



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party
Date Referred: 8/02/2023
Proposal Title: Recruit 100 additional police
Cluster: Stronger Communities

Proposal No: C1582
Date Published: 20/03/2023

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	4,204	7,894	13,972	26,070
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(4,204)	(7,894)	(13,972)	(26,070)

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	(4,204)	(7,894)	(13,972)	(26,070)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(4,204)	(7,894)	(13,972)	(26,070)
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Notes and costing assumptions:

The policy proposes to recruit an additional 100 police over four years in the Sydney metropolitan area, which will fill existing vacancies upon formation of government.

The 100 police officers will be allocated to Police Area Commands (PAC) as follows:

- 50 police officers for North West Sydney would be added to the Riverstone and Hawkesbury PAC in the first instance, with surrounding PAC to receive any balance.
- 50 police for South West Sydney would be added to the Camden Police Area Command and Campbelltown City PAC, with surrounding PAC's to receive any balance.

The policy specifies the number of new police officers who will be recruited each year.

The Parliamentary Budget office (PBO) has costed the policy over the forward estimates as \$26.1 million, with further costs of \$20.0 million in 2026-27.

The PBO notes that there will be costs beyond the life of the policy relating to the salaries and wages for the new police officers.

Key Assumptions

The PBO has consulted NSW Police Force (NSWPF) in costing the policy.

Notes and costing assumptions continued:

- The Parliamentary Budget Office (PBO) assumes that the new officers will be recruited in 2022-23 as the policy's implementation date is upon formation of government.
- NSWPF advised that the cost of hiring one general duties police officer is \$169,857, with training costs prior to becoming fully operational of \$30,667 per recruit in their first year (in 2022-23 dollars).
- NSW Treasury advised that wages would increase consistent with the *NSW Public Sector Wages Policy 2022*, see Table 1.
- NSWPF advised that a police vehicle is required for new police hires at a ratio of one general duties police car to five officers.
 - NSWPF advised that general duties police cars are leased by the agency.
 - The cost of an additional vehicle is \$18,300 each year, which includes \$9,600 for motor vehicle running costs and \$8,700 for lease payments.
 - This amounts to \$3,660 each year per officer.
- The cost of the policy would be the annual cost above, multiplied by the number of recruits each year.

Table 1 – Annual costs of the policy

<i>Costs per officer</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>
<i>Wage increase</i>	3.0%	2.5%	2.5%	2.5%
<i>Officers hired each year per policy</i>	20	20	30	30
Costs calculated on cumulative number of new police officers				
Salaries and wages per officer (\$) (<i>escalated by wages policy</i>)	174,953	\$179,327	\$183,810	\$188,405
Total salaries and wages each year (\$)	3,499,054	7,173,061	12,866,678	18,840,493
One-off costs calculated on number of new police officers each year				
Training costs prior to becoming fully operational per officer (\$) (<i>escalated by wages policy</i>)	31,587	32,377	33,186	34,016
MV lease and operational costs per officer (\$)	3,660	3,660	3,660	3,660
Total one-off costs for recruits hired each year (\$)	704,940	720,734	1,105,383	1,130,273
Total costs each year (\$)	4,203,994	7,893,795	13,972,061	19,970,766

- The cost per officer above would differ for specialist commands, including highway patrol, who require different equipment and training.

Risks and uncertainties

NSWPF has advised that any additional recruits will have to complete their Associate Degree in Policing Practice (ADPP) from Charles Sturt University.

However, there are capacity restraints around the number of candidates that can be facilitated by the University each year (such as number of students to teachers per class). Any increase in recruits or ADPP candidates would require negotiations with the University and may incur costs that are not yet known and have not been included in the costing.

The costing assumes that the additional recruits would reduce overtime payments. However, NSWPF has advised that at present overtime is limited and budgets are not being exceeded.

This is because rostering is dependent on first response requirements and demand for proactive policing (such as patrol) by unit. Generally, where there are vacancies in a unit, proactive policing is reduced to ensure that first response requirements are met. Any overtime is at the unit commander's discretion.

Hence, there is a limited relationship between recruiting additional police and reducing overtime.

NSWPF has also advised that any increase in police officers, would also require other equipment, administration staff and intelligent analysts, as well as costs related to police station fit out (including desks, amenities, and gun lockers) - which are dependent on where the officers are assigned. These have not been included in the costing.