PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by:	Australian Labor Party	**Proposal No:**	C1683
Date Referred:	15/03/2023	**Date Published:**	20/03/2023
Proposal Title:	Mascot Towers Package		
Cluster:	Customer Service		

General Government Sector Impacts

	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000	4 year Total $'000
Expenses (ex. depreciation)	-	2,800			2,800
Depreciation					
Less: Offsets					
Revenue					
Net Operating Balance:	-	**(2,800)**			**(2,800)**
Capital Expenditure	-				
Capital Offsets					
Net Capital Expenditure:	-				
Net Lending/(Borrowing):	-				

Total State Sector Impacts

	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000	4 year Total $'000
Net Lending/(Borrowing):	-	**(2,800)**			**(2,800)**

Notes and costing assumptions:

The proposal is for the Government to:

- Partner with the Mascot Towers owners to remediate (repair) the building by providing either a direct loan or a loan guarantee (enabling access to low interest private sector finance),

- Extend the current accommodation support package until owners can move safely back into Mascot Towers, and

- Legislate to allow Bayside Council to waive rates for the period the residents are unable to live in the building.

The PBO has assumed:

- The government will provide a loan guarantee which will represent a contingent liability on the State's balance sheet,

- The current accommodation support package will be extended by a further year to 30 June 2024, and

Notes and costing assumptions continued:

- Bayside Council will not seek any compensation for the waiver of property rates on the Mascot Towers site.

Currently the assistance package provided by the Government to the owners of Mascot Towers is funded by the Rental Bond Board (which is part of the General Government sector) at a cost of around $250,000 per month, with this cost gradually declining over time. Based on this, the PBO estimates that the cost of extending the assistance package to 30 June 2024 would be around $2.8 million. The PBO has assumed that any legislative costs would be absorbed within the existing resources of relevant agencies.