on the acquisition or enhancement of property, plant, and equipment and intangibles. The impact of capital expenditure on the General Government sector is shown in the following table.

Table 2 – Impact on General Government Capital Expenditure

General government Sector Capital Expenditure	2010-11 \$'M	2011-12 \$'M	2012-13 \$'M	2013-14 \$'M
Half-Yearly Review estimate	7,894	6,356	5,931	6,296
Estimated impact of policies	2	37	100	28
Half-Yearly Review estimate after impact (1)	7,896	6,393	6,031	6,324

The following table concerns General Government Net Worth, the difference between total assets and total liabilities. Contributed capital is zero.

Table 3 – Impact on General Government Net Worth

General Government Sector Net Worth	2010-11 \$'M	2011-12 \$'M	2012-13 \$'M	2013-14 \$'M
Half-Yearly Review estimate	160,194	168,329	175,637	182,684
Estimated impact of policies	-1	-57	-342	- 656
Half-Yearly Review estimate after impact (1)	160,193	168,272	175,295	182,028

The financial impact of the policies on net financial liabilities has been presented twice. Firstly, it is shown on a General Government basis (Table 4) and secondly, on a Total State Sector basis (Table 5).

Table 4 – Impact on General Government Net Financial Liabilities

General Government Sector Net Financial Liabilities	2010-11 \$'M	2011-12 \$'M	2012-13 \$'M	2013-14 \$'M
Half-Yearly Review estimate	52,670	53,965	55,487	57,435
Estimated Impact of policies	3	96	480	822
Half-Yearly Review estimate after impact (1)	52,673	54,061	55,967	58,257

The Total State Sector comprises the General Government Sector, Public Financial Enterprises and Public Non-Financial Corporations, more commonly known as Public Trading Enterprises. The Total State Sector net financial liabilities was not updated in the 2010-11 Half-Yearly review so the estimate shown in the 2010-11 Budget has been used.

Table 5 – Impact on Total State Sector Net Financial Liabilities

Total State Sector Net Financial Liabilities	2010-11 \$'M	2011-12 \$'M	2012-13 \$'M	2013-14 \$'M
2010-11 Budget estimate	90,782	98,068	102,909	107,880
Estimated impact of policies	3	96	480	822
Budget estimate after impact (1)	90,785	98,164	103,389	108,702

By attaching the costing of each policy included in this statement, I am also meeting the requirements of Section 22 of the Act. The costing of submitted election policies not included in this report will be published after the Premier or nominee advises that the policy has been announced.

Because only the Premier requested costings of proposed election-time policies, in sufficient time, under Part 4 of the *Parliamentary Budget Officer Act*, there will be no other Budget Impact Statements for the 2011 State general election.

## End Note

- (1) The figures shown after estimated impacts are not a forecast of 2010-11 (or subsequent) budget outcomes. Since the release of the Half-Yearly Review of the 2010-11 Budget on 15 December 2010, the government has announced a number of new spending policies, the cost of which might not have been provided for in that Review. And there are indications in the General Government Monthly Statements that general government revenues for 2010-11 might be measurably different from those shown in that Review. In addition, the Treasury has advised of a reduction in Commonwealth grants for 2011-12 of \$130 million not reflected in these figures. This caveat applies, with greater force, to the impact of estimates made in the first half of calendar 2010.



A C Harris  
**Acting Parliamentary Budget Officer**



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C001  
 Released Date: 21-Mar-11

Proposal Title: Remove \$100 Co-payment under AEPS

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	0	1,000	1,000	1,000	3,000
Depreciation					
Less: Agency Offsets					
Agency Revenue					
<b>Net Operating Balance:</b>	0	-1,000	-1,000	-1,000	-3,000

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						
Capital Offsets						
<b>Net Capital Expenditure:</b>						

<b>Net Worth:</b>	0	-1,000	-2,000	-3,000
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<b>Net Financial Liabilities:</b>	0	1,000	2,000	3,000
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	1,000	2,000	3,000
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**Costing assumptions used:**

Based on the ALP policy document, "Fairness for People with Disabilities and their Carers", it has been assumed that \$4 million of capped funding will be spent to remove the \$100 co-payment under the Aids and Equipment Program for full pensioners, and introduce a \$5,000 cap on co-contributions to the program.

Using NSW Treasury's approach, it has been assumed that the \$4 million will be provided over 4 years from 2011-12, at \$1 million per annum. The proposal therefore totals \$3 million over the 4 years being costed above.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C002  
 Released Date: 21-Mar-11

Proposal Title: Equipment for Persons with Respiratory Conditions (\$4 million)

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	0	1,000	1,000	1,000	3,000
Depreciation					
Less: Agency Offsets					
Agency Revenue					
<b>Net Operating Balance:</b>	0	-1,000	-1,000	-1,000	-3,000

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						
Capital Offsets						
<b>Net Capital Expenditure:</b>						

<b>Net Worth:</b>	0	-1,000	-2,000	-3,000
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<b>Net Financial Liabilities:</b>	0	1,000	2,000	3,000
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	1,000	2,000	3,000
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**Costing assumptions used:**

According to the ALP policy document, "Fairness for People with Disabilities and their Carers," \$12 million will be provided to enhance the Home Oxygen Program.

This policy has been broken up into two separate costings because \$8 million (\$2 million per annum from 2011-12) has been included in the Half Yearly Review and therefore will have no budgetary impact (see C003).

Using the approach by NSW Treasury, it is assumed that the remaining **\$4 million** will be provided over 4 years (\$1 million per annum from 2011-12). The proposal therefore totals \$3 million over the 4 years being costed above.

No assumptions have been made regarding the level of services provided through this program, given that the total funding of \$12 million for the Home Oxygen Program is to be capped.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C003  
 Released Date: 21-Mar-11

Proposal Title: Equipment for Persons with Respiratory Conditions (\$8 million)

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	0	2,000	2,000	2,000	6,000
Depreciation					0
Less: Agency Offsets		-2,000	-2,000	-2,000	-6,000
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						
Capital Offsets						
<b>Net Capital Expenditure:</b>						

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

According to the ALP policy document, "Fairness for People with Disabilities and their Carers," \$12 million will be provided to enhance the Home Oxygen Program.

This policy has been broken up into two separate costings, because the **\$8 million** being costed above (\$2 million per annum from 2011-12 to 2014-15) has been included in the Half Yearly Review and therefore will have no budgetary impact.

The remaining \$4 million has been costed in C002.

No assumptions have been made regarding the level of services provided through this program, given that the total funding of \$12 million for the Home Oxygen Program is to be capped.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C004  
 Released Date: 21-Mar-11

Proposal Title: \$1 million seed funding for a NSW Trust for Women

Lead Agency: Department of Premier and Cabinet

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,000			1,000
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-1,000	0	0	-1,000

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-1,000	-1,000	-1,000
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<b>Net Financial Liabilities:</b>	0	1,000	1,000	1,000
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	1,000	1,000	1,000
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**Costing assumptions used:**

Seed funding of \$1 million to be provided in 2011-12 to establish an independent NSW Trust for Women in partnership with the Sydney Community Foundation. The Trust will run an annual grants program and undertake project and advocacy work for women, with a focus on disadvantaged women and girls. The intention is for the Trust to become sustainable through private donations and interest/investments.

A.C Harris  
 Acting Parliamentary Budget Officer





**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C005  
 Released Date: 21-Mar-11

Proposal Title: \$800,000 funding for Australian Breastfeeding Association

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	0	197	202	207	607
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-197	-202	-207	-607

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-197	-400	-607
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<b>Net Financial Liabilities:</b>	0	197	400	607
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	197	400	607
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**Costing assumptions used:**

This proposal provides \$800,000 over four years to 2014-15 to the Australian Breastfeeding Association to provide peer support to mothers through its helpline, local support groups and promotional work. The NGO will utilise the funding in the context of the NSW Health Breastfeeding Policy. Funding currently received via a NSW Health grant expires in June 2011. Current costing only shows amounts for the forward estimates period to 2013-14 and have been escalated at 2.5% to account for inflation.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C006  
 Released Date: 21-Mar-11

Proposal Title: \$16 million for home maternity and post-natal nursing places

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		3,841	3,953	4,052	11,847
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-3,841	-3,953	-4,052	-11,847

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-3,841	-7,795	-11,847
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<b>Net Financial Liabilities:</b>	0	3,841	7,795	11,847
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	3,841	7,795	11,847
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**Costing assumptions used:**

Funding in total of \$16 million would be provided for four years from 2011-12 to 2014-15. Costing is based on Treasury advice that labour related costs accounted for 82.7% and that Goods & Services and Consumables account for 17.3%. Goods & Services and Consumables costs have been assumed to increase in line with CPI of 2.5% each year after 2011-12. Labour related costs were assumed to increase by 3% in 2011-12 as per the recently negotiated nurses wages agreement and 2.5% thereafter till 2014-15.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C007  
 Released Date: 21-Mar-11

Proposal Title: 10,000 extra dental vouchers

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,000	1,000	1,000	3,000
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-1,000	-1,000	-1,000	-3,000

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-1,000	-2,000	-3,000
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<b>Net Financial Liabilities:</b>	0	1,000	2,000	3,000
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	1,000	2,000	3,000
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**Costing assumptions used:**

Dental vouchers will be issued at an average of \$400 each for 10,000 people over four years.  
 Expenditure will be capped at \$4 million over four years.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C008  
 Released Date: 21-Mar-11

Proposal Title: New dental chairs and equipment

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation			250	250	500
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	-250	-250	-500

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		2,500				2,500
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	2,500	0	0	0	2,500

<b>Net Worth:</b>	0	0	-250	-500
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<b>Net Financial Liabilities:</b>	0	2,500	2,500	2,500
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	2,500	2,500	2,500
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**Costing assumptions used:**

All expenditure in 2011-12.

As per policy document, \$1.5 million for the Westmead Centre for Dental Health and Nepean Dental Clinic for new and replacement dental chairs and equipment; and a further \$1 million for building refurbishment, new and replacement dental chairs and equipment at Kempsey, Maitland Muswellbrook and Broken Hill.

The dental chairs will result in an additional 4,400 treatments per annum. No information has been provided to enable the costing of these additional treatments. The Department of Health has stated that these treatments will be funded from within its existing Budget allocations.

Depreciation is based on 10 year useful life.

A.C Harris  
 Acting Parliamentary Budget Officer



Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 10-Mar-11

Proposal No: C009
Released Date: 21-Mar-11

Proposal Title: Expanding the Pensioner Denture Scheme

Lead Agency: Department of Health

General Government Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14, 4 Year Total. Rows include Expenses (ex. depreciation), Depreciation, Less: Agency Offsets, Agency Revenue, and Net Operating Balance.

Table with 6 columns: 2010-11, 2011-12, 2012-13, 2013-14, Other Years, Total Cost. Rows include Capital Expenditure, Capital Offsets, and Net Capital Expenditure.

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Worth.

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Total State Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Costing assumptions used:

Spending over two years: 2011-12 and 2012-13.
Additional 5,000 full/partial dentures at an average cost of \$800 for partial dentures to \$1,200 for full dentures.
Expenditure will be capped at \$5 million over two years.

Handwritten signature of A.C. Harris

A.C Harris
Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C010  
 Released Date: 21-Mar-11

Proposal Title: Improving dental health services for children

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		250	250	250	750
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-250	-250	-250	-750

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-250	-500	-750
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<b>Net Financial Liabilities:</b>	0	250	500	750
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	250	500	750
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**Costing assumptions used:**

Beginning in July 2011.  
 Expenditure will be capped at \$1 million over four years.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C011  
 Released Date: 21-Mar-11

Proposal Title: Training for 3,000 new apprentices

Lead Agency: Department of Education and Training

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	0	3,704	6,644	8,756	19,104
Depreciation		55	110	165	330
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-3,759	-6,754	-8,921	-19,434

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		220	220	220	170	830
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	220	220	220	170	830

<b>Net Worth:</b>	0	-3,759	-10,513	-19,434
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<b>Net Financial Liabilities:</b>	0	3,924	10,788	19,764
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	3,924	10,788	19,764
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**Costing assumptions used:**

Based on the Department of Education and Training's 2009 Annual Report, on average the completion rate of apprenticeships between 2005 and 2009 is 50.1%. PBO used 50 per cent as a dropout rate. The Parliamentary Budget Office applied 25% dropout rate in second and third year of the course.

Assumed the apprenticeship requires 3 years to complete the course.

The average cost total per training hour is \$15.91. This was escalated per year by 2.5%.

NSW Treasury provided estimates on the capital and depreciation expenses.

The Parliamentary Budget Office assumed no revenue from student fees as it is fully funded.

Additional ongoing funding would be required for students enrolling from 2013-14 onwards. The estimated additional funding is \$7.977 million in 2014-15, \$4.344 million in 2015-16 and \$1.572 million 2016-17. It is assumed that most students would have completed the course by 2016-17. Hence any ongoing expenses beyond 2016-17 are expected to be minor.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C013  
 Released Date: 21-Mar-11

Proposal Title: Replace police bullet proof vests

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		942	942	943	943	3,770
Capital Offsets		942	942	943	943	3,770
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Capital expenditure estimates for each financial year were provided by NSW Treasury.  
 NSW Treasury advised that costs can be met from NSW Police's existing forward allocations.  
 This proposal was therefore already budgeted and has no impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer





Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 10-Mar-11

Proposal No: C014
Released Date: 21-Mar-11

Proposal Title: Provide thigh holsters for Police

Lead Agency: NSW Police Force

General Government Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14, 4 Year Total. Rows include Expenses (ex. depreciation), Depreciation, Less: Agency Offsets, Agency Revenue, and Net Operating Balance.

Table with 6 columns: 2010-11, 2011-12, 2012-13, 2013-14, Other Years, Total Cost. Rows include Capital Expenditure, Capital Offsets, and Net Capital Expenditure.

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Worth.

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Total State Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Costing assumptions used:

Capital expenditure estimates for each financial year were provided by NSW Treasury and assumed that every police officer received a thigh holster. It is likely that not every police officer would want a thigh holster, and therefore the cost may be lower. NSW Treasury advised that costs can be met from the existing forward allocations of the NSW Police Force. This proposal was therefore already budgeted and has no impact on the NSW Budget.

Handwritten signature of A.C. Harris

A.C Harris
Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C015  
 Released Date: 21-Mar-11

Proposal Title: Continued roll-out of load bearing vests

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		325	325	325	325	1,300
Capital Offsets		325	325	325	325	1,300
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Capital expenditure estimates for each financial year were provided by NSW Treasury.  
 NSW Treasury advised that costs can be met from the existing forward allocations of the NSW Police Force.  
 This proposal was therefore already budgeted and has no impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C016  
 Released Date: 21-Mar-11

Proposal Title: Provide more electronic evidence collection equipment

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation		250	750	1,000	2,000
Less: Agency Offsets		250	750	1,000	2,000
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		2,500	2,500			5,000
Capital Offsets		2,500	2,500			5,000
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

**Net Worth:** 0 0 0 0

**Net Financial Liabilities:** 0 0 0 0

**Total State Sector Impacts**

**Net Financial Liabilities:** 0 0 0 0

**Costing assumptions used:**

Capital expenditure and depreciation estimates for each financial year were provided by NSW Treasury. NSW Treasury advised that costs can be met from the existing forward allocations of the NSW Police Force. This proposal was therefore already budgeted and has no impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C017  
 Released Date: 21-Mar-11

Proposal Title: Replace and update Tasers

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		975	975	975	975	3,900
Capital Offsets		975	975	975	975	3,900
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Capital expenditure estimates for each financial year were provided by NSW Treasury.  
 NSW Treasury advised that costs can be met from the existing forward allocations of the NSW Police Force.  
 This proposal was therefore already budgeted and has no impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer



## Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C018  
 Released Date: 21-Mar-11

Proposal Title: Provide more Police radios

Lead Agency: NSW Police Force

### General Government Sector Impacts

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,381	2,120	2,120	5,621
Depreciation			825	1,725	2,550
Less: Agency Offsets		1,381	2,945	3,845	8,171
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		9,900	3,300	3,600	3,900	20,700
Capital Offsets		9,900	3,300	3,600	3,900	20,700
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

**Net Worth:**

0	0	0	0
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**Net Financial Liabilities:**

0	0	0	0
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### Total State Sector Impacts

**Net Financial Liabilities:**

0	0	0	0
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### Costing assumptions used:

Capital expenditure and depreciation estimates for each financial year were provided by NSW Treasury. NSW Treasury advised that \$9.9 million for an upgrade of the police radio network was included in the Half-Yearly Review 2010-11 and that a further \$10.8 million to provide portable radios to all general duties police officers can be met from the existing forward allocation of the NSW Police Force. This proposal was therefore already budgeted and has no further impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer



Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 10-Mar-11

Proposal No: C019
Released Date: 21-Mar-11

Proposal Title: Upgrade forensic technology

Lead Agency: NSW Police Force

General Government Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14, 4 Year Total. Rows include Expenses (ex. depreciation), Depreciation, Less: Agency Offsets, Agency Revenue, and Net Operating Balance.

Table with 6 columns: 2010-11, 2011-12, 2012-13, 2013-14, Other Years, Total Cost. Rows include Capital Expenditure, Capital Offsets, and Net Capital Expenditure.

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Worth.

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Total State Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Costing assumptions used:

Capital expenditure and depreciation estimates for each financial year were provided by NSW Treasury. NSW Treasury advised that \$4.1 million for an upgrade of forensic technology was included in the Half-Yearly Review 2010-11 and that a further \$5.9 million can be met from the NSW Police Force's unallocated capital provisions. This proposal was therefore already budgeted and has no impact on the NSW Budget.

Handwritten signature of A.C. Harris

A.C Harris
Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C020  
 Released Date: 21-Mar-11

Proposal Title: Build new police stations

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Capital expenditure estimates provided by NSW Treasury indicate that the \$7 million to plan the construction of 10 new police stations would be in 2014-15 (i.e. outside the forward estimates period). NSW Treasury advised that the \$210 million to complete the construction of 13 police stations is already included in the Half-Yearly Review 2010-11.

This proposal is either already budgeted or outside the forward estimates period, and so has no impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C021  
 Released Date: 21-Mar-11

Proposal Title: Provide quality police housing

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation			150	300	450
Less: Agency Offsets			150	300	450
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		6,000	6,000	6,500	6,500	25,000
Capital Offsets		6,000	6,000	6,500	6,500	25,000
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Capital expenditure and depreciation estimates for each financial year were provided by NSW Treasury. NSW Treasury advised that costs can be met from the NSW Police Force's unallocated capital provisions. This proposal was therefore already budgeted and has no impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer





**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C022  
 Released Date: 21-Mar-11

Proposal Title: Expand the successful WellCheck program

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation			121	514	635
Less: Agency Offsets			121	514	635
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		2,312	2,350	2,356		7,018
Capital Offsets		2,312	2,350	2,356		7,018
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Capital expenditure and depreciation estimates for each financial year were provided by NSW Treasury. NSW Treasury advised that this proposal is consistent with the business case previously submitted by the NSW Police Force in support of this project, which has already been included in the Half-Yearly Review 2010-11.

This proposal includes only the capital cost of the program and does not include ongoing operating costs expected from 2014-15 (i.e. outside the forward estimates period).

This proposal was therefore already budgeted and has no further impact on the NSW Budget.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C023  
 Released Date: 21-Mar-11

Proposal Title: The \$5 million Major Carnival and Raceday Fund

Lead Agency: Events New South Wales Pty Limited

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		5,000			5,000
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-5,000	0	0	-5,000

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-5,000	-5,000	-5,000
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<b>Net Financial Liabilities:</b>	0	5,000	5,000	5,000
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	5,000	5,000	5,000
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**Costing assumptions used:**

A one off grant to establish a new Major Carnival and Raceday Fund to support, promote and market racing carnivals and events across all three codes.  
 Events NSW will administer the program using existing resources.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C024  
 Released Date: 21-Mar-11

Proposal Title: \$5 million CCTV Fund for local communities to fight crime

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,250	1,250	1,250	3,750
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-1,250	-1,250	-1,250	-3,750

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-1,250	-2,500	-3,750
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<b>Net Financial Liabilities:</b>	0	1,250	2,500	3,750
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	1,250	2,500	3,750
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**Costing assumptions used:**

Expenditure will be capped at \$5 million over four years, with an equal amount in each year.  
 Local government will meet operating and maintenance costs.  
 No assumptions have been made about the underlying goal of the program as spending is capped at \$5 million.

A.C Harris  
 Acting Parliamentary Budget Officer



Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 10-Mar-11

Proposal No: C025
Released Date: 21-Mar-11

Proposal Title: Provide recurrent funding to the Crime Stoppers Hotline

Lead Agency: NSW Police Force

General Government Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14, 4 Year Total. Rows include Expenses (ex. depreciation), Depreciation, Less: Agency Offsets, Agency Revenue, and Net Operating Balance.

Table with 6 columns: 2010-11, 2011-12, 2012-13, 2013-14, Other Years, Total Cost. Rows include Capital Expenditure, Capital Offsets, and Net Capital Expenditure.

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Worth.

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Total State Sector Impacts

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Costing assumptions used:

Additional recurrent funding will be limited to \$200,000 per annum.
The funding will not be escalated for inflation.

Handwritten signature of A.C. Harris

A.C Harris
Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C026  
 Released Date: 21-Mar-11

Proposal Title: Implement Safer Towns and Suburbs Partnerships

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Insufficient information has been provided to cost this policy. The NSW Police Force advised Treasury that costs can be met from within existing Budget allocations.  
 It is assumed that any costs for the Department of Justice and Attorney General or other agencies can be met from within the existing Budget allocations of those agencies.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C027  
 Released Date: 21-Mar-11

Proposal Title: \$900,000 to the Designing Out Crime Research Centre at University of Technology

Lead Agency: NSW Police Force

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)				450	450
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	-450	-450

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	-450
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<b>Net Financial Liabilities:</b>	0	0	0	450
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	450
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**Costing assumptions used:**

Existing funding for this program ceases in 2012-13.  
 Additional \$900,000 to be spent in 2013-14 and 2014-15.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C028  
 Released Date: 21-Mar-11

Proposal Title: Make more offenders clean up graffiti

Lead Agency: Department of Justice and Attorney General

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		393	388	397	1,178
Depreciation		75	83	90	248
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-468	-470	-487	-1,426

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		300	30	30	30	390
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	300	30	30	30	390

<b>Net Worth:</b>	0	-468	-938	-1,426
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<b>Net Financial Liabilities:</b>	0	693	1,111	1,538
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	693	1,111	1,538
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**Costing assumptions used:**

Graffiti removal program expanded to 3 additional locations.  
 Each location will employ 2 additional staff, at a cost of \$93,750, inclusive of salary oncosts, for the first year  
 ICT expenses will be \$5,000 per location, for the first year only.  
 Other expenses will be \$20,000 per location per year.  
 Executive support from staff member at head office will cost \$37,000 in first year.  
 Expense costs are escalated at 2.5% per annum.  
 In the first year each location will acquire a vehicle, trailer and shed, with a capital cost of \$100,000 per location.

Each location will have capital expenditure of \$10,000 per year for the next 3 years.  
 Depreciation rate used is 25% p.a. for capital items.  
 The Parliamentary Budget Office costing differs from the submitted request, showing a smaller impact on Net Operating Balance and a larger impact on Net Capital Expenditure in the first year.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C029  
 Released Date: 21-Mar-11

Proposal Title: Create the NSW Graffiti Unit

Lead Agency: Department of Justice and Attorney General

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	0	385	313	321	1,019
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-385	-313	-321	-1,019

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-385	-698	-1,019
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<b>Net Financial Liabilities:</b>	0	385	698	1,019
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	385	698	1,019
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**Costing assumptions used:**

The Graffiti Unit will employ two operational staff paid \$52,104 each, and one manager paid \$68,761 in the first 20% margin for employee oncosts.  
 Promotion costs are \$100,000 for the first year, reducing to \$50,000 for the second year.  
 \$3,500 are expensed in first year for ICT items and systems.  
 Other operational expenses in the first year are \$74,000.  
 Expenses are escalated by 2.5% each year.  
 The Parliamentary Budget Office costing found an immaterial difference to the first year other operations expenses of the NSW Treasury costing.  
 This program will have on-going costs into the future. The Parliamentary Budget Office has not considered the on-going costs as part of the costing.

A.C Harris  
 Acting Parliamentary Budget Officer





**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C030  
 Released Date: 21-Mar-11

Proposal Title: Stopping graffiti in our communities - Blockout Trailers

Lead Agency: Department of Justice and Attorney General

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation		30	30	30	90
Less: Agency Offsets		30	30	30	90
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		120				120
Capital Offsets		120				120
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

NSW Treasury advised that capital expenditure could be met from the unallocated capital provisions of the NSW Police Force.

Depreciation is assumed to be 25% per year, and assumed to be offset by existing provisions.

Expenses associated with ongoing operation of new equipment are assumed to be met from existing allocations.

The costing request estimated that the capital cost of commissioning 20 trailers would be \$120,000. However the NSW Police Force could not confirm the cost of the trailers because such trailers had previously been purchased directly by local councils. Any difference between the estimated cost and actual cost is assumed to be immaterial.

A.C Harris  
 Acting Parliamentary Budget Officer



Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 10-Mar-11

Proposal No: C031
Released Date: 21-Mar-11

Proposal Title: Research the graffiti subculture

Lead Agency: Department of Justice and Attorney General

General Government Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14, 4 Year Total. Rows include Expenses (ex. depreciation), Depreciation, Less: Agency Offsets, Agency Revenue, and Net Operating Balance.

Table with 6 columns: 2010-11, 2011-12, 2012-13, 2013-14, Other Years, Total Cost. Rows include Capital Expenditure, Capital Offsets, and Net Capital Expenditure.

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Worth.

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Total State Sector Impacts

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Costing assumptions used:

Funding grant of \$150,000 provided to the Bureau of Crime Statistics and Research (BOCSAR) to research the graffiti subculture. NSW Treasury have advised that BOCSAR is unable to conduct the research within its current funding allocation.

Handwritten signature of A.C. Harris

A.C Harris
Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C032  
 Released Date: 21-Mar-11

Proposal Title: Upgrade Nowra Fire Station and 24/7 fire stations for Nowra and Bathurst

Lead Agency: Fire and Rescue NSW

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		3,888	2,915	2,988	9,791
Depreciation			10	10	20
Less: Agency Offsets					0
Agency Revenue		3,662	2,489	2,552	8,703
<b>Net Operating Balance:</b>	0	-226	-436	-446	-1,108

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure		400				400
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	400	0	0	0	400

<b>Net Worth:</b>	0	-226	-662	-1,108
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<b>Net Financial Liabilities:</b>	0	626	1,052	1,488
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	626	1,052	1,488
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**Costing assumptions used:**

The current funding arrangements of emergency services agencies are shared by councils (11.7%), insurers (73.7%) and the State (14.6%).  
 Net operating balance represents the required level of government contribution. The contributions of councils and insurers are represented as agency revenue.  
 The Parliamentary Budget Office assume that 10 additional staff at both fire stations would represent a sufficient staffing level.  
 The Parliamentary Budget Office has no objection to Treasury's estimates on staff salaries including on-cost. Higher cost in 2011-12 is related to one-off training and equipment expenses for the additional staff, this is estimated at \$1 million.  
 The expenses in the forward years, excluding depreciation, have been escalated by 2.5% per annum.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C033  
 Released Date: 21-Mar-11

Proposal Title: A new Emergency Services State Training Academy

Lead Agency: Fire and Rescue NSW

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue		12,895	40,992	8,455	62,342
<b>Net Operating Balance:</b>	0	12,895	40,992	8,455	62,342

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure	100	15,000	48,000	9,900		73,000
Capital Offsets					25,000	25,000
<b>Net Capital Expenditure:</b>	100	15,000	48,000	9,900	-25,000	48,000

<b>Net Worth:</b>	0	12,895	53,887	62,342
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<b>Net Financial Liabilities:</b>	100	2,205	9,213	10,658
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	100	2,205	9,213	10,658
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**Costing assumptions used:**

The current funding arrangements of emergency services agencies are shared by councils (11.7%), insurers (73.7%) and the State (%). The contributions of councils and insurers are represented as agency revenue. The NSW Labor Party announced a proposal to establish a world class \$73 million Emergency Services State Training Academy. The Parliamentary Budget Office assumes the total cost of the project is \$73 million. The Parliamentary Budget Office has no objection to Treasury's estimates, subject to a comprehensive business case which is yet to be completed by the agency. \$25 million in capital offset in other years represents the proceeds from the sale of the existing Alexandria Training College. It is assumed that \$25 million is the market value of the College.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C034  
 Released Date: 21-Mar-11

Proposal Title: Recruit and train more young people to emergency services

Lead Agency: Department of Rural Fire Service

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,488	1,579	1,666	4,733
Depreciation					0
Less: Agency Offsets					0
Agency Revenue		1,270	1,348	1,423	4,041
<b>Net Operating Balance:</b>	0	-218	-231	-243	-692

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-218	-449	-692
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<b>Net Financial Liabilities:</b>	0	218	449	692
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	218	449	692
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**Costing assumptions used:**

The current funding arrangements of emergency services agencies are shared by councils (11.7%), insurers (73.7%) and the State (14.6%). The contributions of councils and insurers are represented as agency revenue. The NSW Labor party has committed \$6.4 million to recruit additional 16 staff to recruit and train volunteers. The Parliamentary Budget Office assumes that the total cost of this policy is \$6.4 million. Net operating balance represents the required level of government contribution. The forward years' expenses are escalated at 2.5% per annum. It is uncertain if the administration cost of this program is included in the \$6.4 million funding.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C035  
 Released Date: 21-Mar-11

Proposal Title: Limiting increases in key fees and charges

Lead Agency: Treasury, DII, DECCW

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	0	0	0	0	0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	0	0	0
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	0	0
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**Costing assumptions used:**

Labor is proposing that stamp duties, land tax, motor vehicle taxes, recreational fishing licences, national park entry fees, driver licence fee and vehicle registration fees be capped to the rate of inflation.

Costing is based on Treasury advice that stamp duty rates and land tax rates are specified under the relevant act and are currently fixed whilst motor vehicle weight taxes, registration fees, driver licence and National Park entry fees are currently adjusted in line with inflation. Implementation of this initiative is consistent with current policy and would not have any cost. Treasury costing advice is that forward estimates for recreational fishing licence fees revenue are currently escalated by 2.65% in 2011-12 and 2.5% per annum from 2012-13 which is below or equal to CPI for these years.

IPART sets entry fees to Kosciuszko National Park as part of the funding arrangement for the Perisher Infrastructure Redevelopment. If future IPART reviews determine prices in excess of CPI increases, the Government may need to meet any revenue shortfall as a result.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C038  
 Released Date: 21-Mar-11

Proposal Title: Cap increases in public transport fares

Lead Agency: Transport NSW

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	1,000	31,600	61,600	69,500	163,700
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	-1,000	-31,600	-61,600	-69,500	-163,700

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	-1,000	-32,600	-94,200	-163,700
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<b>Net Financial Liabilities:</b>	1,000	32,600	94,200	163,700
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	1,000	32,600	94,200	163,700
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**Costing assumptions used:**

Fare rises for Cityrail and State Transit Authority (STA) Buses will be equal to the estimated Consumer Price Index (CPI) growth of 2.5% in each financial year commencing 2011-12.

RailCorp has forecasted that CityRail will have patronage growth of 2.5%, 2.2% and 1.6% in each financial year commencing 2011-12.

STA has forecasted patronage growth of 1.0% in each financial year commencing 2011-12.

The impact of capping fares for Sydney Ferries, Stockton Ferry and CountryLink services are immaterial due to the lower patronage of these services.

Transport NSW has forecasted that private transport operators will have patronage growth of 1.0% in each financial year commencing 2011-12.

The costing does not include possible above CPI fare increases required to recuperate revenue foregone as a result of the Government's decision to defer fare increases from January 2011.

The reduction in revenues has a Budget impact as government agencies will have to increase operating subsidies to the transport entities.

The Government asked the Independent Pricing and Regulatory Tribunal (IPART) to undertake a fare determination for train, bus and ferry tickets to be effective from 1 January 2012. This costing assumes that IPART would not have recommended fare increases above CPI from 2012-13 onwards.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 10-Mar-11

Proposal No: C039  
 Released Date: 21-Mar-11

Proposal Title: Increase the Energy Rebate to \$250 per annum from 1 July 2011. Extend eligibility to NSW households earning combined income of under \$150,000 per annum from 1 July 2012.

Lead Agency: Department of Industry and Investment

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		180,503	411,395	402,655	994,553
Depreciation					0
Less: Agency Offsets		165,904	170,051	174,303	510,258
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-14,599	-241,344	-228,352	-484,295

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-14,599	-255,943	-484,295
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<b>Net Financial Liabilities:</b>	0	14,599	255,943	484,295
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	14,599	255,943	484,295
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**Costing assumptions used:**

The Energy Rebate will increase to \$250 from 1 July 2011. The amount of the rebate will not be indexed. There were 715,734 recipients of the Energy Rebate as at December 2010. Based on the forecast increase in the amount of pensioners and the existing take-up rate, there will be an additional 6,266 recipients of the Energy Rebate by 1 July 2011, giving a total of 722,010.

Currently, approximately 20,000 of the approximately 440,000 Health Care Card holders receive the Energy Rebate and this take-up rate is assumed for 2011-12. The take-up rate may increase due to the increased size of and publicity on the rebate. This would increase the estimated cost of the scheme.

Eligibility for the Energy Rebate will be expanded to all households with a combined income of under \$150,000 from 1 July 2012.

The number of households in NSW will grow at an assumed annualised rate of 1.2% in 2012-13 and 2013-14. There will be approximately 1.95 million households eligible for the rebate in 2012-13 & 1.91 million in 2013-14. NSW total gross income will grow at the national forecast rate.

The take-up rate of eligible households is assumed be 80% (the take-up rate for the Commonwealth's larger Child Care Rebate scheme appears to be around 85%). The cost of the scheme will be very sensitive to the take-up rate which can be influenced by the design of the scheme's administration.

The amounts in "Agency Offsets" are the budgeted amounts for the existing Energy Rebate scheme. The administration cost is estimated at 10% of the total additional payments from the scheme.

All payments from the scheme will be made in the year of eligibility. If documentary evidence of income is required, some of the expenditure may be deferred to later years because NSW does not have access to individual Commonwealth tax files. This will not materially affect the overall cost of the scheme.

No provision has been made for costs arising from false claims.





**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 11-Mar-11

Proposal No: C040  
 Released Date: 21-Mar-11

Proposal Title: Invest \$7.2 million to deliver additional facilities at Wyong Hospital

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation				180	180
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	-180	-180

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure			7,195			7,195
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	7,195	0	0	7,195

<b>Net Worth:</b>	0	0	0	-180
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<b>Net Financial Liabilities:</b>	0	0	7,195	7,195
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	0	7,195	7,195
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**Costing assumptions used:**

Costing based on Treasury advice that additional facilities are scheduled for delivery in 2012-13 and costing submitted. It has been assumed that any additional recurrent spending will be met from future Department of Health growth funding.

Treasury have advised that planning for expansion work is already under way.

Depreciation has been calculated at 2.5%.

A.C Harris  
 Acting Parliamentary Budget Officer



## Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 11-Mar-11

Proposal No: C041  
 Released Date: 21-Mar-11

Proposal Title: Invest \$32 million in new and upgraded primary and community health care facilities at Bulli, Dapto and Kurri Kurri

Lead Agency: Department of Health

### General Government Sector Impacts

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure	700	8,300	11,400	8,600	2,800	31,800
Capital Offsets						0
<b>Net Capital Expenditure:</b>	700	8,300	11,400	8,600	2,800	31,800

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	700	9,000	20,400	29,000
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### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	700	9,000	20,400	29,000
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### Costing assumptions used:

Primary care centre at Kurri Kurri will cost \$6.7 million.  
 Primary care centre at Bulli will cost \$9.4 million.  
 Primary care centre at Dapto will cost \$15.7 million.  
 These costs will be spread across the period from 2010-11 to 2014-15, as per costing request.  
 The costing request has assumed that all costs relate to capital expenditure with no additional recurrent funding required. This is based on the assumption that the centres will bring together existing services, such as general practitioners and community health staff, and these existing services are already allocated under the Budget.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 11-Mar-11

Proposal No: C042  
 Released Date: 21-Mar-11

Proposal Title: Invest \$30 million in a new and expanded Emergency Department at St George Hospital

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure	400	4,000	18,800	6,800		30,000
Capital Offsets	400	9,647				10,047
<b>Net Capital Expenditure:</b>	0	-5,647	18,800	6,800	0	19,953

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	0	-5,647	13,153	19,953
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	-5,647	13,153	19,953
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**Costing assumptions used:**

The NSW Labor Party announced an investment of \$30 million to expand Emergency Department at St George Hospital.

According to Treasury approximately \$10 million was committed for the Emergency Department upgrade in June 2010 and is included in the mid-year review. Therefore the net investment is approximately \$20 million. There will be a lower capital spending in 2011-12 by \$5.6 million due to a revised timetable for the project. This is offset by an increase in capital spending in 2012-13 and 2013-14.

There is no information for the Parliamentary Budget Office to estimate the administration and operating costs associated with this project.

Based on Treasury's information the project is expected to be completed in December 2014. The Parliamentary Budget Office assumes that there could be at least 6 months worth of depreciation cost in 2014-15.

A.C Harris  
 Acting Parliamentary Budget Officer



## Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 11-Mar-11

Proposal No: C043  
 Released Date: 21-Mar-11

Proposal Title: Invest \$24 million to expand and enhance the emergency department at the Children's Hospital Westmead

Lead Agency: Department of Health

### General Government Sector Impacts

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation				300	300
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	-300	-300

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure	800	10,700	10,500	2,000		24,000
Capital Offsets						0
<b>Net Capital Expenditure:</b>	800	10,700	10,500	2,000	0	24,000

<b>Net Worth:</b>	0	0	0	-300
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<b>Net Financial Liabilities:</b>	800	11,500	22,000	24,000
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### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	800	11,500	22,000	24,000
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### Costing assumptions used:

The NSW Labor Party announced an investment of \$24 million to expand and enhance the emergency department at the Children's Hospital Westmead.

The Parliamentary Budget Office assumes that the project will cost \$24 million as per the announcement.

The Parliamentary Budget Office does not support the Treasury's estimated capital spending profile over the forward years as it totals \$24.9 million.

There is no information for the Parliamentary Budget Office to estimate the administration and operating costs associated with this project.

Based on Treasury's information the project is expected to be completed in 2013. The Parliamentary Budget Office assumes that there could be at least 6 months worth of depreciation cost.

The Parliamentary Budget Office used 2.5% depreciation cost per annum.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 11-Mar-11

Proposal No: C044  
 Released Date: 21-Mar-11

Proposal Title: Invest \$10 million to expand and enhance paediatric services at John Hunter Hospital Newcastle

Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	0	0	0	0

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure	400	5,300	4,200	600		10,500
Capital Offsets						0
<b>Net Capital Expenditure:</b>	400	5,300	4,200	600	0	10,500

<b>Net Worth:</b>	0	0	0	0
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<b>Net Financial Liabilities:</b>	400	5,700	9,900	10,500
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	400	5,700	9,900	10,500
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**Costing assumptions used:**

According to the ALP policy document, "Right Care, Right Place, Right Time," \$10 million will be invested to expand and enhance paediatric services, including a new Paediatric Intensive Care Unit at the John Hunter Hospital in Newcastle.

In a more detailed announcement on the ALP website, the new facility was described as a \$10.3 million investment, however NSW Health have advised that the sum of cash flows is actually \$10.5 million.

The cashflows above, totalling \$10.5 million, have been assumed to be correct based on advice from the Department of Health, and that construction will be completed in 2013-14. Depreciation will not be material in that year.

Information on the level of service expansion will not be available until planning is completed, however it is assumed that recurrent costs from any expansion of services will be met from future Department of Health growth funding.

A.C Harris  
 Acting Parliamentary Budget Officer



**Parliamentary Budget Office - Policy Costing**

Referred By: Australian Labor Party (NSW Branch)  
 Referred Date: 11-Mar-11

Proposal No: C045  
 Released Date: 21-Mar-11

Proposal Title: Invest \$15 million to employ an additional 45 paramedics in high workload areas of Sydney, Central Coast, the Hunter, Cooma and Jindabyne  
 Lead Agency: Department of Health

**General Government Sector Impacts**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		750	2,306	4,727	7,783
Depreciation					0
Less: Agency Offsets					0
Agency Revenue					0
<b>Net Operating Balance:</b>	0	-750	-2,306	-4,727	-7,783

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	Other Years \$'000	Total Cost \$'000
Capital Expenditure						0
Capital Offsets						0
<b>Net Capital Expenditure:</b>	0	0	0	0	0	0

<b>Net Worth:</b>	0	-750	-3,056	-7,783
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<b>Net Financial Liabilities:</b>	0	750	3,056	7,783
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**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	750	3,056	7,783
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**Costing assumptions used:**

Assumes employee and goods and service costs are approximately \$150,000 per position in 2011-12, escalated by 2.5% p.a. in 2012-13 and subsequent years. Additional paramedics per year over the 4 years are assumed to be 5 in 2011-12, 10 in 2012-13, 15 in 2013-14 and 15 in 2014-15. This would result in a cumulative increase of 45 paramedics in 2014-15.

A.C Harris  
 Acting Parliamentary Budget Officer