



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 25/01/2015

Proposal No: A151
Date Published:

Proposal Title: **INCREASE POLICE NUMBERS BY 300**

Cluster: Justice

General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		9,649	24,469	40,025	74,143
Depreciation		75	224	374	673
Less: Offsets					0
Revenue					0
Net Operating Result:	0	-9,724	-24,693	-40,399	-74,816

Capital Expenditure		615	630	646	1,892
Capital Offsets					0
Net Capital Expenditure:	0	615	630	646	1,892

Net Lending/Borrowing:	0	-10,264	-25,099	-40,671	-76,035
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Net Financial Liabilities:	0	10,264	35,364	76,035
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Total State Sector Impacts

Net Financial Liabilities:	0	10,264	35,364	76,035
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Notes and costing assumptions

The policy proposes to introduce an additional 300 police, with 1/3 of trainees commencing in 2016, 2017 and 2018, to increase police numbers and strengthen the state's police force. As per the costing requests, the additional training places is capped at the number required to increase police numbers by 300.

It is assumed police officers are to be recruited annually in a progressive manner. The policy assumes new trainees are to be permanently employed as general duties police officers after completion of training.

Recurrent expenditure includes:

- employee related expenditure (\$54.6 million forward estimates)
- depreciation in relation to the capital expenditure (\$673,000 forward estimates)
- other expenses (\$19.5 million forward estimates) such as pre-attestation costs (cost of instructors, travel, consumable equipment), motor vehicle costs, operational costs, training, property costs, ICT costs, general Maintenance and Working (M&W).

The depreciation rate for capital expenditure is estimated at 25%. NSW Justice notes that depreciation costs use an average of depreciation rates for capital equipment. A range of rates are used depending on the mix of equipment purchased, and this in turn depends on which Command officers are assigned to. The rate for each capital item is in accordance with accounting standards, and government directives and agreed with the Audit Office.

Capital expenditure (\$1.9 million forward estimates) includes: equipment installed in police vehicles such as communications equipment, light bars, computer equipment, radar units. This equipment is reused as vehicles are

Costing assumptions continued:

replaced.

The full cost impact will occur in 2018/19 (\$46.4 million).

Costs are escalated at 2.5% annually.