



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Deploy energy efficient lighting to all hospitals
Date of request:	26 February 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Replace inefficient fluorescent and incandescent lighting with high efficiency LED technology in hospitals.
What is the purpose or intention of the policy?	Improve NSW hospital energy efficiency and reduce greenhouse gas emissions.
Has the policy been publicly released yet?	

Your estimated costing of the policy ¹						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years ² \$'000
Impact on General Government Sector (GGS) net operating result ³						
Impact on GGS capital expenditure ⁴						
If different from above, impact on total State Sector net financial liabilities ⁵						

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	No.
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>All lights that can reasonably be replaced with LEDs will be replaced in 2015-16, where this is practicable.</p> <p>The standard assumption should be that the LED lights will be operational for 15 years.</p> <p>The LED light models and installation methods should be selected such that the expected present value of NSW Government general government sector net liabilities is minimised.</p> <p>In addition, from 1 July 2015, new hospital lights should be LEDs consistent with the criteria and assumptions outlined for the replacement program.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	<p>If delaying the replacement of a subset of lights beyond 2015-16 results in a material saving in total project costs, please advise. If it is unreasonable or of substantially lower than average energy efficiency (considering both costs and benefits) to replace a subset of hospital lights (up to 30 per cent of all hospital lights), please advise. For this purpose, substantially lower than average relative efficiency would include lights where the ratio of the present value of estimated costs to the present value of estimated savings is more than 30 per cent greater than the median.</p>
Are there associated savings, offsets or expenses? If yes, please provide details.	<p>Please advise on expected energy savings. Please provide this analysis pro-rated to the rollout of the program and also on an annual basis once the rollout has been completed. Please provide advice on gross savings and savings net of maintenance.</p> <p>Please advise on expected savings over ten years and 15 years.</p>

Administration of policy	
Intended date of implementation:	1 July 2015.
Intended duration of policy:	Ongoing.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	NSW Ministry of Health.
Are there any specific administrative arrangements for the policy that need to be taken into account?	No.
Are there transitional arrangements associated with policy implementation?	..

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	Uncapped.
Eligibility criteria or thresholds:	..

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.