



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1643
Date Referred: 16/03/2023 **Date Published:** 20/03/2023
Proposal Title: Investing in Local Communities
Cluster: Cross-Cluster

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4-year Total \$'000
Expenses (ex. depreciation)	12,750	108,000	79,500	38,250	238,500
Depreciation					-
Less: Offsets	4,300	6,100	9,200	3,100	22,700
Revenue					-
Net Operating Balance:	(8,450)	(101,900)	(70,300)	(35,150)	(215,800)

Capital Expenditure	-	9,500	19,200	5,600	34,300
Capital Offsets					
Net Capital Expenditure:	-	9,500	19,200	5,600	34,300

Net Lending/(Borrowing):	(8,450)	(111,400)	(89,500)	(40,750)	(250,100)
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Total State Sector Impacts

Net Lending/(Borrowing):	(8,450)	(111,400)	(89,500)	(40,750)	(250,100)
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Notes and costing assumptions:

The policy proposes to provide a total of \$298.6 million in grants to councils and non-government organisations to support local upgrades to sporting infrastructure across NSW, assist in delivering local projects through improving local amenities and expand local infrastructure and tourism.

The policy proposes to provide a total of \$160 million in grants for Sporting Infrastructure, \$95 million in grants for Local Projects, \$34.25 million in CAPEX grants and \$9 million in other smaller projects. Refer to **Table 1** for the funding profile.

Funding for the delivery of the OPEX grants across the forward estimates and subsequent years to be paid in percentage intervals of the total grant amount (\$255m) in the following split:

- 2022-23 = 5%
- 2023-24 = 40%
- 2024-25 = 30%
- 2025-26 = 15%
- 2026-27 = 10%

Notes and costing assumptions continued:

The policy assumes the administration of these grants will be absorbed within existing resources within the relevant agencies budget.

Grants will be dispersed in accordance with the grant guidelines and milestone payments

The policy assumes the grants to be partially offset from the underspends of sports funds under the Office of Sport’s existing budget which the policy has been noted to be \$22.7 million across the forward estimates. However, the use of these funds will impact the ability of the Office of Sport to deliver other programs

The PBO estimates the cost of the policy to have a budget impact of \$8.4 million in 2022-23, \$111.4 million in 2023-24, \$89.5 million in 2024-25, \$40.75 million in 2025-26 and a subsequent budget impact of \$25.8 million in 2026-27. The total budget impact across the forward estimates to 2025-26 is \$250.1 million.

Table 1 – Funding Profile (OPEX)

	OPEX					Total \$'000
	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	
Funding Allocation						
Grants to Councils & Non-Government Organisations	4,750	38,000	28,500	14,250	9,500	95,000
Sporting Oval and Facility Upgrades	8,000	64,000	48,000	24,000	16,000	160,000
Other	-	6,000	3,000	-	380	9,380
Subtotal	12,750	108,000	79,500	38,250	25,880	264,380
Budget Savings (Underspends)	4,300	6,100	9,200	3,100	-	22,700
Total	8,450	101,900	70,300	35,150	25,880	241,680

Table 2 – Funding Profile (CAPEX)

	CAPEX					Total \$'000
	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	
Young Police Station	-	4,500	9,200	5,600	-	19,300
Expand Tallawong metro car park	-	5,000	10,000	-	-	15,000
Total	-	9,500	19,200	5,600	-	34,300

Caveat

The policy assumes the delivery for individual projects will be determined by milestones and may be subject to change. This may result in funding being paid earlier and/or later than scheduled.