



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 17/03/2019

Proposal No: B416
Date Published: 18/03/2019

Proposal Title: Building more schools in NSW

Cluster: Education

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	85,000	180,000	155,000	420,000
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	85,000	180,000	155,000	420,000

Net Lending/(Borrowing):	-	(85,000)	(180,000)	(155,000)	(420,000)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(85,000)	(180,000)	(155,000)	(420,000)
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Notes and costing assumptions

The policy proposes to allocate an additional \$600 million from 2019-20 to 2022-23 for school construction and upgrades. The allocation profile specified by the policy is summarised in the table below.

(\$ million)	2018-19	2019-20	2020-21	2021-22	2022-23	Total by 2021-22	Total by 2022-23
Allocation	-	85	180	155	180	420	600

The PBO estimates that the total cost of the policy is \$420 million over the forward estimates and \$600 million by 2022-23.

Depreciation and operating expenses of schools (e.g. employee expenses) are excluded from this costing on the basis that the types of works are not yet known. For example, the building of a new school would incur the full range of operating costs, whereas a school upgrade may have no impact on operating costs.

The PBO also notes that the NSW Government will be providing an additional \$6.4 billion for schools across the State between 2019 and 2027 under the Gonski 2.0 agreement with the Commonwealth Government. The PBO considers this to be a potential source of funds to meet any additional costs.