



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 21/02/2019

Proposal No: Y065
Date Published: 18/03/2019

Proposal Title: Police Stations

Cluster: Justice

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 | - | - | 14,550 | 45,900 | 60,450 |
| Capital Offsets | - | - | 10,000 | 16,000 | 26,000 |
| Net Capital Expenditure: | - | - | 4,550 | 29,900 | 34,450 |

| | | | | | |
|---------------------------------|---|---|----------------|-----------------|-----------------|
| Net Lending/(Borrowing): | - | - | (4,550) | (29,900) | (34,450) |
|---------------------------------|---|---|----------------|-----------------|-----------------|

Total State Sector Impacts

| | | | | | |
|---------------------------------|---|---|----------------|-----------------|-----------------|
| Net Lending/(Borrowing): | - | - | (4,550) | (29,900) | (34,450) |
|---------------------------------|---|---|----------------|-----------------|-----------------|

Notes and costing assumptions

This policy proposes to build new police stations in Bega, Goulburn, Jindabyne, Thredbo and Perisher, and upgrade existing police stations in Bourke and Bathurst. The policy also proposes to build a new training facility in Dubbo. The policy assumes that these projects would start on 1 July 2020 and be completed by 30 June 2023.

Building and upgrading new police stations

NSW Treasury has provided advice on the most appropriate funding profile to use for these police station projects, as shown in Table 1.

Table 1

| | 2020-21 | 2021-22 | 2022-23 |
|-----------------|---------|---------|---------|
| Funding Profile | 7% | 46% | 47% |

This assumption is based on the average expenditure profile for other police station redevelopments approved last budget that span three years. However, detailed business cases have not yet been prepared, so the final profile may vary. Please note that the new training facility in Dubbo has a different funding profile, as advised by Treasury.

Notes and costing assumptions continued:

Based on the NSW Police Force Infrastructure Strategy, the estimated total project costs are listed in Table 2 below. NSW Police Force (NSWPF) has informed the PBO that these projects are still under development, and the final costs will be dependent on the completion of the business cases.

Table 2

| Area | Capital work type | 2020-21 \$'000 | 2021-22 \$'000 | 2022-23 \$'000 | Total \$'000 |
|--|-----------------------|-------------------|-------------------|-------------------|-----------------|
| Bega | New Station | 910 | 5,980 | 6,110 | 13,000 |
| Goulburn | New Station | 1,750 | 11,500 | 11,750 | 25,000 |
| Jindabyne Area (Jindabyne, Thredbo, Perisher Valley) | New Stations | 910 | 5,980 | 6,110 | 13,000 |
| Bourke | Major Upgrade | 490 | 3,220 | 3,290 | 7,000 |
| Bathurst | Major Upgrade | 490 | 3,220 | 3,290 | 7,000 |
| Dubbo | New training facility | 10,000 | 16,000 | 9,000 | 35,000 |
| Total | | 14,550 | 45,900 | 39,550 | 100,000 |

Building a new training facility

The NSWPF has provided advice that the cost of the training facility can be met from within its existing capital budget. Therefore, the cost of this project is offset in this costing (shown in the capital offsets line of the costing table on previous page) and there is no net impact on budget result.

Operating costs

NSWPF has advised that no additional funds are required to operate these new stations, as these costs can be met from within the existing recurrent budget.

Depreciation

Given the assumed completion date of these projects is 30 June 2023, depreciation costs have not been included in this costing.