



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 27/02/2019

Proposal No: Y080
Date Published: 18/03/2019

Proposal Title: Record Investment in NSW Schools Infrastructure

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	-	30,470	324,841	384,883	740,194
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	30,470	324,841	384,883	740,194

Net Lending/(Borrowing):	-	(30,470)	(324,841)	(384,883)	(740,194)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(30,470)	(324,841)	(384,883)	(740,194)
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Notes and costing assumptions

The policy is to either upgrade or build 39 schools at a cost of \$740.2 million over the forward estimates and a further \$177.2 million in 2022-23 and \$7.2 million in 2023-24. The cost of the policy is \$917.4 million between 2019-20 and 2022-23 and \$924.6 million between 2019-20 and 2023-24.

Most of the work proposed involves school upgrades including works to remove demountables, build permanent teaching spaces, upgrade existing teaching spaces and upgrade facilities. Some of the schools have heritage or site constraints which increases the project cost. A list of new and upgraded school locations is shown in the Appendix.

The PBO has verified the individual project costings provided with the proposal against the cost of similar projects. Information to assist in the costing has been provided by the Department of Education. The costing assumes the spending profile of project cashflows, which start at initial project planning through council approval processes and building to project completion.

Year 1	Year 2	Year 3	Year 4	Year 5
1%	59%	26%	12%	3%

The proposal includes a 10% contingency over and above any project based contingency. The PBO considers this reasonable as no detailed project feasibility, site investigation or analysis has been undertaken.

The PBO assumes that none of the new or upgraded schools incur additional operational costs (for example, salaries) or depreciation expense over the forward estimates.

Appendix

LIST OF LOCATIONS FOR NEW AND UPGRADED SCHOOLS

Bangalow	Baulkham Hills	Bexhill
Bungendore	Castle Hill	Cranebrook
Cronulla	Eastwood	Emu Plains
Engadine	Epping	Glenfield
Heatherbrae	Jannali	Jerrabomberra
Jindabyne	Killarney Vale	Marsden Park
Millthorpe	Milperra	Milton
Mona Vale	Mosman	Mulgoa/Glenmore Park
Muswellbrook	North Sydney	Nowra/Worrigee
Orange	Orange Grove	Port Macquarie
Queanbeyan	Raymond Terrace	South Penrith
Stanwell Park	Tallawong	Teven/Tintenbar
The Ponds		