



## Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 14/03/2019

Proposal No: B443  
Date Published: 18/03/2019

Proposal Title: Labor's Plan to support live music

Cluster: Industry

### General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	7,863	6,063	5,763	19,689
Depreciation	-	-	250	250	500
Less: Offsets	-	850	850	850	2,550
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	<b>(7,013)</b>	<b>(5,463)</b>	<b>(5,163)</b>	<b>(17,639)</b>

Capital Expenditure	-	10,000	-	-	10,000
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	<b>10,000</b>	-	-	<b>10,000</b>

<b>Net Lending/(Borrowing):</b>	-	<b>(17,013)</b>	<b>(5,213)</b>	<b>(4,913)</b>	<b>(27,139)</b>
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	<b>(17,013)</b>	<b>(5,213)</b>	<b>(4,913)</b>	<b>(27,139)</b>
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### Notes and costing assumptions

The policy is to provide \$35 million (including \$30 million in the forward estimates) to support live music in NSW through various initiatives including the creation of a new music development hub. The policy is estimated to reduce the net operating balance by \$17.6 million over the forward estimates, and reduce net lending by \$27.1 million. The cost over the forward estimates is estimated at \$30.189 million comprising \$27.139 million new funding, \$2.550 million in redirected funds from Arts NSW and \$0.5 million depreciation.

#### Costing assumptions

The policy specifies that recurrent spending will be \$7.863 million in 2019-20, \$6.063 million in 2020-21 and \$5.763 million in 2021-22 (with a further \$5.713 million in 2022-23). Of these amounts, the policy specifies \$0.850 million per year will be reallocated from within existing funding from relevant agencies (noted as offsets in the table above).

The policy also specifies that capital funding of \$10 million in 2019-20 would support the construction and fit-out of a music development hub, specifications for which would be scaled to available resources. We have assumed the capital spending is completed in 2019-20, and produces assets that are depreciated over 40 years in a straight line. This produces depreciation expenses of \$0.250 million a year in 2020-21 and 2021-22 (and 2022-23).

**Notes and costing assumptions continued:**

The policy specifies the recurrent funding would support:

- various programs including grants and the creation of a Music Industry Office, which would be scaled to available resources
- machinery of government changes to simplify and amalgamate noise and live music regulation, to be funded through reallocating existing resources
- a Night Life Commissioner, funded from existing resources with hours and remuneration scaled to available resources, and
- an on-going round table on the night time economy, funded from within existing resources.

Funding for the policy is provided to 30 June 2023.