



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party
Date Referred: 10/03/2023
Proposal Title: Local small commitments allocation
Cluster: Whole of Government

Proposal No: C1612
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)		40,200			40,200
Depreciation					-
Less: Offsets	31,200				31,200
Revenue					-
Net Operating Balance:	31,200	(40,200)	-	-	(9,000)

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

Net Lending/(Borrowing):	31,200	(40,200)	-	-	(9,000)
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Total State Sector Impacts

Net Lending/(Borrowing):	31,200	(40,200)	-	-	(9,000)
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Notes and costing assumptions:

The proposal is to reserve an allocation to account for, track and deliver small election commitments. Money would be allocated in accordance with election commitments of local candidates and with program guidelines.

The policy states there would be a nominal commitment of \$400,000 for each electorate in NSW, which result in a total cost of \$37.2 million (93 electorates x \$400,000).

The proposal will also fund \$3 million for multicultural community commitments.

The proposal would be funded from the NSW Generations Fund Community Services and Facilities Fund. The current uncommitted balance in the fund is \$31.2 million (budgeted in 2022-23) which is less than is needed.

Commitments would be funded in 2023-24 and the program will not be ongoing.

This means the uncommitted balance will have to be reprofiled to 2023-24, and the remaining \$9 million (\$40.2 million - \$31.2 million = \$9 million) will be a cost to the budget.

Notes and costing assumptions continued:

The Department of Premier and Cabinet will track commitments.

Background

The purpose of the Community Services and Facilities Fund is to provide funding for cost-effective facilities and services throughout New South Wales that improve the wellbeing of communities and the lives of the people of New South Wales. This may be for the purpose of:

- protecting public health and preventing disease, illness, injury, disability or premature death
- promoting conditions in which persons can be healthy and safe
- promoting involvement with community or culture
- increasing participation in programs, services or activities that aim to improve the overall wellbeing of the community
- any other purposes prescribed by the regulations.¹

Caveat

Legislation limits the use of money from the Community Services and Facilities Fund to 'all or any part of the cost of any project, program or initiative that the Minister is satisfied promotes the purpose of the Fund'.²

This means that any election commitments must align with the purpose of the fund if they are to be paid from the fund.

¹ *NSW Generations Funds Act 2018* No 37, pt 2, div 3.12.

² *NSW Generations Funds Act 2018* No 37, pt 2, div 3.14.