



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

# Budget Impact Statement 2015

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## *Coalition*

Part Two of Two

23 March 2015

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## List of policies included in the Budget Impact Statement

The table below lists the policies submitted by the Coalition for inclusion in the Budget Impact Statement that have been costed by the Parliamentary Budget Officer.

Number	Proposal Title
C003	Social Housing Community Improvement fund
C006	Institute of Open Adoption – increase number of adoptions in NSW to ensure vulnerable children & young people have safe, secure & stable homes
C008	Making property sales data and land valuation data freely available – to make process of buying a house or land easier & more efficient for both buyers & sellers
C013	Telecommunication Services in Regional NSW – to eliminate some of NSW's worst mobile phone black spots
C014	Support our veterans
C015	Tough sentencing for serious criminals
C016	Deliver more services valued by seniors
C017	Aboriginal Centre for Excellence
C020	Enhance and expand our National Parks – expand the Goulburn River, Dharawal National Parks and protect resident emu populations in Wianamatta Regional Park
C021	National Parks – Increase Access – hold one year trial of one-year multi-parks annual pass purchases available at \$15 discount in NSW motor vehicle registration process & available for purchase at Service NSW centres
C022	Parramatta River – More ferries & services – provide more ferries & ferry services along Parramatta River
C023	Combating Child Sexual Assault – Support child sexual assault victims & crack down on sex offenders
C024	Delivering the NDIS early – bring forward full national disability insurance scheme for eligible people in Penrith/Blue Mountains from July 2015
C025	Strengthen NSW Police Force
C026	Jobs for NSW – attract new jobs and businesses to NSW
C027	Trial car sharing services in government – support and develop innovative and efficient car sharing businesses by requiring public servants to use cost effective transport services with a view to reducing size and cost of government fleet
C028	Overhauling the companion animal registration system for cats and dogs – to promote responsible pet ownership and responsible breeding practices
C030	Growing the arts and cultural sector in Western Sydney – allocate \$30 million over four years
C031	Reforming Energy Rebates – assisting families with the cost of electricity & gas
C033	Health Capital – Transform Patient Health Care: Spend more than \$5 billion to build/upgrade more than 60 hospitals and health services
C034	Harnessing new technology to prevent shark attacks
C035	Eliminating unnecessary duplication across Government – produce savings upon identification of government agencies, bodies, commission, panels, boards and committees whether there is unnecessary duplication between entities
C038	1.5% Efficiency Dividend
C039	Implementation of ten whole of government procurement savings initiatives
C040	Support our rural firefighters in better protecting our communities – equip rural firefighters with the tools they need to better protect our communities in times of crisis
C041	Specialist Subjects, Successful Students – take steps to increase number of students studying maths, science, Asian language courses
C047	Boost funding for Landcare – build capacity of local landcare & other volunteer conservation groups (\$15 million 2015 to 2019)
C048	Save our Species – Invest \$100 million over five years from 2015/2017 protecting all threatened species in NSW

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**Costing****Reference      Proposal Title**

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C049	Cash Management Practices – Achieve savings through improved cash management practices
C053	Rebuilding NSW – plan to turbocharge NSW with \$20 billion of new, productive infrastructure to create more than 100,000 new jobs, produce downward pressure on electricity prices and boost NSW economy by almost \$300 billion over 20 years
C054	Boosting Police Citizen Youth Clubs (PCYCs) – commit \$2.5 million over 4 years to help refurbish or expand three PCYCs
C055	Supporting the RSPCA – commit \$2 million over 4 years in grant funding
C056	Growing the NSW Visitor Economy – grow visitor economy in NSW and make Sydney the No. 1 destination for major events
C057	Victims Compensation Scheme – remove retrospective application of <i>Victims' Rights &amp; Support Act 2013</i> and assess all claims arising up until the introduction of the new legislation
C073	Reduction to DPC Contingency Fund
C076	\$20 million Before and After School Care Fund
C081	Treasurer's Advance – use to fund changes in Victims' Compensation Scheme expenses in 2014-2015
C082	Fixed Commitments for Local Projects

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# Parliamentary Budget Office - Election Policy Costing

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Referred By: Coalition  
Date Referred: 13/02/2015

Proposal No: C003  
Date Published: 23/03/2015

Proposal Title: **SOCIAL HOUSING COMMUNITY IMPROVEMENT FUND**

Cluster: Family and Community Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		6,000	6,150	8,405	20,555
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(6,000)	(6,150)	(8,405)	(20,555)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(6,000)	(6,150)	(8,405)	(20,555)
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<b>Net Financial Liabilities:</b>	-	6,000	12,150	20,555
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	6,000	12,150	20,555
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## Notes and costing assumptions

The policy proposes to improve the liveability and amenity of social housing communities. The policy provides a Social Housing Community Improvement Fund capped at \$20.6 million ( \$20 million escalated for inflation) starting July 2015. NSW Treasury has estimated the \$20.6 million will be spent from July 2015 to June 2018.

Under the policy, Local Councils, community non-profit groups and private sector organisations are able to apply for funding of up to \$50,000 per project. Funding will be granted to approved applicants where projects improve community infrastructure or facilities, enhance open spaces, improve open safety, increase accessibility or facilitate integration between social housing and the broader community.

Staff related costs to administer the program are assumed to be met from the \$20.6 million. Based on similar infrastructure grants five full time staff are needed to administer the program. Any administration costs required after the three year program timeframe is assumed to be met from existing resources.

Ongoing maintenance costs of projects funded are assumed to be met from existing resources of bodies responsible for the infrastructure. The costing assumes the policy work required to align these grants with social housing policy objectives and with community needs will be met by agencies. These assumptions appear reasonable.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Social Housing Community Improvement Fund
Date of request:	12/2/2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To improve the liveability and amenity of social housing communities
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	6,000	6,150	8,405	20,555	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	No
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	July 2015
Intended duration of policy:	Forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Family and Community Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped amount
Eligibility criteria or thresholds:	<p>Project proposals will be assessed through an expression of interest process open to local councils, incorporated community-based not-for-profit groups or private sector organisations (or combinations of these groups).</p> <p>Applicants must demonstrate their collaboration, planning and implementation with local social housing residents to ensure projects benefit local tenants. Projects must take place either on or adjacent to social housing properties.</p> <p>Priority will be given to projects that:</p> <ul style="list-style-type: none"> <li>• Bring additional resources to leverage the</li> </ul>

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

	<p>NSW government funding</p> <ul style="list-style-type: none"> <li>• Attract clubs, sporting and other organisations to deliver additional services and programs</li> <li>• Maximise the benefit of asset improvement by linking to work being undertaken by local councils, NGOs or the private sector</li> <li>• Enhance existing projects to deliver the identified objectives of the funding</li> </ul> <p>Notwithstanding the eligibility criteria, the policy is strictly capped per Attachment B</p>
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If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).

Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - For example, will additional staff be needed in the agency responsible for the policy?
  - If you have assumptions on this, how many and at what approximate levels?
  - Are there other administrative resources required?
  - Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

# A re-elected Baird Government will deliver a \$20 million social housing community improvement fund



**The Baird Government is committed to helping build better and stronger social housing communities.**

The Baird Government is committed to making the social housing system better and stronger. This includes ensuring that the physical facilities and community environments in and around social housing are positive places for residents and neighbours.

Since the Baird Government took office, we have taken important steps to improve the social housing system including making the waiting list transparent so people can make better decisions, cracking down on rorters, and introducing measures so more people can access housing. We have also made smart decisions like Millers Point so more money can be reinvested into the social housing system, and we have released Social Housing in NSW: A discussion paper for input and comment, to guide future reforms.

A re-elected Baird Government will do even more to improve the amenity of the social housing system by creating a Social Housing Community Improvement Fund.

### **A re-elected Baird Government will:**

- ✓ Deliver a \$20 million Social Housing Community Improvement Fund to improve the liveability and amenity of social housing communities

Local Councils, community non-profit groups and private sector organisations will be eligible to apply for funding of up to \$50,000 per project.

Funding will be granted to projects which improve community infrastructure or facilities, enhance open spaces, improve safety, increase accessibility for older people or people with disability, or facilitate integration between the social housing and broader community.

The Social Housing Community Improvement Fund will make an important contribution to the amenity of social housing communities.

# Back the Baird Plan and Keep NSW Working.

## 2015 Election Policy Costing

**Proposal Title:** Social Housing Community Improvement Fund

**Lead Agency:** Department of Family and Community Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	6,000	6,150	8,405	20,555
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-6,000	-6,150	-8,405	-20,555
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-6,000	-6,150	-8,405	-20,555
<b>Net Financial Liabilities:</b>	0	6,000	12,150	20,555	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	6,000	12,150	20,555
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### Notes and costing assumptions used:

FaCS would administer a Social Housing Community Improvement Fund (SHCIF) to fund physical improvements on or adjacent to social housing properties to: improve community infrastructure and recreation areas; increase accessibility for older people/people with a disability; improve safety; or increase integration between social housing and the surrounding community. Local councils, NGOs and private sector bodies would be eligible to apply for a grant of up to \$50,000. Priority would be given to projects that leverage the SHCIF funding with additional resources or services from bodies outside the NSW Government, or enhance existing projects so that they also deliver the objectives of the SHCIF.

Potential to absorb the costs of the proposal within the cluster is limited. Staff costs of administering the program are assumed to be met from the allocation of \$20m from the Consolidated Fund. Based on similar infrastructure grants programs in other agencies, staffing requirements are estimated to be a minimum of 5 FTE. Any administration required after the 3-year program timeframe is assumed to be met from existing FACS resources. Ongoing maintenance costs of capital works funded by the program are assumed to be met from existing resources of Land and Housing Corporation or other bodies responsible for the infrastructure. The costing assumes the policy work required to align these grants with social housing policy objectives and with community needs will be met by agencies.



# Parliamentary Budget Office - Election Policy Costing

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Referred By: Coalition  
Date Referred: 19/02/2015

Proposal No: C006  
Date Published: 23/03/2015

Proposal Title: **INSTITUTE OF OPEN ADOPTION**

Cluster: Family and Community Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,000	950	900	2,850
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(1,000)	(950)	(900)	(2,850)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(1,000)	(950)	(900)	(2,850)
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<b>Net Financial Liabilities:</b>	-	1,000	1,950	2,850	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	1,000	1,950	2,850	
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## Notes and costing assumptions

The proposed policy is to establish a government-supported Institute of Open Adoption. The policy will provide funding of \$2.85 million over three years by way of grant. The Government will also call for Expressions of Interest from universities, stakeholders and other interested parties to partner with the Government. The intended time of implementation is April 2015.

The Institute will lead independent research into open adoption to inform policy, professional development and practice in the field. The Institute will build community awareness of contemporary adoption practice, and support efforts to improve pathways to adoption.

The costing assumes that: the Government's contribution to the cost of the Institute would be \$2.85 million; the Government's contribution will be by way of grant funding to a non-government entity; funding will be over 3 years and terminates in 2017-18; and partners will be found through an Expressions of Interest process.

It is assumed the activities of the Institute will be scaled within the funding available from the Government (\$2.85 million) and from any additional contribution from a partner or partners and from donations.





## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Institute of open adoption
Date of request:	17 February 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To increase the number of adoptions in NSW to ensure that vulnerable children and young people have safe, secure and stable homes.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	0	1000	950	900	2850	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	April 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Family and Community Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachments A&B
Are there transitional arrangements associated with policy implementation?	Refer to Attachments A&B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	Refer to Attachment B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will establish an Institute of Open Adoption



**The Baird Government is committed to increasing the number of adoptions in NSW. We want to ensure that vulnerable children and young people have safe, secure and stable homes.**

When safe family homes are not possible, we believe that open adoption can be the best option to provide children and young people with stability. Open adoption refers to building the relationship between the birth and adoptive families through contact with each other.

Making open adoption of children and young people quicker and easier is a key part of the Government's Safe Home for Life reforms of the child protection system. The reforms create better pathways for children and young people to transition from Out-of-Home Care to open adoption.

While Out-of-Home Care adoptions in NSW have increased in NSW from 45 in 2010 to 82 in 2013-14 we can and should do much better. The Baird Government is committed to increasing the number of Out-of-Home Care adoptions in NSW, as well as working with the Commonwealth and other States to increase inter-country adoptions.

One of the key aims of the Institute is to strengthen service provision to children adopted from Out-of-Home Care and their families by supporting evidence based training.

The NSW Government will provide \$2.85 million in funding over three years to establish the Institute. We will be calling for Expressions of Interest from universities, stakeholders and other interested parties to partner with us on this initiative.

### A re-elected Baird Government will:

- ✓ Establish an Institute of Open Adoption to lead high-quality, independent research into open adoption to inform policy, professional development and practice in the field and build community awareness of contemporary adoption practice.
- ✓ Improve processes and timeframes for adopting children and young people in Out-of-Home Care.
- ✓ Continue to work with the Commonwealth and other States on COAG processes to increase inter-country adoption.

The Institute will help build community awareness of contemporary adoption practice, and support the Government's efforts to make pathways to adoption quicker and easier.

## Back the Baird Plan and Keep NSW Working.

## 2015 Election Policy Costing

**Proposal Title:** Institute of Open Adoption

**Lead Agency:** Department of Family and Community Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	1,000	950	900	2,850
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-1,000	-950	-900	-2,850
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-1,000	-950	-900	-2,850
<b>Net Financial Liabilities:</b>	0	1,000	1,950	2,850	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	1,000	1,950	2,850
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### Notes and costing assumptions used:

The proposal is to establish a government-supported Institute of Open Adoption. The Government will call for Expressions of Interest from universities, stakeholders and other interested parties to partner with the Government. The Institute will lead independent research into open adoption to inform policy, professional development and practice in the field. The Institute will build community awareness of contemporary adoption practice, and support efforts to improve pathways to adoption.

The costing assumes that: the Government's contribution to the cost of the Institute would be \$2.85 million; the Government's contribution will be by way of grant funding to a non-government entity; funding will be over 3 years and terminates in 2017-18; and partners will be found through an Expressions of Interest process.

It is assumed that the functions of the Institute listed above (reflecting the 1 February press release) will be carried out within the funding available from the Government (\$2.85 million) and from any additional contribution from a partner or partners and from donations.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 19/02/2015

Proposal No: C008  
Date Published: 23/03/2015

Proposal Title: **MAKING PROPERTY SALES DATA AND LAND VALUATION DATA FREELY AVAILABLE**

Cluster: Treasury & Finance

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets					-
Revenue		(1,100)	(1,128)	(1,156)	(3,383)
<b>Net Operating Result:</b>	-	<b>(1,100)</b>	<b>(1,128)</b>	<b>(1,156)</b>	<b>(3,383)</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>(1,100)</b>	<b>(1,128)</b>	<b>(1,156)</b>	<b>(3,383)</b>
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<b>Net Financial Liabilities:</b>	-	<b>1,100</b>	<b>2,228</b>	<b>3,383</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>1,100</b>	<b>2,228</b>	<b>3,383</b>
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## Notes and costing assumptions

The policy proposes to make some property sales data and land valuation data freely available. The intention of the policy is to make the process of buying a house or land easier and more efficient for both the buyer and seller. The policy is intended to commence in 2015-16.

Land and Property Information (LPI), a division of the Office of Finance and Services, is the key provider of property information in NSW. The policy will reduce expected revenue from the sale of property data generated by LPI. The forgone revenue will be from both retail and wholesale (third party information re-sellers) customers.

This policy assumes any technology requirements to implement the policy will be met within existing resources. The Parliamentary Budget Office has been advised any additional technology requirements will be minimal. This assumption seems reasonable.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Making property sales data and land valuation data freely available
Date of request:	17 February 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To make the process of buying a house or land easier and more efficient for both buyers and sellers
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	1,100	1,128	1,156	3,383	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	Refer to Attachment A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	From April 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of Finance & Services, Land & Property Information
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachments A&B
Are there transitional arrangements associated with policy implementation?	Refer to Attachments A&B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Demand driven
Eligibility criteria or thresholds:	Refer to Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will make property sales information freely available



**The Baird Government recognises that real estate purchases are often the most significant financial investment that families and individuals will make in their lifetime. We want to make the process of buying a house or land easier and more efficient for both buyers and sellers.**

The importance of accurate and accessible land and property information cannot be overstated. Over \$120 billion in economic activity each year in NSW, constituting about 25% of gross state product, is underpinned by the State's land and property information. More than 860,000 real estate transactions were undertaken in NSW in 2013-14, and over 4 million requests to the Government for land and property information are made each year.

The Government is committed to making better use of the knowledge and information that it holds to stimulate economic growth and improve services to the community. In line with this commitment, we are making land and property information more freely available and easily accessible. Better access to land and property valuation information will help families and investors make better and more informed decisions when buying and selling property.

We have already launched the NSW Globe, a free and easily accessible product that displays NSW Government maps and spatial data, including land parcel, property address and road information. Land valuations for the entire state – about 2.5 million – are, for the first time, free to view on-line, on the Globe.

### A re-elected Baird Government will:

- ✓ Aim to make residential property sales data for the most recent 10 years available to view for free from October 2015.
- ✓ Provide a summary of all residential sales by street and suburb.
- ✓ Explore the release of residential land valuation and sales data in an open format to promote broader industry and community use.

The next step is to enable property buyers and sellers to view residential property sales data for the most recent 10 years, provided free of charge by the Government. Under this initiative, users will be able to move from street to street, and locality to locality, with the assistance of aerial imagery.

With this initiative, the Globe will become a central and convenient point for accessing comprehensive land and property information.

# Back the Baird Plan and Keep NSW Working.

## 2015 Election Policy Costing

**Proposal Title:** Making property sales data and land valuation data freely available

**Lead Agency:** Office of Finance and Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	0	0	0
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	-1,100	-1,128	-1,156	-3,383
<b>Net Operating Result:</b>	0	-1,100	-1,128	-1,156	-3,383
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending:</b>	0	-1,100	-1,128	-1,156	-3,383
<b>Net Financial Liabilities:</b>	0	1,100	1,128	1,156	

### Notes and costing assumptions used:

This proposal is to make some property sales data and land valuation data freely available.

The cost of this proposal involves forgone revenue from the sale of property data.

The revenue loss would be from both retail clients and the wholesale market (i.e. current third party information re-sellers of Land and Property Information's data).



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 4/03/2015

Proposal No: C013  
Date Published: 23/03/2015

Proposal Title: **TELECOMMUNICATION SERVICES IN REGIONAL NSW**

Cluster: Trade and Investment, Regional Infrastructure and Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		8,340	8,549	8,741	25,630
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(8,340)	(8,549)	(8,741)	(25,630)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(8,340)	(8,549)	(8,741)	(25,630)
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<b>Net Financial Liabilities:</b>	-	8,340	16,889	25,630	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	8,340	16,889	25,630	
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## Notes and costing assumptions

The policy proposes \$25.63 million of capped funding over 3 years to participate in the Commonwealth Government's \$100 million Mobile Black Spot Programme (the Programme) that encourages telecommunication providers to invest in regional areas where there are mobile communication black spots.

The costing assumes funding will be provided to telecommunications providers (the Programme's principal participants) and will be classified as recurrent grants. The Programme is a four year program commencing in 2014-15 and finishing in 2017-18. The costing assumes the timing of NSW Government expenditure will align with the last three years of the Commonwealth's planned expenditure.

The NSW Government's contribution to the Programme may take the form of 'in-kind' contributions like rental subsidies or access rights to existing NSW radio infrastructure, which would likely reduce the budget impact of this policy.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Telecommunication services in regional NSW
Date of request:	16 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To eliminate some of NSW's worst mobile phone black spots
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		8,340	8,549	8,741	25,630	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	April 2015
Intended duration of policy:	Forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	NSW Government Telecommunications Authority, NSW Trade and Investment
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	Refer to Attachment B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



# A re-elected Baird Government will extend mobile phone coverage for regional communities



**The Baird Government is committed to providing improved services to our regional communities.**

The Baird Government recognises the social and economic importance of reliable mobile phone coverage in regional NSW.

Australia's three national mobile network operators collectively claim to provide mobile coverage to 99 per cent of the population. However, reflecting the country's highly urbanised population, this level of coverage equates to only around 25 per cent of the Australian landmass. Of the 6,200 unique mobile 'black spots' on the Commonwealth Department of Communications database, 1,822 are in NSW.

As part of its commitment to providing improved services and driving economic growth in regional communities, the NSW Liberals & Nationals Government will commit \$25 million over four years to eliminating some of the state's worst mobile phone black spots.

We will work with the Commonwealth Government, which has committed \$100 million over four years to the delivery of its Mobile Black Spot Programme. This programme will improve coverage along major transport routes, in small communities and in locations prone to experiencing natural disasters, as well as addressing unique mobile coverage problems.

### A re-elected Baird Government will:

- ✓ Commit \$25 million over four years to eliminating some of the State's worst mobile phone black spots



# Back The Baird Plan and keep NSW working.



## 2015 Election Policy Costing

**Proposal Title:** Improving telecommunication services in regional areas of NSW

**Lead Agency:** NSW Government Telecommunications Authority, NSW Trade and Investment

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	8,340	8,549	8,741	25,630
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-8,340	-8,549	-8,741	-25,630
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-8,340	-8,549	-8,741	-25,630
<b>Net Financial Liabilities:</b>	0	8,340	16,889	25,630	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	8,340	16,889	25,630
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### Notes and costing assumptions used:

The proposal is to participate in the Commonwealth Government's \$100 million Mobile Blackspot Programme (the Programme) that encourages telecommunication providers to invest in regional areas where there are mobile communication blackspots. State and local governments are asked to identify cash or in-kind co-contributions to support proposals by telecommunication businesses.

It is assumed that program expenditure will be contributions to telecommunications providers (the Programme's principal participants) which is categorised as recurrent grants and subsidies.

The Programme is a four year program commencing in 2014-15 and finishing in 2017-18. The costing assumes the timing of NSW Government expenditure will align with the last three years of the Commonwealth's planned expenditure.

NSW Government co-contributions may take the form of 'in-kind' contributions like rental subsidies or access rights to existing NSW radio infrastructure, which would change the costing and could have different budget impacts.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C014  
Date Published: 23/03/2015

Proposal Title: **SUPPORT OUR VETERANS**

Cluster: Premier and Cabinet

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		564	410	410	1,383
Depreciation		13	13	13	38
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(576)	(422)	(422)	(1,420)

Capital Expenditure		50			50
Capital Offsets					-
<b>Capital Expenditure:</b>	-	50	-	-	50

<b>Net Lending/(Borrowing)</b>	-	(614)	(410)	(410)	(1,433)
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<b>Net Financial Liabilities:</b>	-	614	1,023	1,433	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	614	1,023	1,433	
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## Notes and costing assumptions

The policy proposes establishing a target of transitioning 200 veterans to NSW public sector roles over the next four years and create a specialist Veterans Transition Unit within the Office of Veterans Affairs to assist with placement, transition and mentoring of veterans transferring to civilian life.

Efforts will be focused on key agencies in the NSW Public Sector, including NSW Police, Corrective Services and infrastructure delivery agencies.

The costing makes the following assumptions:

- one manager at grade 11/12 and one assistant manager at Grade 5/6 at the top pay scale will be required.
- the salary oncosts of 25% and a further 10% overhead cost will be absorbed by DPC and Treasury as part of normal intergovernmental work.
- ongoing IT technical design and support of \$10,000 p.a. based on the Office of Veterans Affairs estimates.
- an additional field on the JOBS NSW website will be required so that veterans requiring the scheme support can be identified.
- there is likely to be travel required at an estimated cost of \$8,000 in 2015-16 and \$4,000 per annum thereafter.
- annual costs related to employee mentoring and training of \$60,000.
- consultant's costs of \$75,000 to assist in the set up of the program.
- additional IT equipment will be met from the existing Department of Premier and Cabinet (DPC) IT budget. Other office costs will be met from the existing DPC budget noting that DPC is using agile working practices and there are no fixed desks.

It is also assumed that there is no offsetting funding from the Commonwealth.

**Costing assumptions continued:**

The Department of Premier and Cabinet and Office of Veterans Affairs advise that there will be a one stop webpage hosted by them with capital costs of \$50,000, depreciated over four years.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Support our veterans
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Support veterans transitioning from the military into civilian life through the recruitment of more young veterans into the NSW Public Service (costing for 200 veterans)
Has the policy been publicly released yet?	N/A

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	576	422	422	1,420	
Impact on GGS capital expenditure <sup>4</sup>	-	50	0	0	50	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Premier and Cabinet
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	Refer to Attachment B
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	Refer to Attachment B
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will support our veterans



## The Baird Government is committed to supporting our veterans transitioning from the military into civilian life.

The Baird Government is committed to supporting our veterans transitioning from the military into civilian life.

Each year around 1,000 servicemen and women in NSW leave the military, and the number of veterans who have served in contemporary conflicts now exceeds that of the Vietnam War.

Returned servicemen and women across NSW face challenges integrating back into civilian life and may have difficulty transitioning into a new career pathway.

We want the NSW Public Service to lead the nation in the way we go about recruiting young veterans. That is why we will dedicate the resources needed to engage and mentor young veterans and their spouses, so we can match them with public sector jobs suited to their skills.

The Baird Government will implement a specialised employment scheme throughout the NSW Public Service, to employ young veterans and their spouses tailored to areas where there is a skills shortage within the Public Service.

The Baird Government values the profound contribution that our modern veterans make to the fabric of our society and that is why we have developed this plan to help them build a secure future through employment.

### A re-elected Baird Government will:

- ✓ Create a specialist Veterans Transition Unit within the Office of Veteran's Affairs
- ✓ Implement a specialist employment scheme to operate within the NSW Public Service to employ young veterans in areas where their unique skills are in high demand
- ✓ Establish a target of transitioning 200 additional veterans into NSW public sector roles by 2019

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Creation of a specialised employment scheme to employ young veterans in the NSW public service.

**Lead Agency:** Department of Premier and Cabinet

### General Government Sector Impacts

Note: All figures should be entered as positives

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	564	410	410	1,383
Depreciation	0	13	13	13	38
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-576	-422	-422	-1,420
Capital Expenditure	0	50	0	0	50
Less Depreciation	0	13	13	13	38
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	38	-13	-13	13
<b>Net Lending/Borrowing:</b>	0	-614	-410	-410	-1,433
<b>Net Financial Liabilities:</b>	0	614	1,023	1,433	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	614	1,023	1,433
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**Notes and costing assumptions used:**

1. The scheme Supporting our Veterans Future was outlined in a media release (August 2013). The scheme at that time was restricted to the private sector. The proposed extension to the public sector will be similar in scope and targetting. 2. The target of 200 veterans being placed over 4 years seems achievable. The policy submission notes that over 1000 service men and women in NSW leave the military each year and some would seek to join the public service and be successful. 3. Staff of the unit are an 11/12 (manager) and 1 x 5/6 as assistant manager at the top pay scale. Given that they are likely to be hired from outside DPC rather than promoted internally this max rate has been accepted. 4. Oncosts and salaries have been treated separately. Further overhead costs at 10% of salaries p.a have been included. 5. It is assumed that these costs will be absorbed by DPC and Treasury as they would be part of normal intergovernmental work. 6. No costs for legislative changes have been included as Veteran Affairs considers legislative change unlikely to be needed and if required would be part of the core work of the Crown Solicitors and Parliamentary Counsel's office. 7. Ongoing IT technical design and support has been estimated at \$10,000 p.a based on VA estimates. 8. It has also been assumed that an additional field on the JOBS NSW website will be required so that veterans requiring the scheme support can be identified. 9. Also there is likely to be travel required so additional costs of \$8,000 in 2015-16 and \$4,000 per annum thereafter have been included. 10. Annual costs related to employee mentoring (training etc) are estimated at \$60,000 (as per the proposal). 11. Given the need to consult with stakeholders and possibly provide specialist training to deal with the veterans' special needs e.g post traumatic stress disorder, a consultant's costs have been included to assist in set up of the program at \$75,000.

REVENUE: It is assumed that there is no offsetting funding from the Commonwealth.

CAPITAL: The costing notes that there will be a one stop webpage hosted by VA/DPC. There will be one off set up costs of \$50,000 which are assumed to be capital (source DPC/VA discussions), depreciated over four years. Additional IT equipment will be met from the existing DPC IT budget. Other office costs will be met from the existing DPC budget noting that DPC is using agile working practices and there are no fixed desks.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C015  
Date Published: 23/03/2015

Proposal Title: **TOUGH SENTENCING FOR CRIMINALS**

Cluster: Justice

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		925	2,030	2,275	5,229
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(925)	(2,030)	(2,275)	(5,229)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(925)	(2,030)	(2,275)	(5,229)
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<b>Net Financial Liabilities:</b>	-	925	2,955	5,229	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	925	2,955	5,229	
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## Notes and costing assumptions

The policy proposes to raise the current Standard Non-Parole Period (SNPP) for a range of firearms offences and to include additional firearms offences in the SNPP scheme.

The costing assumes the non-parole period for all newly convicted and existing incarcerated prisoners is increased by one year for offences under the *Firearms Act* and two years for offences under the *Prohibited Weapons Act* from 1 July 2015. Parole decisions will arise through the year so the 2015-16 costs reflect only a half year impact.

Based on the number of people sentenced under these two acts between June 2008 and June 2014, the costing assumes 27.3 people will be convicted in 2015-16. This has been escalated at 5 per cent per year, consistent with the average growth rate of recorded incidents for prohibited weapons offences over the past 9 years. The costing assumes the cost of housing an inmate is \$195 per day (\$71,175 per year) in 2015-16, escalated at 2.5 per cent per annum.

The policy also increases the maximum penalty for sexual intercourse with a child under 10 from 25 years to life imprisonment and includes 13 additional child sexual assault offences in the SNPP scheme. The costing assumes no budget impact: i) the number of convictions for these offences is negligible and, ii) of these, the average sentence is well below the maximum, so unless sentencing behaviour changes, changing the maximum penalty will not result in a material budget impact.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Tough sentencing for serious criminals
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Ensure that the most serious and violent crimes are punished in line with community expectations
Has the policy been publicly released yet?	N/A

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	925	2,030	2,275	5,229	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Justice
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will deliver tougher sentencing for serious crimes



**The Baird Government is committed to ensuring that perpetrators of violent and other serious crime receive tough jail sentences.**

The NSW Liberals & Nationals have introduced tough sentences for serious crimes over the past four years. These include:

- mandatory minimum sentences for one punch deaths and the abolition of the 'drunk's defence',
- mandatory life sentences for those convicted of murdering a Police Officer; and
- extended supervision and continuing detention orders for offenders who have committed serious violent or serious sex offences so that they can remain in prison or continue to be supervised in the community, after their sentence has expired.

If re-elected, the Baird Government will build on its commitment to ensuring that the most serious and violent crimes are punished in line with community expectations.

The Baird Government will add five firearms offences to the Standard Non-Parole Period (SNPP) scheme, with the proposed SNPPs being higher than the average current sentences. For example, the offence of discharging a firearm with intent to cause grievous bodily harm has a current average non-parole period of 5.23 years, and our proposed SNPP is 9 years.

The Baird Government will also raise the standard current SNPP for other offences, including raising the SNPP for unauthorised possession or use of firearms from three years to four years.

The tougher approach to sentencing for child sexual offences was recommended by the Parliamentary Joint

### A re-elected Baird Government will:

- ✓ Ensure that offenders convicted of gun-related crimes face the full force of the law by raising the current Standard Non-Parole Period (SNPP) for a range of firearms offences and include additional firearms offences in the SNPP scheme
- ✓ Increase the maximum penalty for sexual intercourse with a child under 10 from 25 years to life imprisonment
- ✓ Include 13 additional child sexual assault offences in the SNPP scheme

Select Committee which considered whether current sentencing options for perpetrators of child sexual assault were still effective.

The SNPPs we will introduce for child sexual offences are significantly higher than the current average sentences. For example:

- for the crime of sexual intercourse with a child between 10 and 14 years, the current average non-parole period is less than two years, and our proposed SNPP is 7 years;
- for the crime of aggravated sexual intercourse with a child between 10 and 14 years, the current average non-parole period is 3.73 years, and our proposed SNPP is 9 years.

Confidence in the judicial system is enhanced when sentences for serious crimes match community expectations. Serious crimes must equal serious sentences.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Gun Related Offences

**Lead Agency:** Department of Justice

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	925	2,030	2,275	5,229
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-925	-2,030	-2,275	-5,229
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-925	-2,030	-2,275	-5,229
<b>Net Financial Liabilities:</b>	0	925	2,955	5,229	

### Notes and costing assumptions used:

The proposal is to introduce or increase length of standard non-parole periods used in sentencing for various firearms offences.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C016  
Date Published: 23/03/2015

Proposal Title: **DELIVER MORE SERVICES VALUED BY SENIORS**

Cluster: Family and Community Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,517	1,555	1,594	4,666
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(1,517)	(1,555)	(1,594)	(4,666)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(1,517)	(1,555)	(1,594)	(4,666)
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<b>Net Financial Liabilities:</b>	-	1,517	3,072	4,666	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	1,517	3,072	4,666	
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## Notes and costing assumptions

The policy proposes to deliver more services to seniors. There are four components to the policy.

### 1. Extend seniors concessions

The policy proposes to continue funding concessions which were cut by the Commonwealth in its 2014-15 Budget. Treasury has advised that the cost of this component, which amounts to \$343 million over the three years from 2015-16, is already included in the budget. Hence, there will be no financial impact.

### 2. Increase funding for the Tech Savvy Program and provide online banking courses

Under the Program, the Government partners with Telstra to provide training for older people to use technology. The policy assumes that an additional \$0.5 million pa in grants is provided to expand the program. The proposal to introduce online banking courses is assumed to be in partnership with commercial banks and cost neutral.

### 3. Provide more Seniors Card Benefits

The policy proposes to expand the number of participating businesses offering discounts to seniors. This is assumed to cost an additional \$0.5 million pa in grants to the private sector to subsidise the new discounts.

### 4. Increase grants for local community projects

The policy proposes to increase funding for the Age-Friendly Communities Local Government Grant Scheme by \$0.4 million per year to \$1.0 million to expand the eligible recipients to include NGOs and small businesses.

All costs have been escalated by 2.5 per cent per annum.





## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Deliver more services valued by seniors
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To empower people to plan ahead for their future, and deliver the services that seniors want and need.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGs) net operating result <sup>3</sup>	-	1,517	1,555	1,594	4,666	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Family and Community Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).

Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

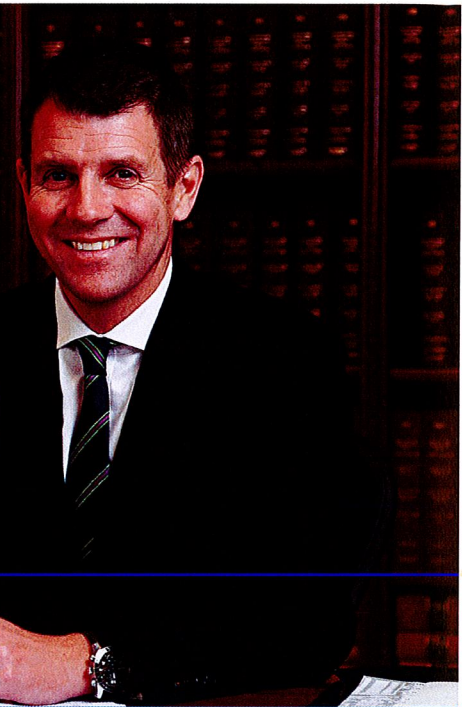
- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



## Mike Baird's long term plan for NSW

# A re-elected Baird Government will deliver more services valued by seniors



**The Baird Government is committed to ensuring our seniors live longer and better lives.**

NSW has a great opportunity to realise the benefits of an ageing population and to harness the contribution of seniors in our communities. The Baird Government is committed to ensuring that we empower people to plan ahead for their future, and deliver the services that seniors want and need.

The NSW Liberal-National Government released the State's first Ageing Strategy in 2012, with the vision that people in NSW should experience the benefits of living longer and better lives.

A re-elected Baird Government will build on its commitment to older people. We will:

- **Extend vital seniors concessions:** We will provide further protections for NSW pensioners and seniors by extending the commitment to fund concessions that were cut by the Federal Government in its 2014-15 Budget. The Baird Government has already covered the Federal shortfall for 2014-15, and we will extend our support for a further three years – a \$343 million commitment. This funding will support concessions available to pensioners and seniors including discounted public transport, cheaper energy and water bills, council rates and vehicle registration.
- **Provide more Seniors Card Benefits:** The NSW Seniors Card is a free discount card providing members with access to NSW Government transport concessions, travel and business discounts. There are about 1.3 million people with a NSW Seniors Card. We want to harness the enormous popularity of this program to secure groups discounts and ensure cheaper bills for seniors. We will expand the number of businesses providing discounts, and are confident that we can triple the number of business outlets who participate. Our first targets for expansion will be a major energy retailer, a telecommunications company and a supermarket chain.

### A re-elected Baird Government will:

- ✓ Provide \$343 million to extend vital seniors' concessions by a further three years
  - ✓ Provide \$2 million for more senior's card benefits by expanding the number of participating businesses
  - ✓ Provide \$2 million to turbo-charge the Tech Savvy Program by providing 3,500 more places per year
  - ✓ Provide \$4 million in grants for local community projects under the Age-Friendly Communities Local Government Grant Scheme
- **Turbo-charge the Tech Savvy Program:** the Government partners with Telstra to provide low cost training for older people to use technology. Across NSW over 17,000 people aged over 60 have attended tech savvy training and many more have attended public events. The Baird Government will expand this successful program to 3,500 more places per year across 30 regional and metropolitan colleges. A Tech Savvy Seniors Regional Road Show will promote the training in 40 regional locations, and we will also introduce online banking courses. We estimate that over the next four years, more than 38,000 class places will be taken up by seniors.
  - **Increase grants for local community projects:** The Age-Friendly Communities Local Government Grant Scheme currently provides grant funding to Councils to provide accessibility, active living and mobility projects. The Government will transform this program to ensure NGOs and small businesses are eligible as well as councils, and increase funding to \$1 million per year.

# Back The Baird Plan and keep NSW working.

Authorised and printed by Tony Nutt, 100 William Street, East Sydney NSW 2011.



## 2015 Election Policy Costing

**Proposal Title:** Further engaging an ageing population

**Lead Agency:** Family and Community Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	1,517	1,555	1,594	4,666
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-1,517	-1,555	-1,594	-4,666
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-1,517	-1,555	-1,594	-4,666
<b>Net Financial Liabilities:</b>	0	1,517	3,072	4,666	

### Notes and costing assumptions used:

#### Component 1

a) An increase of \$0.5m pa in grants to the private sector to expand the Tech Savvy Seniors program. The costing assumes that the cost of the partnership with a commercial bank to deliver online internet banking courses will likely be cost neutral.

b) An increase of \$0.5m pa in grants to the private sector to subsidise new Seniors Card discounts.

#### Component 2

a) Costing assumes that promotional activities for the program will be met by the contracted NGO by leveraging implementation experience in other jurisdictions.

b) Costing assumes that the cost of administering the grant is not material and will be met from existing resources.

#### Component 3

a) An increase of \$0.4m pa in grants to local councils from existing \$0.6m to \$1.0m pa under the Age-Friendly Communities Local Government Grants Scheme which will expand the eligible recipients to include NGOs and small businesses.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C017  
Date Published: 23/03/2015

Proposal Title: **ABORIGINAL CENTRE FOR EXCELLENCE**

Cluster: Education and Communities

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		10,000	10,000		20,000
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(10,000)	(10,000)	-	(20,000)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(10,000)	(10,000)	-	(20,000)
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<b>Net Financial Liabilities:</b>	-	10,000	20,000	20,000
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	10,000	20,000	20,000
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## Notes and costing assumptions

The proposal proposes a capped amount of \$20 million over two years in 2015-16 and 2016-17 to establish a satellite Aboriginal Centre for Excellence in Western Sydney.

The policy assumes the site will be established through either the purchase of a greenfield site and construction of facilities on the site, or the transfer of a government owned asset and construction/refurbishment of that site.

The \$20 million will be administered by the Department of Education and Communities which will award the monies as a grant to an external body through a competitive tender process.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Aboriginal Centre for Excellence
Date of request:	16 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Establish an Aboriginal Centre for Excellence which will empower students and provide incentives for Aboriginal students to finish school and transition into sustainable jobs.
Has the policy been publicly released yet?	N/A

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	- 10,000	-10,000	-	-20,000	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Education and Communities
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped amount
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



# A re-elected Baird Government will create an Aboriginal Centre for Excellence



## The Baird Government is committed to empowering Aboriginal students.

The Baird Government recognises the significant gap in the unemployment rates and school retention rates of Aboriginal people and non-Aboriginal people in NSW.

Western Sydney is home to over one-fifth of all Aboriginal people living in NSW, and 60 per cent of them are under 24 years of age.

The Baird Government is committed to establishing an Aboriginal Centre for Excellence which will empower students and provide incentives for Aboriginal students to finish school and transition into sustainable jobs.

The Centre will partner with best practice organisations to deliver evidence based, wrap around programs tailored to the individual needs of young Aboriginal people to keep them in school, and ensure job readiness. The Centre will use corporate partnerships to identify real jobs, and establish a pathway for Aboriginal youth to transition into sustainable employment.

Over the next decade Western Sydney will be the epicentre for employment in NSW with new suburbs being established, new schools opening and major infrastructure being built. An Aboriginal Centre for Excellence will tap into these opportunities.

With the aim of employment and further education, the Aboriginal Centre for Excellence campus will bring

## A re-elected Baird Government will:

- ✓ Establish an Aboriginal Centre for Excellence in Western Sydney
- ✓ Empower young people by creating a pathway from primary school to tertiary education to sustainable employment
- ✓ Partner with the private sector to provide employment opportunities and establish recurrent funding for the Centre
- ✓ Undertake extensive, genuine consultation with Aboriginal communities and organisations in creating the Centre

together best practice organisations to provide wrap around programs for young Aboriginal people with a focus on learning and innovation, arts and culture, health and wellness, and sport and recreation.

The NSW Government has committed to working in partnership with Aboriginal people through OCHRE, the NSW Government plan for Aboriginal affairs. The Aboriginal Centre for Excellence will complement OCHRE initiatives, such as Opportunity Hubs.

# Back The Baird Plan and keep NSW working.



## 2015 Election Policy Costing

**Proposal Title:** Establish Aboriginal Centre for Excellence in Greater Western Sydney  
**Lead Agency:** Department of Education and Communities

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	10,000	10,000	0	20,000
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-10,000	-10,000	0	-20,000
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-10,000	-10,000	0	-20,000
<b>Net Financial Liabilities:</b>	0	10,000	20,000	20,000	

### Notes and costing assumptions used:

The proposal commits a capped \$20m for the establishment of a satellite Aboriginal Centre for Excellence in Greater Western Sydney and expects the site will be established through EITHER the purchase of a greenfield site and construction of facilities on the site, OR the transfer of a government owned asset and construction/ refurbishment of that site.

The costing assumes that the \$20m will be expensed as a grant (transfer of Government owned asset) rather than as construction of a government owned asset (which would impact net capital expenditure rather than expenses).



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C020  
Date Published: 23/03/2015

Proposal Title: **ENHANCE AND EXPAND OUR NATIONAL PARKS**

Cluster: Trade and Investment, Regional Infrastructure and Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		400	410	420	1,230
Depreciation		150	150	150	450
Less: Offsets					-
Revenue		10	26	26	62
<b>Net Operating Result:</b>	-	<b>(540)</b>	<b>(534)</b>	<b>(544)</b>	<b>(1,618)</b>

Capital Expenditure		3,000			3,000
Capital Offsets					-
<b>Capital Expenditure:</b>	-	<b>3,000</b>	-	-	<b>3,000</b>

<b>Net Lending/(Borrowing)</b>	-	<b>(3,390)</b>	<b>(384)</b>	<b>(394)</b>	<b>(4,168)</b>
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<b>Net Financial Liabilities:</b>	-	<b>3,390</b>	<b>3,774</b>	<b>4,168</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>3,390</b>	<b>3,774</b>	<b>4,168</b>
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## Notes and costing assumptions

The policy proposes to expand the Goulburn River National Park to include an additional 50 hectares of land known as 'The Drip' in 2015-16. The Office of Environment and Heritage (OEH) advise additional costs associated with this will be minor and would be met from within OEH's existing budget allocation.

The policy proposes to expand the Dharawal National Park to include Maddens Plains on the Illawarra Escarpment in 2015-16. OEH advised this would cost \$450,000 in 2015-16 in initial infrastructure cost and \$110,000 per annum thereafter in on-going maintenance costs. OEH advised this would not have a budget impact as the majority of costs would be met from external resources (contributions from the coal mining company involved) and remaining costs absorbed from within OEH's existing budget allocation.

The policy proposes to add 200 hectares of land to the Wianamatta Regional Park to protect Western Sydney's emu population, in 2015-16. OEH advised initial capital expenditure of \$3million in 2015-16 to develop the park's assets including picnic facilities, park entries, walking and cycling tracks and signage. As advised by OEH, the costing assumes Lend Lease will contribute to capital works as part of the Deed of Transfer. Straight line depreciation over 20 years has been assumed for this capital expenditure. OEH advised annual recurrent expenditure of \$400,000 in 2015-16 including \$228,000 for three additional staff and \$172,00 for maintenance and park management. These costs have been escalated at 2.5 per cent per year. The costing assumes an increase in revenue from lease fees on telecommunication towers and site hire fees.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals and Nationals
Name of Policy:	Enhance and Expand our National Parks
Date of request:	8 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	<p>Expand the Goulburn River National Park to include 'the Drip' – providing permanent protection for this spectacular sandstone gorge along the upper Goulburn River.</p> <p>Expand the Dharawal National Park we established in 2011 to include Maddens Plains on the Illawarra Escarpment.</p> <p>Protect Western Sydney's resident emu population by adding over 200 hectares to the Wianamatta Regional Park.</p>
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		540	545	565	1,650	
Impact on GGS capital expenditure <sup>4</sup>		3,000				
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party? NSW Treasury  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of Environment & Heritage
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Are there transitional arrangements associated with policy implementation?	N/A
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If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	See attachments A&B
Proposed start and completion date of work:	See attachments A&B
Intended construction schedule/cashflow:	See attachments A&B
Offsetting expenditure savings:	See attachments A&B
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- What assumptions have you made about costs of administering the policy?
  - For example, will additional staff be needed in the agency responsible for the policy?
  - If you have assumptions on this, how many and at what approximate levels?
  - Are there other administrative resources required?
  - Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.



# A re-elected Baird Government will expand and enhance our National Parks Estate



**The Baird Government is committed to expanding and improving our National Parks and reserves.**

Since coming to Office, we have created 11 new national parks & reserves, made 64 additions to existing parks, and invested record amounts in urban parks such as Western Sydney and Parramatta Parks. The Baird Government wants to build on that impressive legacy.

Since 2011, over 35,800 hectares has been reserved for the first time in the parks system and almost 47,000 hectares of high value biodiversity have had protections increased to national park or nature reserve.

If re-elected, the Baird Government will make a number of major additions to our National Parks estate and build on the legacy that we have created for future generations to enjoy.

The addition of over 50 hectares known as 'The Drip' to Goulburn River National Park will protect a popular recreational attraction for the local community. This area has high biodiversity values and a spectacular sandstone gorge along the upper Goulburn River. The area also has cultural significance to the local Aboriginal community, offers strong tourism potential and has good connectivity into the existing park.

The addition of nearly 600 hectares of land on Maddens Plains to Dharawal National Park will link the park to

### **A re-elected Baird Government will:**

- ✓ Expand the Goulburn River National Park to include 'the Drip' – providing permanent protection for this spectacular sandstone gorge along the upper Goulburn River
- ✓ Expand the Dharawal National Park we established in 2011 to include Maddens Plains on the Illawarra
- ✓ Protect Western Sydney's resident emu population by adding over 200 hectares to the Wianamatta Regional Park

Illawarra Escarpment State Conservation Area and will safeguard the fragile ecosystems in this reserve from mining impacts. The addition will create a contiguous conservation zone which provides a critical habitat corridor between the Hacking River catchment and the Woronora Plateau.

We will also add an additional 237 hectares of land to the Wianamatta Regional Park from the former Australian Defence Industry Site at St Marys. This major addition complements the 63.5 hectares of regional park gazetted in 2008 and provides important habitat for the last remaining resident emu population in the Sydney basin.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Enhance and Expand our National Park system

**Lead Agency:** Office of Environment and Heritage

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	400	420	442	1,262
Depreciation	0	150	150	150	450
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	10	26	26	62
<b>Net Operating Result:</b>	0	-540	-545	-565	-1,650
Capital Expenditure	0	3,000	0	0	3,000
Capital Offsets	0	0	0	0	0
Less Depreciation	0	150	150	150	450
<b>Net Capital Expenditure:</b>	0	2,850	-150	-150	3,000
<b>Net Lending/Borrowing:</b>	0	-3,390	-395	-415	-4,200
<b>Net Financial Liabilities:</b>	0	3,390	3,785	4,200	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	3,390	3,785	4,200
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### Notes and costing assumptions used:

The proposal has 3 components. One of these components -Wianamatta Park - has been costed. For the remaining 2 components OEHL have confirmed that they can be met from existing recurrent OEHL funding.

1. Addition of 'The Drip' to Goulburn River National Park - no financial impact.
2. Addition of 'Maddens Plain' to Dharawal National Park and removal of current depth restriction on Dharawal Nature Reserve.

OEHL will meet the additional capital and recurrent costs associated with reservation of 'Maddens Plains' through a combination of contributions from the coal mining company involved (under negotiation) and existing OEHL budget allocation.

3. Addition of 237 ha to the Wianamatta Regional Park in western Sydney including a nature reserve component of the residual emu population.

Note the capital cost estimate varies from the standard National Park establishment costing model as a contribution of capital works will be made by Lend Lease under the Deed of Transfer.

Cost estimate:

- a. Total capital cost to government is \$3m. This excludes the developer contribution. Capital investment is for the development of park assets such as picnic facilities, park entries, walking and cycling tracks and interpretative signage are outlined in the Wianamatta Regional Park Masterplan. (OEHL assumes the recognition of the capital at the beginning of 2015-16 and recognition of depreciation (5%).)
- b. Annual recurrent cost is \$400,000 comprising \$228,000 for salaries (three staff) and \$172,000 for park management activities including maintenance and visitation support. Operating expenses exclude macrofauna management costs.
- c. The transfer of land to OEHL will take place in the first quarter of 2015. OEHL will meet basic recurrent costs until the end of financial year 2014/15 with the agreed developer contributions.
- d. Revenue comprises lease fees on telecommunications towers and site hire fees for booked facilities.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C021  
Date Published: 23/03/2015

Proposal Title: **NATIONAL PARKS - INCREASE ACCESS**

Cluster: Trade and Investment, Regional Infrastructure and Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets					-
Revenue		88			88
<b>Net Operating Result:</b>	-	<b>88</b>	-	-	<b>88</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>88</b>	-	-	<b>88</b>
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<b>Net Financial Liabilities:</b>	-	<b>(88)</b>	<b>(88)</b>	<b>(88)</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(88)</b>	<b>(88)</b>	<b>(88)</b>
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## Notes and costing assumptions

The policy is aimed at increasing access to National Parks. It proposes holding a one year trial that makes one year Multi-Park and All-Park annual pass purchases available at a \$15 discount in the NSW motor vehicle registration process from 1 July 2015. Passes will be available for sale at Service NSW centres.

The Office of Environment (OEH) advised 15,700 All-Park passes (\$190 per pass) and 27,500 Multi-Park passes (\$65 per pass) are expected to be sold in the one year period. The costing assumes that 15 per cent of current All-Park pass customers and 20 per cent of current Multi-Park pass customers would take advantage of the \$15 discount, which marginally reduces revenue, but that both All-Park and Multi-Park pass sales will increase by 5 per cent as a result of the discounted price. The expected increase in sales volume more than outweighs the loss as a result of the discount. These outcomes would result in a net increase in General Government Sector revenue of \$88,300 in 2015-16.

Service NSW would levy a \$4 per pass processing fee for all sales, resulting in a cost to OEH associated with any increased sales through Service NSW. However, because Service NSW and OEH are both within the General Government Sector, there is no net expense to the Sector and no revenue arising from this processing fee. The number of passes involved would be around 10,000, and the PBO assumes that the associated fee of some \$40,000 could be absorbed in the OEH budget. If OEH were supplemented for the processing fee the impact on the net operating result in this costing would need to be reduced accordingly.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals and Nationals
Name of Policy:	National Parks – Increase Access
Date of request:	8 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Hold a one year trial of making one year Multi-Parks annual pass purchases available at a \$15 discount in the NSW motor vehicle registration process.  Make National Park entry passes available for purchase at Service NSW centres
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		-48			-48	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party? NSW Treasury  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Environment
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	See attachments A&B
Proposed start and completion date of work:	See attachments A&B
Intended construction schedule/cashflow:	See attachments A&B
Offsetting expenditure savings:	See attachments A&B
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

# A re-elected Baird Government will strengthen the environmental, economic and cultural productivity of our National Park system



## The Baird Government is committed to promoting access to our National Parks.

The Baird Government has begun the complex task of unpacking 16 years of mismanagement across our parks network.

While the former Labor Government madly added hectares to the parks system, but failed to adequately resource the management of fire, pests and weeds across these parks, this Government has invested heavily in ensuring better management practices and better outcomes both for our protected areas and for neighbouring farms and communities around those areas.

We want our National Parks to be celebrated and to be enjoyed.

If re-elected, the Baird Government will make it easier for the community to gain access to our National Parks by making park entry passes available at Service NSW centres across the state.

To incentivise the purchase of annual National Park passes, a re-elected Baird Government will offer a \$15 discount when renewing motor vehicle registration.

## A re-elected Baird Government will:

- ✓ Hold a one year trial of making one year Multi-Parks and All-Parks annual pass purchases available at a \$15 discount in the NSW motor vehicle registration process
- ✓ Make National Park entry passes available for purchase at Service NSW centres

# Back The Baird Plan and keep NSW working.



## 2015 Election Policy Costing

**Proposal Title:** National Parks - Increase Access

**Lead Agency:** Office of Environment and Heritage

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	40	0	0	40
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	88	0	0	88
<b>Net Operating Result:</b>	0	48	0	0	48
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	48	0	0	48
<b>Net Financial Liabilities:</b>	0	-48	-48	-48	

### Notes and costing assumptions used:

The proposal has 2 components and has been costing as follows:

1. Hold a one year trial of making one year Multi-Parks annual pass purchases available at a \$15 discount in the NSW motor vehicle registration process.
2. Make National Park entry passes available for purchase at Service NSW centres - The additional costs relate to Service NSW Processing Fees (\$4 per pass) x annual pass concession sales for all parks (2,355), multi park pass (5,500) and additional annual passes (2,160). Total cost in 2015-16 is \$40k. However, this will be funded by additional revenues from annual pass sales.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C022  
Date Published: 23/03/2015

Proposal Title: **PARRAMATTA RIVER - MORE FERRIES AND SERVICES**

Cluster: Transport for NSW

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)				6,304	6,304
Depreciation				1,250	1,250
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	-	-	<b>(7,554)</b>	<b>(7,554)</b>

Capital Expenditure	1,000	2,000	11,000	11,000	25,000
Capital Offsets					-
<b>Capital Expenditure:</b>	<b>1,000</b>	<b>2,000</b>	<b>11,000</b>	<b>11,000</b>	<b>25,000</b>

<b>Net Lending/(Borrowing)</b>	<b>(1,000)</b>	<b>(2,000)</b>	<b>(11,000)</b>	<b>(17,304)</b>	<b>(31,304)</b>
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<b>Net Financial Liabilities:</b>	<b>1,000</b>	<b>3,000</b>	<b>14,000</b>	<b>31,304</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	<b>1,000</b>	<b>3,000</b>	<b>14,000</b>	<b>31,304</b>
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## Notes and costing assumptions

The policy proposes to provide \$100 million to upgrade Sydney ferry infrastructure over four years.

New spending under the policy not already in the budget is for four new Rivercat Ferries for the Parramatta river that will become operational in 2017-18, providing 80 extra weekly services.

The capital costs of building the four ferries is estimated by Transport for NSW at \$25 million. The cost of running the new ferry services is estimated at \$6.3 million in 2017-18.

### Key assumptions

The above figures are for the additional funding required to meet the policy commitment. The Transport Capital Plan (TCP) currently includes funding for six new inner harbour ferries which are being delivered as part of the Sydney's Ferry Future program. The TCP also includes funding for the major upgrades to ferry wharves and the new commuter car park at Cabarita Wharf.

However, the four new Rivercat ferries are not included in the current budget.

The costing assumes \$5 million in design, development, procurement and management costs would be spent on the four vessels. An additional \$5 million per ferry would be needed to build each vessel. This cost estimate has been informed by design work undertaken for new inner harbour vessels.

The cost estimates for the Rivercat ferries assumes the four ferries will be built at the same time and come into service in 2017-18. The \$25 million capital cost is depreciated over 20 years from 2017-18 on a straight line basis.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals and Nationals
Name of Policy:	Parramatta River – More ferries and services
Date of request:	8 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Provide more ferries and ferry services along Parramatta River
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>				7,554	7,554	
Impact on GGS capital expenditure <sup>4</sup>	1,000	2,000	11,000	9,750	23,750	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party? NSW Treasury

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 April 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Transport
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	See attachments A&B
Proposed start and completion date of work:	See attachments A&B
Intended construction schedule/cashflow:	See attachments A&B
Offsetting expenditure savings:	See attachments A&B
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will deliver a \$100 million ferry boost for the Parramatta River



## The Baird Government is committed to improving ferry services on the Parramatta River.

Ferry patronage has grown considerably since March 2011, particularly on the Parramatta River services and on weekends.

While in Government, Labor slashed hundreds of ferry services, reducing frequency and driving people away from the Harbour.

In Labor's ten year transport plan they forecast a decline in ferry patronage and did not seek to invest in new ferries or wharves. Most ferries are more than 20 years old.

Since March 2011, the Baird Liberal Government has franchised Sydney Ferries to the private sector, which has improved customer service and achieved record patronage. We have:

- delivered 220 additional weekly ferry services,
- upgraded wharves across the harbour; and
- called for tenders to deliver six new Inner Harbour ferries.

Building on this achievement, a re-elected Baird Government will provide \$100 million for a Parramatta River ferries package that will deliver new ferries, more services, a new wharf at Rhodes, upgrades to existing wharves and new commuter car parking at Cabarita Wharf.

## A re-elected Baird Government will:

- ✓ Deliver four new state-of-the-art Rivercat ferries for the Parramatta River - providing 80 extra weekly services up river, including targeted extra peak services
- ✓ Deliver a brand new wharf at Rhodes to be serviced by these new ferries and services
- ✓ Undertake major upgrades to ferry wharves at Abbotsford, Cabarita, Chiswick, Parramatta, Meadowbank, Rydalmere, Birchgrove and Cockatoo Island
- ✓ Provide new commuter car parking at Cabarita Wharf



# Back The Baird Plan and keep NSW working.

Authorised and printed by Tony Nutt, 100 William Street, East Sydney NSW 2011.

## 2015 Election Policy Costing

**Proposal Title:** New Ferries and More Ferry Services

**Lead Agency:** Transport for NSW

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	0	6,304	6,304
Depreciation	0	0	0	1,250	1,250
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	0	0	-7,554	-7,554

Capital Expenditure	1,000	2,000	11,000	11,000	25,000
Less: Depreciation	0	0	0	1,250	1,250
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	1,000	2,000	11,000	9,750	23,750

<b>Net Lending/Borrowing:</b>	-1,000	-2,000	-11,000	-17,304	-31,304
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<b>Net Financial Liabilities:</b>	1,000	3,000	14,000	31,304	
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### Notes and costing assumptions used:

The gross operating costs (incl. depreciation) of the proposal are \$7.6 m between 2014-15 and 2017-18. The gross capital costs are \$25m between 2014-15 and 2017-18.

The costing is for funding additional to the current Transport Capital Plan (TCP). The TCP currently includes 6 new inner harbour ferries which are being delivered under the Sydney's Ferry Future program. However, the 4 new Rivercat ferries are not in the current TAM and require additional consolidated fund support.

The costing assumes \$5m for vessel concept design / development / procurement / management costs and \$5m per vessel for construction. The cost estimate for the new Rivercat vessels are informed by design work undertaken for new Inner Harbour vessels. The \$25m capital cost will be depreciated over 20 years from 2017-18 on a straight line basis.

TfNSW advise that the total commitment of this policy (including TCP funding) equates to over \$100 million from 2014 to 2019.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C023  
Date Published: 23/03/2015

Proposal Title: **COMBATING CHILD SEXUAL ASSAULT**

Cluster: Justice

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		5,484	5,621	5,762	16,867
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(5,484)	(5,621)	(5,762)	(16,867)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(5,484)	(5,621)	(5,762)	(16,867)
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<b>Net Financial Liabilities:</b>	-	5,484	11,105	16,867
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	5,484	11,105	16,867
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## Notes and costing assumptions

The policy proposes to increase support for child sexual assault victims and impose longer sentences on offenders from 1 July 2015.

Funding will be provided to:

- appoint two specialist judges to hear child sexual assault cases throughout NSW;
- introduce children's champions to support child witnesses through the court cases; and
- introduce pre-recorded cross examinations to keep children out of the courts.

The costs in 2015-16 consist of:

- \$2.6 million to appoint two District Court specialist child sexual assault judges;
- \$1.8 million to introduce pre recorded cross examinations; and
- \$1.0 million to introduce children's champions.

Costs are escalated by 2.5 per cent per year.





## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals and Nationals
Name of Policy:	Combatting Child Sexual Assault
Date of request:	8 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Support child sexual assault victims and crack down on sex offenders
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		5,484	5,621	5,762	16,867	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Attorney General & Justice
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will support child sexual assault victims and crack down on child sex offenders



**The Baird Government is committed to ensuring that the interests of child sexual assault victims are paramount.**

The community rightfully expects that penalties for child sexual assault offenders reflect the heinous nature of these crimes and that the justice system supports victims through the trial process.

If re-elected, the Baird Government will ensure that the sentencing of child sex assault offenders meets community expectations by increasing the maximum penalty for sexual intercourse with a child under 10 from 25 years to life imprisonment. We will also include 13 additional child sexual assault offences in the Standard Non-Parole Period (SNPP) scheme.

This tougher approach to sentencing for child sexual offences was recommended by the Parliamentary Joint Select Committee which considered whether current sentencing options for perpetrators of child sexual assault were still effective.

The Standard Non-Parole Periods we will introduce for child sexual offences are significantly higher than the current average sentences. For example, for the crime of sexual intercourse with a child between 10 and 14 years, the current average sentence is less than two years. Our proposed SNPP is 7 years. For the crime of aggravated sexual intercourse with a child between 10 and 14 years, the current average sentence is 3.73 years. Our proposed SNPP is 9 years.

These SNPPs will send a clear message that the community expects judges to impose tougher sentences on child sex offenders.

A re-elected Baird Government will also support child witnesses in the courts.

We will pilot a specialist child sexual assault judicial

### A re-elected Baird Government will:

- ✓ Increase the maximum penalty for sexual intercourse with a child under 10 from 25 years to life imprisonment
- ✓ Include 13 additional child sexual assault offences in the Standard Non-Parole Period scheme (SNPPs)
- ✓ Pilot a specialist child sexual assault judicial program
- ✓ Introduce Children's Champions who will be responsible for supporting child witnesses through the trial process
- ✓ Keep children out of the courts by introducing pre-recorded cross examination

program. Under this program we will appoint two specialist judges who will undergo intensive training on managing child sexual assault matters. These judges will go on circuit around the State, to reduce the waiting time for child sexual assault cases. The judges will adopt a case management approach to support children through the court process.

We will also introduce Children's Champions who will be responsible for supporting child witnesses through the trial process which has been successful in the UK, and keep children out of the courts by introducing pre-recorded cross examination, so they can provide evidence in a safe space.

We believe our package of reforms will deliver tougher sentences for child sexual offences, and greater consistency. Confidence in the justice system is undermined when sentences for child sex offenders appear out of step with community expectations. We are also committed to ensuring that child witnesses get the support and guidance they need.

## Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Combatting Child Sexual Assault

**Lead Agency:** Department of Justice

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	5,484	5,621	5,762	16,867
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-5,484	-5,621	-5,762	-16,867
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-5,484	-5,621	-5,762	-16,867
<b>Net Financial Liabilities:</b>	0	5,484	11,105	16,867	

### Notes and costing assumptions used:

The commitment will appoint specialist judges to hear child sexual assault cases around the state; introduce children's champions to support child witnesses through the court process; and keep children out of the courts by introducing pre-recorded cross examination.

The costing includes appointment of two specialist judges. The funding will provide:  
 \$2.64m for two District Court specialist child sexual assault judges  
 \$1.76m to implement pre-recorded cross-examination for the smallest contact group  
 \$0.94m to implement the children's champions program for the smallest contact group.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C024  
Date Published: 23/03/2015

Proposal Title: **DELIVERING THE NATIONAL DISABILITY INSURANCE SCHEME EARLY**

Cluster: Family and Community Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		17,399			17,399
Depreciation					-
Less: Offsets		17,399	(7,252)		10,147
Revenue					-
<b>Net Operating Result:</b>	-	-	(7,252)	-	(7,252)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	-	(7,252)	-	(7,252)
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<b>Net Financial Liabilities:</b>	-	-	7,252	7,252
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	-	7,252	7,252
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## Notes and costing assumptions

The policy proposes to bring forward the full scheme National Disability Insurance Scheme (NDIS) for eligible people in the Penrith/Blue Mountains area to July 2015 - one year earlier than scheduled.

Under the early roll-out, approximately 2,000 children will be provided with information, linkages and capacity building supports (ILC support) from July 2015, and access support from a new National Disability Insurance Agency presence. Children and their families will begin accessing individual packages of reasonable and necessary supports from September 2015.

The early roll-out will include children and their families who do not currently receive NSW government support. All other people with a disability residing in the Penrith/Blue Mountains area will start accessing the scheme as currently planned from 1 July 2016 .

The total cost of the program in 2015-16 will be \$17.4 million, which includes: \$8.7 million for NSW's contribution to the NDIS; \$7.9 million for clients who are not transitioning in 2015-16, but will still access State services; and \$0.8 million for additional project officers. This cost is offset by existing funding of \$10.1 million, leaving a funding shortfall of \$7.3 million. To fund the shortfall, the costing assumes \$7.3 million of funding is brought forward from 2016-17: that is, activities planned and funded for 2016-17 will instead take place in 2015-16.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Delivering the NDIS early
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	Bring forward the full scheme NDIS for eligible people in the Penrith/Blue Mountains area of Western Sydney from July 2015 – a year ahead of schedule. We will start this roll-out by transitioning children (under 18 years of age) to the NDIS.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	7,252	-7,252	-	-	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Family and Community Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

# A re-elected Baird Government will start delivering the NDIS a year ahead of schedule



## The Baird Government is committed to getting on and delivering the vital NDIS reform.

The National Disability Insurance Scheme (NDIS) is a generational reform which will provide choice and control to people with disability in NSW, and across Australia.

Under the NSW Liberals & Nationals, NSW was the first State to sign up to the NDIS. The Baird Government is committed to getting on and delivering this vital reform. In NSW, the NDIS started with a trial site in the Hunter region from July 2013. The original plan was for the full scheme roll-out to occur across the rest of the State from 2016-18.

A re-elected Baird Government will deliver the NDIS ahead of schedule.

NSW is committed to transitioning into the national scheme in a way that ensures that all eligible NSW citizens are able to access the scheme for the supports they need within a reasonable timeframe.

From the Hunter NDIS trial, we know that access to personalised plans and individualised funding is already making a real difference to the lives of participants, their families and carers.

A Penrith/Blue Mountains roll-out from 2015 will mean more eligible people will be able to access the NDIS sooner. This region has been selected as the first area for full scheme roll-out as it contains a broad representation of cultural and socio-economic groups. Greater Western Sydney is an area of high need, particularly for early intervention services for children with disability.

## A re-elected Baird Government will:

- ✓ Bring forward the full scheme NDIS for eligible people in the Penrith/Blue Mountains area of Western Sydney from July 2015 - a year ahead of schedule. We will start this roll-out by transitioning children and young people (under 18 years of age) to the NDIS
- ✓ Assist the Commonwealth to set up a National Disability Insurance Agency presence in the Penrith area from 1 July 2015 to facilitate the NDIS roll-out in Greater Western Sydney
- ✓ Continue to work with the Commonwealth on a roll-out

The early roll-out will involve children under the age of 18 being provided with information, linkages and capacity building supports (ILC support) from July 2015, as well as being able to access support from a new National Disability Insurance Agency presence. Children and their families will begin accessing individual packages of reasonable and necessary supports from September 2015, with 2,000 children accessing the NDIS by 30 June 2016. Children and their families who do not currently receive supports through NSW Government funded programs will be included in this roll-out. All other people with disability residing in the Penrith/Blue Mountains areas will start to access the scheme from 1 July 2016 - as the Commonwealth and NSW begin the rest of the roll-out across the State.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Early transition of young people into the NDIS: Penrith - Blue Mountains

**Lead Agency:** Department of Family and Community Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	17,399	0	0	17,399
Depreciation	0	0	0	0	0
Less: Offsets	0	10,147	7,252	0	17,399
Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-7,252	7,252	0	0
Capital Expenditure	0	0	0	0	0
Capital Offsets*	0	0	0	0	0
Less Depreciation	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-7,252	7,252	0	0
<b>Net Financial Liabilities:</b>	0	7,252	0	0	0

### Notes and costing assumptions used:

The proposal "Early Transition to the NDIS for Young People in the Penrith/Blue Mountains Area" will commence transition to the NDIS in 2015-16 for approximately 2,000 children (less than 18 years of age) living in the Penrith/Blue Mountains area of Western Sydney.

The total cost for NSW is \$17.4m, including: \$8.65m for NSW's contribution to the NDIS, \$7.9m for State clients that are not transitioning in 2015-16; and \$0.8m for additional project officers. Existing available funding in the site is \$10.1m. The \$7.3m shortfall will be met by a bring forward from 2016-17.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C025  
Date Published: 23/03/2015

Proposal Title: **STRENGTHEN THE NSW POLICE FORCE**

Cluster: Justice

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		27,030	29,014	37,326	93,370
Depreciation					-
Less: Offsets					-
Revenue		10,000	15,000	15,000	40,000
<b>Net Operating Result:</b>	-	<b>(17,030)</b>	<b>(14,014)</b>	<b>(22,326)</b>	<b>(53,370)</b>

Capital Expenditure		10,000	15,000	15,000	40,000
Capital Offsets					-
<b>Capital Expenditure:</b>	-	<b>10,000</b>	<b>15,000</b>	<b>15,000</b>	<b>40,000</b>

<b>Net Lending/(Borrowing)</b>	-	<b>(27,030)</b>	<b>(29,014)</b>	<b>(37,326)</b>	<b>(93,370)</b>
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<b>Net Financial Liabilities:</b>	-	<b>27,030</b>	<b>56,044</b>	<b>93,370</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>27,030</b>	<b>56,044</b>	<b>93,370</b>
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## Notes and costing assumptions

The policy proposes a number of initiatives including:

- equipping police with advanced technologies such as body worn video cameras, tablet computers, mobile finger print scanners and drug testing machines.
- an additional 130 police officers (over and above the 180 additional officers that are provided for at an annual cost of \$24.4 million per annum within the forward estimates).
- upgrading 178 positions to detective.
- employing 15 civilian specialists.
- extending the Police Force Wellbeing Program past 2014-15.

The total cash cost (expenses and capital investment) of the policies over the forward estimates is \$133.3 million. However, \$40 million of these costs will be funded by withdrawals from the Confiscated Proceeds of Crime (CPC) special deposit account. This money is recognised as revenue for the first time when withdrawals are made from this account according to NSW Treasury accounting treatment. Hence, over the forward estimates the budget impact of the policies on net financial liabilities is \$93.3 million.

## **Costing assumptions continued:**

### **Key assumptions**

\$76 million will be provided over three years from 2015-16 to equip police with advanced technologies, with capital spending of \$10 million in 2015-16, and \$15 million in each of 2016-17 and 2017-18. The policy proposes investing \$100 million over four years from 2015-16 on these technologies.

This part of policy is partially funded from cash withdrawals from the CPC of \$10 million in 2015-16, and \$15 million in each of 2016-17 and 2017-18.

The cost of funding 130 additional officers, employing 15 civilian specialists, and extending the Police Force Wellbeing Program past 2014-15, is estimated at \$12 million in 2015-16, \$18.8 million in 2016-17, \$26.8 million in 2017-18.

Depreciation costs have not been estimated in costing this policy because NSW Treasury has advised the PBO that these costs will be absorbed.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Strengthen the NSW Police Force
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To invest in the NSW Police force, see details attached
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		17,030	14,014	22,326	53,370	
Impact on GGS capital expenditure <sup>4</sup>		10,000	15,000	15,000	40,000	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costing by a third party?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A, B & C
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A, B & C

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	NSW Police
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A, B & C
Eligibility criteria or thresholds:	See Attachments A, B & C

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will strengthen the NSW Police Force and invest in cutting edge technology



**The Baird Government is committed to strengthening our Police Force and making it the smartest, most resilient, and technologically advanced in the country.**

The Baird Government has delivered the best crime statistics across all major crime categories in 25 years, and we are committed to building on these results by making our Police Force the smartest, most resilient and technologically advanced in the country.

If re-elected, we will build on our strong track record in targeting all crime, from small scale right through to the most serious, including child abuse, organised crime, gun crime, cybercrime, domestic and family violence and fraud. We will increase police numbers, strengthen our specialist police capability, and invest in cutting edge technology.

We will deliver 310 new police officers by 2018. Police numbers are at record highs. Since December 2011, 679 additional positions have been filled with authorised strength currently at 16,485.

Our commitment to increase authorised strength by 310 officers includes bolstering our Police Force with 250 Specialist Police as well as 15 specialist civilian staff. This includes:

- intensifying the Counter Terrorism and Special Tactics Command with an additional 50 detectives,
- building Australia's largest Child Abuse Squad, with an additional 50 investigators and four specialist intelligence and support staff;
- expanding the firearms and organised crime related squads by 70 Police Officers to target and prosecute even more criminals involved in the illegal manufacture, trafficking, importation and possession of firearms and organised crime;

### A re-elected Baird Government will:

- Deliver 310 new police officers by 2018, including 250 Specialist Police as well as 15 specialist civilian staff
- Invest \$17.1 million over four years in the Police Force Wellbeing Program
- Invest \$100 million over four years in a Policing For Tomorrow Fund for priority technology
- building on the successful operations targeting gun crime and create Australia's first Real Time Intelligence Response Centre, to target public place shootings with 20 new sworn Police Officer positions and five new intelligence analysts;
- bolstering the Cybercrime and Fraud Squad with 30 specialist forensic accountants, intelligence analysts and technical experts, to target internet fraud, hacking, money laundering and identity theft;
- increasing domestic and family violence police capability with 24 domestic violence specialist police officers, who will assist Domestic Violence Liaison Officers; and
- permanently establishing the Serious Sex and Violent Offenders Investigation Unit, with 6 police to investigate and monitor serious sex and violent offenders who are on extended supervision orders after their release from jail.

## Back The Baird Plan and keep NSW working.

# Mike Baird's long term plan for NSW

The Baird Government is committed to getting more police back to work faster after injury, and ensuring we prevent as many injuries as possible. The number of officers unfit for duty because of injury has dropped by more than half during the Liberals-Nationals term in office – from 630 officers in October 2011 to 255 by September 2014. We are committed to doing even more.

We will expand our support for NSW Police, including by investing a total of \$17.1 million over four years in the Police Force Wellbeing Program. Services will prevent injury, support injured officers to return to work, as well as support former officers and families.

The Baird Government will equip our police with the most advanced technology available by investing \$100 million over four years in a Policing For Tomorrow Fund, including funding from confiscated proceeds of crime. This landmark fund will future-proof the NSW Police Force to ensure their needs in responding to crime in the latest and most innovative ways are met. The Fund will allow NSW Police Force to put in bids for priority technology.

Current priorities include:

- body worn video cameras to be rolled out in stages to all frontline officers,
- tablet computers for frontline officers to enable instant access to police computer resources in the field
- mobile fingerprint scanners to allow instant identification of offenders in the field, averting the need to return to the station; and
- TruNarc testing machines to empower our Police to scan for multiple narcotics using a simple handheld machine, which will allow faster and effective results.

The Policing For Tomorrow Fund will make police safer and more efficient, ensuring more time on the street combating crime and less time at the station completing paperwork.



MIKE BAIRD  
*Premier of NSW*



**For more on our plans please go to [www.BackBaird.org.au](http://www.BackBaird.org.au)**

## 2015 Election Policy Costing

**Proposal Title:** Policing for Tomorrow

**Lead Agency:** NSW Police Force

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	15,000	10,250	10,506	35,756
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	10,000	15,000	15,000	40,000
<b>Net Operating Result:</b>	0	-5,000	4,750	4,494	4,244
Capital Expenditure	0	10,000	15,000	15,000	40,000
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	10,000	15,000	15,000	40,000
<b>Net Lending/Borrowing:</b>	0	-15,000	-10,250	-10,506	-35,756
<b>Net Financial Liabilities:</b>	0	15,000	25,250	35,756	

### Notes and costing assumptions used:

\$76 million will be provided over three years from 2015-16 for the procurement and operation of technology supporting a wider roll out of body-worn video devices, and devices promoting enhanced police mobility.

-From 2016-17 expenditure will be split between recurrent (\$10 million p/y) and capital (\$15m p/y). In 2015-16 \$10m will go to capital and \$15m for recurrent needs.

-Funding from the Confiscated Proceeds Account (CPA) is supported for the capital component of the project.

The total commitment over 4 years from 2015-16 will be at least \$100 million. Note that depreciation costs associated with the capital is able to be met from within existing resources.

## 2015 Election Policy Costing

**Proposal Title:** Building New South Wales Police Force

**Lead Agency:** NSW Police

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	12,030	18,764	26,820	57,614
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-12,030	-18,764	-26,820	-57,614
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-12,030	-18,764	-26,820	-57,614
<b>Net Financial Liabilities:</b>	0	12,030	30,794	57,614	

### Notes and costing assumptions used:

The costings assumes to:

- (a) commit to an additional 130 officers on top of a growth commitment of 180 additional police officers (funded through the Forward Estimates at \$24.4m pa) to take the total amount of new police officers to 310. The Government will also upgrade 178 positions to detective. The additional 310 police officers will occur over the next four years, including 250 in specialist units
- (b) employ 15 civilian specialists, and
- (c) extend the Police Force Wellbeing Program past 2014-15.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C026  
Date Published:

Proposal Title: **JOBS FOR NSW**

Cluster:

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		8,700	87,900	162,900	259,500
Depreciation		-	-	-	-
Less: Offsets		2,200	2,200	2,200	6,600
Revenue					-
<b>Net Operating Result:</b>	-	(6,500)	(85,700)	(160,700)	(252,900)

Capital Expenditure					-
Capital Offsets					-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	(6,500)	(85,700)	(160,700)	(252,900)
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<b>Net Financial Liabilities:</b>	-	6,500	92,200	252,900	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	6,500	92,200	252,900	
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## Notes and costing assumptions

The policy proposes several initiatives to support local businesses to grow, and for interstate and international businesses to relocate to NSW. The total cost of the policy over the forward estimates is \$253 million.

Key initiatives under the policy are:

- extending the \$5,000 Jobs Action Plan payroll tax rebates for a further four years until 30 June 2019.
- establishing a new \$2,000 Small Business Employment Incentive for non-payroll tax paying businesses that hire new employees.
- \$29.9 million capped additional funding for the State Investment Attraction Scheme (SIAS) and the Regional Industries Investment Scheme (RIIF).
- \$25 million for a VET scholarships fund for technology industry students (25,000 grants available at \$1,000 per grant). The allocation of funding assumes a 100 per cent take up of the grants.

The policy reduces the Department of Trade and Investment's funding by \$2.2 million per year from 2015-16 as an offset to partially fund the initiatives.





## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Jobs for NSW
Date of request:	10 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To attract new jobs and businesses to NSW
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		6,500	85,700	160,700	252,900	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	Refer to Attachments A & B
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	April 2015
Intended duration of policy:	Forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury / Department of Trade and Investment, Regional Infrastructure and Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Refer to Attachment B
Eligibility criteria or thresholds:	Refer to Attachment B

If the policy is mainly a revenue commitment	
Transaction based or capped:	Refer to Attachment B
Thresholds and/or exemptions:	Refer to Attachment B
Collection method:	Refer to Attachment B
Additional expenditure associated with collection:	Refer to Attachment B

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	Refer to Attachment B
Proposed start and completion date of work:	Refer to Attachment B
Intended construction schedule/cashflow:	Refer to Attachment B
Offsetting expenditure savings:	Refer to Attachment B
Associated asset sell off (if any):	Refer to Attachment B
On-going maintenance, depreciation and operational expenses:	Refer to Attachment B
Third party funding involvement:	Refer to Attachment B

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will create 150,000 more jobs



## The Baird Government is committed to supporting jobs growth and boosting the economy.

NSW has gone from being the economic basket case of Australia to the leading Australian economy. Under Labor, NSW had the slowest economic growth and an unemployment rate consistently above the national average.

By contrast, over the last 4 years, NSW has the strongest economic growth of all of the States and has delivered over 136,000 more jobs. The Government has supported this economic transformation with record investment targeting the levers of economic growth – infrastructure and housing.

In addition, the Government has supported job creation by lowering business costs including reduced worker's compensation premiums, lower payroll taxes and providing payroll tax rebates for growing firms, reduced red tape and strong economic leadership.

We've established eight Industry Action Plans in partnership with industry and businesses to ensure that we focus on our strategic economic advantages. Through these industry attraction schemes we have attracted more than \$8 billion in investment to NSW and added 23,600 full-time equivalent jobs.

However we know that there is more that can be done to attract new jobs and businesses to NSW, and to ensure that our young people are prepared for the jobs of tomorrow.

That is why the Baird Government will provide \$678 million in funding and incentives over the next 4 years for local businesses to grow and for interstate and international businesses to relocate to NSW.

## A re-elected Baird Government will:

- ✓ Commit to growing employment by 150,000 jobs over the next 4 years.
- ✓ Extend the successful \$5000 Jobs Action Plan payroll tax rebates for a further 4 years until 30 June 2019. Over the last 4 years, businesses have strongly supported this initiative with over 90,000 payroll tax rebate applications.
- ✓ Establish a new \$2000 Small Business Employment Incentive for non-payroll tax paying businesses that will reward small businesses for every additional employee that they take on. The incentive will be paid for genuinely additional employees on their first anniversary of employment.
- ✓ Establish a \$25 million Jobs of Tomorrow Scholarship Fund. We will provide 25,000 \$1000 scholarships for students undertaking qualifications for technology and growth jobs. The scholarships will be paid in two parts, \$500 at the beginning and \$500 at the successful completion of the course.
- ✓ Boost the State's investment attraction schemes by \$32 million to create a \$190 million war chest to aggressively attract businesses from interstate and overseas to set up in NSW. We will leverage private sector expertise ensure that use this funding to deliver the greatest economic and employment impact for the state.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing Non Eliminated and Non Escalated

**Proposal Title:** Jobs for NSW - Summary Costing

**Lead Agency:** Department of Trade and Investment, Regional Infrastructure and Ser

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	8,700	87,900	162,900	259,500
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	2,200	2,200	2,200	6,600
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-6,500	-85,700	-160,700	-252,900
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-6,500	-85,700	-160,700	-252,900
<b>Net Financial Liabilities:</b>	0	-6,500	-92,200	-252,900	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>				
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### Notes and costing assumptions used:

This costing has various components: incentives for local businesses to grow and for interstate and international businesses to relocate to New South Wales.

Expenditure on the incentives comprises: \* extending the \$5,000 Jobs Action Plan payroll tax rebates for a further four years until 30 June 2019 \* establishing a new \$2,000 Small Business Employment Incentive for non-payroll tax paying businesses that hire new employees \* \$29.9m capped additional funding for the SIAS and RIIF schemes (over 3 years to 2017-18) Total \$31.6 million over 4 years to 2018-19. \*\$25 million capped additional for a VET scholarships fund for technology industry students (25,000 grants available at \$1,000 per grant) - assume 100% take up.

We have redirected \$2.2 million per year from 2015-16 of DTIRIS funding to facilitate this policy package.

The gross new allocation to all of the above measures over four years to 18-19 is \$397.4m.

The gross allocation including existing funding over four years to 18-19 is \$687m (based on SIAS and RIIF profile after PTA request - see costing 235 SIAS and RIIF)



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C027  
Date Published: 23/03/2015

Proposal Title: **TRIAL CAR SHARING SERVICES IN GOVERNMENT**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		(551)	(565)	(579)	(1,695)
Depreciation		(1,564)	(1,564)	(1,564)	(4,692)
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	<b>2,115</b>	<b>2,129</b>	<b>2,143</b>	<b>6,387</b>

Capital Expenditure		(7,454)			(7,454)
Capital Offsets					-
<b>Capital Expenditure:</b>	-	<b>(7,454)</b>	-	-	<b>(7,454)</b>

<b>Net Lending/(Borrowing)</b>	-	<b>8,005</b>	<b>565</b>	<b>579</b>	<b>9,149</b>
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<b>Net Financial Liabilities:</b>	-	<b>(8,005)</b>	<b>(8,570)</b>	<b>(9,149)</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(8,005)</b>	<b>(8,570)</b>	<b>(9,149)</b>
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## Notes and costing assumptions

The policy proposes that a trial of car sharing services will be conducted with a view to reduce the size and cost of the Government fleet. The policy requires public servants to use 'cost-effective transport services', including car sharing services.

The costing assumes 415 fewer Government fleet vehicles will be purchased in 2015-16 resulting in reduced capital expenditure of \$7.454 million in 2015-16 and a decrease in associated depreciation expenditure of \$1.564 million per year. Government expenditure will reduce by \$551,000 in 2015-16 as a result of lower vehicle maintenance and operating costs such as servicing and fuel. This has been escalated at 2.5 per cent per annum.

A further reduction in the size and cost of the Government fleet may occur in 2016-17 and 2017-18; however the scope of savings will not be known until the trial of car-sharing services has been completed and evaluated. The evaluation report is due in mid May 2015. Savings in these years have not been included in the costing as the scale cannot be reliably estimated at this stage.

The policy also supports and develops innovative and efficient car sharing businesses. The costing assumes resources for this will be absorbed within agencies' current budget allocations.





## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Trial car sharing services in government
Date of request:	10 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	Require public servants to use cost effective transport services with a view to reducing the size and cost of the government fleet
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		-2,115	-2,115	-2,115	-6,345	
Impact on GGS capital expenditure <sup>4</sup>		-5,981	1,564	1,564	-2,853	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	From April 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of Finance and Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Demand
Eligibility criteria or thresholds:	Refer to Attachment B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	Refer to Attachments A&B
Proposed start and completion date of work:	Refer to Attachments A&B
Intended construction schedule/cashflow:	Refer to Attachments A&B
Offsetting expenditure savings:	Refer to Attachments A&B
Associated asset sell off (if any):	Refer to Attachments A&B
On-going maintenance, depreciation and operational expenses:	Refer to Attachments A&B
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

## THE NSW GOVERNMENT WILL TRIAL CAR SHARING SERVICES IN GOVERNMENT

The NSW Government is committed to reducing waste and inefficiency across the public sector. We recognise that there are new and innovative ways to achieve savings across Government which can then be redirected to boost frontline services.

### **If elected, the Baird Government will:**

- conduct a trial of car share services with a view to reducing the size and cost of the Government fleet
- require public servants to use cost-effective transport services, including car sharing services
- support and develop innovative and efficient car sharing businesses

Government agencies operate separate car pools and do not share car pool vehicles, resulting in underutilised vehicles across all agencies

A NSW Treasury review of Government fleet vehicles estimated that more than 12,000 Government vehicles were underutilised, and that the fleet could be reduced by 4,000 vehicles without affecting service delivery.

It is important that we reduce this waste and cost to tax payers of Government car pools. Every dollar saved can be used to fund improvements to frontline services.

At the same time we can promote growth and expansion of car share services in outer metropolitan and regional areas for the benefit of the community.

## 2015 Election Policy Costing

**Proposal Title:** Reduce to cost of Government Car Pools and re-direct the savings to front line services

**Lead Agency:** Office of Finance and Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	-551	-551	-551	-1,653
Depreciation	0	-1,564	-1,564	-1,564	-4,692
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	2,115	2,115	2,115	6,345
Capital Expenditure	0	-7,545	0	0	-7,545
Less: depreciation	0	-1,564	-1,564	-1,564	-4,692
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	-5,981	1,564	1,564	-2,853
<b>Net Lending/Borrowing:</b>	0	8,096	551	551	9,198
<b>Net Financial Liabilities:</b>	0	-8,096	-8,647	-9,198	

### Notes and costing assumptions used:

The proposal is to reduce the size and cost of Government car pools by utilising car sharing services. OFS is undertaking a 3 month trial of car share arrangements commencing in early February, which should assist in substantiating the benefits from this proposal. A draft trial evaluation report is due mid May 2015.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C028  
Date Published: 23/03/2015

Proposal Title: **OVERHAULING THE COMPANION ANIMAL REGISTRATION SYSTEM FOR CATS AND DOGS**

Cluster: Planning and Environment

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets					-
Revenue		(984)	(1,048)	(1,113)	(3,144)
<b>Net Operating Result:</b>	-	<b>(984)</b>	<b>(1,048)</b>	<b>(1,113)</b>	<b>(3,144)</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>(984)</b>	<b>(1,048)</b>	<b>(1,113)</b>	<b>(3,144)</b>
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<b>Net Financial Liabilities:</b>	-	<b>984</b>	<b>2,032</b>	<b>3,144</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>984</b>	<b>2,032</b>	<b>3,144</b>
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## Notes and costing assumptions

The policy proposes to introduce a 50 per cent discount registration fee for cats and dogs obtained from eligible pounds or shelters from 1 July 2015.

Based on historical registration numbers, the costing assumes 37,167 animals from eligible pounds and shelters will be registered in 2015-16. This number is escalated by 2.5 per cent per annum. As advised by the Office of Environment (OEH), current registration fees for de-sexed animals are \$53 in 2015-16, \$55 in 2016-17 and \$57 in 2017-18. A 50 per cent reduction in fees will result in a loss of NSW Government revenue of \$3.144 million over the forward estimates. The revenue is provided to council for animal management activities and to the Companion Animals Fund. The costing assumes the revenue reduction will not be offset by a reduction in funding to councils.

The policy specifies the registration system for cats and dogs will be streamlined. The costing assumes costs associated with this task will be absorbed within the Department of Planning and Local Government's existing resource allocation.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Overhauling the companion animal registration system for cats and dogs
Date of request:	16 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To promote responsible pet ownership and responsible breeding practices
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		984	1,048	1,113	3,144	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.



**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of Local Government
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Demand
Eligibility criteria or thresholds:	Refer to Attachment B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



## Mike Baird's long term plan for NSW

# A re-elected Baird Government will give discount pet registration for pound animals and provide an additional \$2 million to the RSPCA



## The Baird Government is committed to responsible pet ownership and promoting animal welfare.

The Baird Government recognises the importance of pets to families in NSW. The Government is committed to responsible pet ownership because it enhances animal welfare and the safety of communities.

Unfortunately, too many pets are abandoned and euthanasia rates are too high. Furthermore, there are significant animal welfare issues associated with unethical and irresponsible breeding practices, known as puppy and kitten farms.

The Baird Government supports the invaluable work the RSPCA undertakes in providing training to the community to further promote responsible pet ownership and responsible breeding practices.

Our reforms will:

- Introduce a new online registration system to replace the current paper-based two stage process which has resulted in low registration numbers and frustrated owners who struggled to locate their pet when lost. Under the new system, dogs and cats will be added to the register at the time of micro-chipping. Registration fees will be payable by the time the pet is six months old, maintaining the price differential to incentivise owners to de-sex their pets. The streamlined system will operate in real time, making it easier for NSW families to transfer registration at time of purchase, as well as update contact details and search for lost pets. This streamlined information system will reduce abandonment and euthanasia rates.
- Improve animal welfare by cracking down on unethical animal breeding practices through the utilisation of

## A re-elected Baird Government will:

- ✓ Streamline the registration system for dogs and cats in NSW by creating a one-step 'real time' online register
- ✓ Introduce 50% discounted registration fees for dogs and cats obtained from eligible pounds or animal shelters
- ✓ Provide \$2 million for the RSPCA NSW Education Centre - a multi functional training hub which will be home to the RSPCA Academy in Western Sydney

better and more coordinated information relating to breeders and the registration process.

- Encourage the purchase and rehoming of dogs and cats from pounds and shelters which will reduce the number of dogs and cats euthanized in NSW.
- Promote responsible pet ownership through training and community awareness programs. The new RSPCA Education Centre in Western Sydney will promote responsible pet ownership and animal welfare in the community by using the dedicated facility for training programs targeting pet owners and the animal industry. The RSPCA Education Centre will also be a hub for school children K-12 offering a variety of learning experiences designed to educate them about approaching animals, keeping them safe and giving them the skills to become responsible pet owners. The Centre will underpin the RSPCA NSW's long-term strategy of helping people help animals.

# Back The Baird Plan and keep NSW working.

Authorised and printed by Tony Nutt, 100 William Street, East Sydney NSW 2011.



## 2015 Election Policy Costing

**Proposal Title:** Overhauling the companion animal registration system for dogs and cats

**Lead Agency:** Office of Local Government

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	0	0	0
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	-984	-1,048	-1,113	-3,144
<b>Net Operating Result:</b>	0	-984	-1,048	-1,113	-3,144
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-984	-1,048	-1,113	-3,144
<b>Net Financial Liabilities:</b>	0	-984	-2,032	-3,144	

### Notes and costing assumptions used:

1. 50 per cent reduction in registration fees under the companion animal registration system from 1 July 2015. Budget funding required from 2015-16 onwards to compensate for revenue forgone which funds council animal management activities (75%) and Companion Animals Fund (25%).
2. The reduction in revenue from the proposal will have a net operating result impact of \$3.1 million between 2015-16 and 2017-18. This assumes that the revenue reductions will not be offset by reductions in funding to councils.

### Cost Estimate

\* The cost estimate is based on 50 per cent reduction in registration fees for 37,167 animals (based on data obtained by Office of Local Government from pounds/shelters in years 2011-13). Current and forecast registration fees are \$53 for 2015-16, \$55 in 2016-17 and \$57 in 2017-18 per animal.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C030  
Date Published: 23/03/2015

Proposal Title: **GROWING THE ARTS AND CULTURAL SECTOR IN WESTERN SYDNEY**

Cluster: Trade and Investment, Regional Infrastructure and Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,000	1,500	2,000	4,500
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(1,000)	(1,500)	(2,000)	(4,500)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(1,000)	(1,500)	(2,000)	(4,500)
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<b>Net Financial Liabilities:</b>	-	1,000	2,500	4,500
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	1,000	2,500	4,500
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## Notes and costing assumptions

The policy proposes to increase funding for growing the arts and cultural sector in Western Sydney to \$30 million over 4 years.

The policy provides \$10 million to relocate the Powerhouse Museum to Parramatta. NSW Treasury have advised that this is already included in the existing estimates, as a decision taken after the 2014-15 Half-Yearly Review. This component is therefore not included in this costing.

The policy provides \$7.5 million of funding over 4 years from 1 July 2015 to support artists and arts organisations in Western Sydney. The costing assumes \$4.5 million will be provided over the forward estimates, with an additional \$3.5 million provided in 2018-19.

The policy specifies \$800,000 will be provided to establish a resident arts company at the Riverside Theatre. As per the costing request it is assumed this cost will be absorbed within the Department of Trade, Investment, Regional Infrastructure and Services' (DTIRIS) existing resource allocation. DTIRIS administered an Arts and Cultural Development Program of \$48 million in 2014-15; \$800,000 represents approximately 2 per cent of this funding.

The remaining \$11.7 million consists of funding that is currently included in the forward estimates for the purpose of growing the arts and cultural sector in Western Sydney. Since this money is already included in the forward estimates it will not have a budget impact.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Growing the arts and cultural sector in Western Sydney
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	To grow the arts and cultural sector in Western Sydney.
Has the policy been publicly released yet?	N/A

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	1,000	1,500	2,000	4,500	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Trade and Investment
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will grow the arts and cultural sector in Western Sydney



## A re-elected Baird Government will provide \$30 million over four years to grow the arts and cultural sector in Western Sydney.

The Baird Government will relocate the Powerhouse Museum to Western Sydney as part of a wider Parramatta arts and cultural precinct. The museum will use the \$10 million to plan and develop a business case for the move. The business case will ensure the Museum remains vibrant, relevant and sustainable in Australia's fastest-growing and most diverse region.

\$7.5 million of new money will be quarantined in a fund for artists and organisations who are based in Western Sydney. This dedicated funding will include fellowships, and will create more opportunities for practicing and emerging artists.

\$800,000 will contribute to the establishment of a resident company at the Riverside Theatre in partnership with Parramatta Council. This will play a significant role in developing quality and relevant performances for Western Sydney audiences.

This budget boost is estimated to double Western Sydney's share of funds, raising it from 7% to 14% of Arts NSW funding. Boosting the Western Sydney proportion of Arts NSW funding will give audiences in Western Sydney greater access to works, performances and content developed in their region.

### A re-elected Baird Government will:

- ✓ Provide \$10 million to relocate the Powerhouse Museum to Paramatta
- ✓ Provide \$7.5 million of new money to support artists and arts organisations in Western Sydney
- ✓ Provide \$800,000 to establish a resident arts company at the Riverside Theatres.

The Baird Government's arts policy commitments align to *Create in NSW: The NSW Arts & Cultural Policy Framework*. The ten-year policy framework focuses on increased Access for audiences, organisational Strength and performance Excellence across Regional NSW, Western Sydney and Sydney.

# Back the Baird Plan and Keep NSW Working.

## 2015 Election Costing

**Proposal Title:** Growing the arts and cultural sector in Western Sydney

**Lead Agency:** Trade and Investment

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	1,000	1,500	2,000	4,500
Depreciation	0	0	0	0	0
Less: Offsets	0	0	0	0	0
Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-1,000	-1,500	-2,000	-4,500
Capital Expenditure	0	0	0	0	0
Capital Offsets*	0	0	0	0	0
Less Depreciation	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-1,000	-1,500	-2,000	-4,500
<b>Net Financial Liabilities:</b>	0	1,000	2,500	4,500	

#### Notes and costing assumptions used:

The policy is to dedicate funds to support more artists and arts organisations in Western Sydney and establish an arts company at the Riverside Theatre.

The profile reflects the funds available in each year, with a further \$3 million available in 2018-19.

An additional \$800,000 to "contribute to the establishment of a resident company at the Riverside Theatre in partnership with Parramatta Council" is funded from within existing Arts resources



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C031  
Date Published: 23/03/2015

Proposal Title: **REFORMING ENERGY REBATES**

Cluster: Trade and Investment, Regional Infrastructure and Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		21,567	25,233	29,422	76,222
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(21,567)	(25,233)	(29,422)	(76,222)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(21,567)	(25,233)	(29,422)	(76,222)
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<b>Net Financial Liabilities:</b>	-	21,567	46,800	76,222	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	21,567	46,800	76,222	
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## Notes and costing assumptions

The policy proposes to offer a \$90 gas rebate for low income households, offer additional electricity rebates for residents of retirement villages and residential parks and extend the medical energy rebates available under the Life Support Rebate scheme.

The cost of the gas rebate and additional medical energy rebates are estimated at \$76 million over the forward estimates.

### Key assumptions

The changes to the medical energy rebates and an extension of other rebates to retirement villages and residential parks has been costed in total at \$1.22m over the four years to 2018-19.

Based on IPART changes in gas prices, an escalation rate of 8.4% per annum has been applied over the forward estimates for the \$90 gas rebate.

The number of potential claimants for the gas rebate has been estimated based on the number of people receiving the low income household electricity rebate (LHIR). There are currently 770,000 LHIR recipients. There are 1.2 million households with gas and 3.2 million with electricity in NSW. So the households eligible to claim the gas rebate is estimated to be about 38 per cent of the total eligible households for the electricity rebate.

### Costing assumptions continued:

The electricity rebate is \$235, whilst the gas rebate starts at \$90. So it would be expected that take-up of the gas rebate amongst eligible claimants would be lower, especially when first introduced where awareness about the rebate may be lower.

The modelling has effectively assumed take-up rates for the gas rebate are 80 per cent of the take-up rates for the electricity rebate for eligible households in 2015-16, because of the lower price incentive and because the scheme is new. The take-up rate for the gas rebate is assumed to rise each year by 5%, to 85% in 2016-17, and 90% in 2017-18. Total households claiming the gas rebate is estimated at 236,000 in 2015-16 rising to 275,000 in 2017-18.

There may be some households eligible for both the gas and electricity rebates who are currently not claiming the electricity rebate, who become more aware, and start claiming both rebates. Hence, the costs of the current electricity rebate may indirectly rise as a result of this policy. This effect has not been included in this cost estimate, and is more properly attributed to the costs of the electricity rebate.

Costs of administering the policies are assumed to be absorbed within agencies.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Reforming Energy Rebates
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	The NSW Government is committed to assisting families with the cost of electricity and gas. We are reforming the energy rebate system, ensuring those in most need of assistance receive it
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	21,568	25,234	29,421	76,223	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Resources and Energy
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

# A re-elected Baird Government will extend energy rebates



## The Baird Government is committed to assisting families with the cost of electricity and gas.

The Baird Government is committed to assisting families with the cost of electricity and gas. Over the last 4 years we have got power prices back under control. Prices rose by 57% between 2006 and 2011, but now for the first time this century, those prices are falling. According to the independent Australian Energy Market Commission, they are forecast to fall further – by an average of 6% per annum over the next two years.

To further ensure that power prices do not rise, the Baird Government will require all bidders for the 49% of the poles and wires to guarantee network prices will be lower in 2019 than they were in 2014, and will require Allan Fels to sign off that the lease will put no upward pressure on power prices in the short, medium or long term.

However, we recognise that families are under cost of living pressure. After years of Labor's double digit energy price rises, family budgets are squeezed. In our first term, we:

- increased the Low Income Household Energy Rebate from \$145 to \$235;
- introduced a new \$150 Family Energy Rebate; and
- increased the Medical Energy Rebate from \$145 to \$235.

Now, because of the strong economic management of the Baird Government we have a capacity to do more. We can now further reform the energy rebate system, to ensure those in most need of assistance receive it.

The Baird Government will provide more than \$1 billion to assist households with their energy costs over the next 4 years. Under our plan, more funding will be available to

### A re-elected Baird Government will:

- ✓ Introduce a \$90 Gas Rebate to help 290,000 low income households with the cost of gas, which will increase in value every year indexed to the cost of gas
- ✓ Increase the Life Support Rebate by an average 85% to cover the running cost of electricity for life support equipment for 32,000 customers
- ✓ Expand the Life Support Rebate to help an estimated 6000 quadriplegic customers with the cost of powering electric mobility devices
- ✓ Ensure 75,000 residents in retirement villages, residential communities, and embedded network strata schemes have access to every NSW energy rebate

a greater number of households. This means less money spent on energy, and more going back into people's pockets.

Increasing the Life Support Rebate by an average 85% will mean that the electricity used to power their essential medical equipment will on average be fully funded by the rebate. Some customers will receive up to \$1,120 annually to cover the cost of running their life-saving equipment 24 hours a day.

These updated rebates are in addition to the Family Energy Rebate (FER), Low Income Household Rebate, Medical Energy Rebate and the Energy Accounts Payment Assistance Scheme, and will commence from 1 July 2015.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Reforming NSW Energy Rebates

**Lead Agency:** Trade & Investment

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	21,568	25,234	29,421	76,223
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-21,568	-25,234	-29,421	-76,223
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-21,568	-25,234	-29,421	-76,223
<b>Net Financial Liabilities:</b>	0	21,568	46,802	76,223	

### Notes and costing assumptions used:

This policy has multiple components:

1. Introduction of a \$90 low income household gas rebate that will sit alongside the existing \$235 low income household electricity rebate. There are 770,000 current LIHR recipients for electricity. Given there are 1.2m gas customers compared to 3.2m electricity customers, it is assumed 38% of LIHR recipients have access to gas = 290,000 in 14-15. This grows at same rate as budgeted growth in LIHR rebates. The take up rate for gas rebate for the next four years is assumed at 80%-85%-90%-95%.
2. The indexation of energy rebates against electricity and gas prices. Gas prices are assumed to rise by 8.4% per annum over the forward estimates (IPART Changes in Gas Prices Fact Sheet). Electricity prices are reported to fall by 5.8% per annum over the forward estimates (AEMC price trends), but the policy is most effectively costed using a flat \$235 rebate over forward estimates.
3. The changes to the medical energy rebates and an extension of other rebates to retirement villages and residential parks has been costed at \$1.22m over the forward estimates.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C033  
Date Published: 23/03/2015

Proposal Title: **HEALTH CAPITAL - TRANSFORM PATIENT HEALTH CARE**

Cluster: Health

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets				3,733	3,733
Revenue					-
<b>Net Operating Result:</b>	-	-	-	<b>3,733</b>	<b>3,733</b>

Capital Expenditure		1,396,802	1,298,241	1,257,509	3,952,552
Capital Offsets		1,353,815	1,236,070	1,209,512	3,799,397
<b>Capital Expenditure:</b>	-	<b>42,987</b>	<b>62,171</b>	<b>47,997</b>	<b>153,155</b>

<b>Net Lending/(Borrowing)</b>	-	<b>(42,987)</b>	<b>(62,171)</b>	<b>(44,264)</b>	<b>(149,422)</b>
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<b>Net Financial Liabilities:</b>	-	<b>42,987</b>	<b>105,158</b>	<b>149,422</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>42,987</b>	<b>105,158</b>	<b>149,422</b>
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## Notes and costing assumptions

The policy proposes to provide more than \$5 billion over four years to build and upgrade hospitals across NSW.

Capital funding for most of the election commitments is to be provided from within Health's current approved capital program limit, with the exception of three items. The additional capital funding required for these projects is \$153 million over the forward estimates, or \$238 million over the four years.

1. Four car parks at Westmead Hospital (\$72 million), Tweed Hospital (\$8 million), Shoalhaven Hospital (\$8 million) and Orange Hospital (\$8 million). These projects will be funded through Treasury's Hospital Car Park Portfolio Funding Model, under which Health receives an advance in capital consolidated funding to construct the car park and repays the funding to Treasury over time from car parking fee revenue. The amount and timing of the repayments have yet to be determined, but based on the Westmead Hospital Car Park business case, could be around \$3.7 million in 2017-18.

2. \$50 million in funding from the Restart NSW Fund for Regional Infrastructure to fund projects at Armidale, Lismore, Macksville, Manning, Grafton and Coraki.

3. Construction of a new Forensic Pathology and Coroner's Court facility at a total cost of \$91.5 million. This is a joint project between Health and the Department of Justice, with Health contributing \$59.7 million and Justice contributing \$31.8 million.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Health Capital – Transform Patient Health Care
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachments A & B
What is the purpose or intention of the policy?	Spend more than \$5 billion to build and upgrade more than 60 hospital and health services over the next four years
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>						
Impact on GGS capital expenditure <sup>4</sup>		42,987	62,171	47,997	153,155	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Health
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	See Attachments A & B
Proposed start and completion date of work:	See Attachments A & B
Intended construction schedule/cashflow:	See Attachments A & B
Offsetting expenditure savings:	See Attachments A & B
Associated asset sell off (if any):	See Attachments A & B
On-going maintenance, depreciation and operational expenses:	See Attachments A & B
Third party funding involvement:	See Attachments A & B

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will transform patient healthcare in NSW



## The Baird Government is committed to investing in our healthcare system.

A re-elected Baird Government will spend more than \$5 billion to build and upgrade more than 60 hospital and health services over the next four years, bringing the total spend on health infrastructure to almost \$10 billion since the 2011 election.

Tertiary, base and district hospitals across metropolitan, regional and rural NSW will be expanded and modernised, including Armidale, Blacktown, Bowral, Broken Hill, Campbelltown, the Children's Hospital at Westmead, Coffs Harbour, Concord, Cooma, Dubbo, Goulburn, Grafton, Gunnedah, Hornsby, Inverell, Lismore, Macksville, Manning, Mudgee, Port Macquarie, Prince of Wales, Ryde, Shellharbour, Tweed, Wagga Wagga, Westmead and Wyong.

Rural and regional ambulance stations will be built and upgraded, including Basin View, Pottsville, Berry, Kiama, Wagga Wagga, Molong, Toukley, Wyong, Yass, Wauchope, Birmingham Gardens, Bathurst, Griffith, Rutherford/Metford and Ardlethan/Coolamon.

Put simply, a re-elected Baird Government will spend more in 8 years than Labor spent in the entire 16 years it was in government.

Rebuilding NSW will allow an additional \$1 billion to be invested in health, on top of a record health infrastructure investment over the next 4 years.

## A re-elected Baird Government will:

- ✓ Spend more than \$5 billion to build and upgrade more than 60 hospital and health services over the next four years
- ✓ Reserve \$600 million for a Hospitals Growth Program for new health facilities targeting Western Sydney Hospitals
- ✓ Reserve \$300 million to accelerate the delivery of multipurpose health facilities in country towns
- ✓ Reserve \$100 million for 20 'one stop shops' facilitating health care in metropolitan and regional areas

\$600 million will be reserved for a new health facility at Rouse Hill and the planned expansion of the Campbelltown Hospital in addition to a new paediatric capacity in South Western Sydney under a Hospitals Growth Program. This will ensure that future residents of Western and South Western Sydney have improved access to hospital and ambulatory care services closer to home. These new and expanded facilities will reduce local demand at Liverpool and Westmead Hospitals, allowing them to strengthen their State-wide roles.

# Back The Baird Plan and keep NSW working.

## Mike Baird's long term plan for NSW

\$300 million will be reserved to accelerate the delivery of multipurpose health facilities in country towns.

This investment will secure the sustainability of smaller rural facilities by integrating healthcare services, with a focus on innovation and flexibility in service delivery. Locations prioritised for new investment will be those with smaller populations that may not be able to sustain separate hospital, residential care, community health, and home care services. The program will also focus on improving coordination of health and aged care services appropriate for isolated communities.

Multipurpose health facilities that will be funded by Rebuilding NSW include Walgett, Yass, Murrurundi, Tumbarumba, Coolah, Tocumwal, Culcairn, Cobar and Holbrook.

\$100 million will be invested in 20 'one stop shops' facilitating health care in metropolitan and regional areas.

This investment will accelerate the Primary and Integrated Care Strategy, providing new 'One Stop Shops' in 20 regional and metropolitan communities to bring together a variety of healthcare providers to improve patient access to services and increase overall efficiency.

One Stop Shops will be delivered in Tibooburra, Salamander Bay, Ulladulla, West Dapto, Bonny Hills, Bowraville, Camden Haven, Nambucca, Urunga, Lithgow, Glenmore Park, Jordan Springs, Evans Head, Ocean Shores, Oran Park, Wollondilly, Green Square, St Clair, Merrylands and South West NSW.

This is expected to improve health outcomes for vulnerable members of the community, and will attempt to create partnerships with not-for-profit providers where possible. Services to be co-located include mental health, early childhood and youth, nursing, and Aboriginal health services.



MIKE BAIRD  
*Premier of NSW*



**For more on our plans please go to [www.BackBaird.org.au](http://www.BackBaird.org.au)**

## 2015 Election Policy Costing

**Proposal Title:** Building Hospitals to Transform Patient Healthcare  
**Lead Agency:** Health

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	0	0	0
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	0	0	0	0
Capital Expenditure	0	1,396,802	1,298,241	1,257,509	3,952,552
Capital Offsets	0	1,353,815	1,236,070	1,209,512	3,799,397
<b>Net Capital Expenditure:</b>	0	42,987	62,171	47,997	153,155
<b>Net Lending/Borrowing:</b>	0	-42,987	-62,171	-47,997	-153,155
<b>Net Financial Liabilities:</b>	0	42,987	105,158	153,155	

### Notes and costing assumptions used:

The Government's commitment is to invest more than \$5 billion over four years to rebuild ageing hospitals across the State. Health's capital program will focus on the policy to 'expand and modernise key hospitals across metropolitan, regional and rural NSW'.

A further commitment will apply Rebuilding NSW funds to: construction of new hospitals in population growth areas of the state (\$600m); plan and commence construction on 19 integrated health care centres (\$100m); and commence 12 Multipurpose Service (MPS) centres in rural and regional NSW (\$300m).

A number of election commitments totalling \$23.3m have also been committed, including Daffodil House, Murwillumbah Car Park, St George Cancer Centre, Blue Mountains Renal Dialysis, 2nd Linac at Shoalhaven, Gunnedah Hospital Upgrade, and Ronald McDonald House. Health has advised these will be prioritised for funding from within its existing approved limits.

Capital funding for the bulk of the identified election commitments is to be provided from within Health's current approved capital program limit, with the exception of three items below equalling the 4-year total Net Lending/Borrowing impact shown above:

1. Included in the Election Commitments are four car parks at Westmead (\$72m); Tweed Hospital (\$8m); Shoalhaven car parking (\$8m) Orange Hospital Car Park (\$8m). Although these commitments are not currently included in Health's capital program limits, they will - subject to satisfactory business case and gateway review - be funded under the existing Hospital Car Park Portfolio Funding Model, and the limits increased accordingly.

The Hospital Car Park Portfolio Funding Model is an established model used in recent years, under which new multi-storey hospital car parks are funded by an advance in capital consolidated funding. This is

repaid to Treasury over time from car-parking fee revenue, returned to the Budget through a reduction in consolidated recurrent funding to Health, resulting in a budget neutral position in the long run.

2. Health has attributed \$50m in funding against six proposed projects included as election commitments from the Restart NSW Fund for Regional Infrastructure. A \$50m Restart Reservation has been identified for the six selected projects (at Armidale, Lismore, Macksville, Manning, Grafton and Coraki) and will be made available to the capital program once the project business cases and gateway requirements are met and the projects approved through the Budget process.

3. Health has a project on its capital program to build a new Forensic Pathology and Coroner's Court facility, with a total cost of \$91.5m. This is a joint project between Health and Department of Justice (DoJ), which is responsible for funding the Coroner's Court component of the project (\$31.8m) and Health (\$59.7m). Funding for the justice component is being sought as part DoJ capital budget in 2015-16 Budget, and if approved, would be provided as inter-agency revenue to Health to complete the funding for the project. Once approved, Health's authorisation limit can also be increased by the value of the funding contribution from DoJ.

Approval of the above items will allow health to fully fund its capital program over the forward estimates.

As per past practice, incremental recurrent expense growth associated with the capital investment is assumed to be met from within Health's annual growth funding, resulting in no expected budget impact.



## Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C034  
Date Published: 23/03/2015

Proposal Title: **HARNESSING NEW TECHNOLOGY TO PREVENT SHARK ATTACKS**

Cluster: Trade and Investment, Regional Infrastructure and Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		100			100
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(100)	-	-	(100)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(100)	-	-	(100)
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<b>Net Financial Liabilities:</b>	-	100	100	100
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### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	100	100	100
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### Notes and costing assumptions

The policy proposes to provide \$200,000 for summer aerial patrols, \$30,000 per annum in grants for local councils to fund shark spotting measures, and an additional \$100,000 to trial innovative shark detecting sonar technology at beaches in Cronulla, Bondi and Newcastle.

The only new measure in the policy announcement is the \$100,000 to trial innovative shark detecting technology. The other measures are already funded within Trade and Investment's existing cluster budget.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Harnessing new technology to prevent shark attacks
Date of request:	24 February 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To protect NSW beaches from the threat of shark attacks
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	100	-	-	100	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.



**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	Refer to Attachment A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	From April 2015
Intended duration of policy:	Forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Primary Industries
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped amount
Eligibility criteria or thresholds:	-

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	April 2015
Refer to Attachment B	Refer to Attachment B
Offsetting expenditure savings:	Refer to Attachment B
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	Refer to Attachment B
Third party funding involvement:	Refer to Attachment B

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will introduce new technologies to increase safety at NSW beaches with our Shark Smart policy



**The Baird Government is committed to increasing safety at NSW beaches.**

The Baird Government has a proud record on protecting NSW beaches from the threat of shark attacks.

**Since 2011, we have delivered on our commitment to:**

- ✓ Provide \$200,000 per annum for summer aerial patrols from both fixed wing planes and helicopters
- ✓ Provide \$30,000 per annum for in grants for local councils to fund local shark spotting measures, including observation towers, binoculars, and training for local surf life savers
- ✓ Investigate the use of sonar technology to detect sharks.

If re-elected, the Baird Government will continue successful measures we have delivered since 2011 and introduce new technologies to increase safety at NSW beaches with our Shark Smart Policy.

### **A re-elected Baird Government will:**

- ✓ Invest \$100,000 in a trial of innovative shark detecting sonar technology at beaches in Cronulla, Bondi, and Newcastle
- ✓ Provide training and equipment for Rapid Response Squads on our higher risk beaches – with Surf Life Savers at the ready to respond to any threats with shark deterrence measures
- ✓ Provide safety tips for swimmers, surfers, and other water users through our Shark Smart App and community awareness campaign
- ✓ Provide training and equipment for Rapid Response Squads on our higher risk beaches – with Surf Life Savers at the ready to respond to any threats with shark deterrence measures
- ✓ Provide \$200,000 per annum for summer aerial patrols from both fixed wing planes and helicopters
- ✓ Provide \$30,000 per annum in grants for local councils to fund local shark spotting measures, including observation towers, binoculars, and training for local surf life savers

# Back the Baird Plan and Keep NSW Working.

## 2015 Election Policy Costing Non Eliminated and Non Escalated

**Proposal Title:** Alternatives to Shark Meshing

**Lead Agency:** NSW Trade & Investment (Department of Primary Industries)

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	100	0	0	100
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-100	0	0	-100
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-100	0	0	-100
<b>Net Financial Liabilities:</b>	0	100	100	100	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	100	100	100
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### Notes and costing assumptions used:

The only new measure included in this proposal is \$100,000 for the trial of innovative technologies. The other four measures listed in the media release are funded within Trade and Investment's existing cluster budget.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 16/03/2015

Proposal No: C035  
Date Published: 23/03/2015

Proposal Title: **ELIMINATING UNNECESSARY DUPLICATION ACROSS GOVERNMENT**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets		15,000	25,000	40,000	80,000
Revenue		-	-	-	-
<b>Net Operating Result:</b>	-	<b>15,000</b>	<b>25,000</b>	<b>40,000</b>	<b>80,000</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>15,000</b>	<b>25,000</b>	<b>40,000</b>	<b>80,000</b>
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<b>Net Financial Liabilities:</b>	-	<b>(15,000)</b>	<b>(40,000)</b>	<b>(80,000)</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(15,000)</b>	<b>(40,000)</b>	<b>(80,000)</b>
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## Notes and costing assumptions

The policy proposes to achieve efficiency savings across government agencies by eliminating unnecessary duplication.

The policy is to be achieved by taking the savings up front by a reduction in agency budgets, \$80 million of savings over the forward estimates as per the profile above. A further process to identify unnecessary duplication between government entities and determine the precise implementation path will occur, including an option for agencies to suggest alternatives provided they still deliver the specified savings. On this basis the PBO notes that the savings target is realistically achievable.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Eliminating unnecessary duplication across Government
Date of request:	16 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	Produce savings upon identification of government agencies, bodies, commissions, panels, boards and committees where there is unnecessary duplication between entities.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	-15,000	-25,000	-40,000	-80,000	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachment A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachment A

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachment A
Eligibility criteria or thresholds:	See Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

## 2015 Election Policy Costing

**Proposal Title:**

Eliminating unnecessary duplication across Government

**Lead Agency:** Treasury

**General Government Sector Impacts**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	0	0	0
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	15,000	25,000	40,000	80,000
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	15,000	25,000	40,000	80,000
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	15,000	25,000	40,000	80,000
<b>Net Financial Liabilities:</b>	0	-15,000	-40,000	-80,000	

**Total State Sector Impacts**

<b>Net Financial Liabilities:</b>	0	-15,000	-40,000	-80,000
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**Notes and costing assumptions used:**

This proposal would achieve savings of \$80 million over four years (2014-15 to 2017-18) through eliminating duplication and consolidation of government agencies, bodies, commissions, panels, boards and committees.

Estimated savings are based upon identification of government agencies, bodies, commissions, panels, boards and committees where there is a duplication in function between entities. Additional savings have been identified through adjustments to the boards and committees framework, including remuneration requirements.

Clusters would implement the program in consultation with central agencies.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C038  
Date Published:

Proposal Title: **1.5% EFFICIENCY DIVIDEND**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		(193,330)	(198,306)	(202,117)	(593,752)
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	<b>193,330</b>	<b>198,306</b>	<b>202,117</b>	<b>593,752</b>

Capital Expenditure					-
Capital Offsets					-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	<b>193,330</b>	<b>198,306</b>	<b>202,117</b>	<b>593,752</b>
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<b>Net Financial Liabilities:</b>	-	<b>(193,330)</b>	<b>(391,635)</b>	<b>(593,752)</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(193,330)</b>	<b>(391,635)</b>	<b>(593,752)</b>
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## Notes and costing assumptions

The policy implements a 1.5 per cent efficiency dividend in 2015-16 on 'controlled expenditure' of NSW Government agencies. The costing assumes the Ministry of Health, the Rural Fire Service, State Emergency Services, Education (excluding Communities), TAFE NSW and the Department of Family and Community Services will be exempt from the efficiency dividend, in line with the current operating practice of efficiency dividends in NSW.



# **PARLIAMENTARY BUDGET OFFICE**

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

## **Election Costing Request Form**

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	1.5% Efficiency Dividend
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	The proposal implements a 1.5% efficiency dividend to achieve savings of approximately \$593.8 million over four years (2014-15 to 2017-18).
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	-193,330	-198,306	-202,117	-593,752	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachment A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachment A

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachment A
Eligibility criteria or thresholds:	See Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).

Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



## 2015 Election Policy Costing

**Proposal Title:** 1.5% Efficiency Dividend

**Lead Agency:** Treasury

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	0	0	0
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	193,330	198,306	202,117	593,752
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	193,330	198,306	202,117	593,752
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	193,330	198,306	202,117	593,752
<b>Net Financial Liabilities:</b>	0	193,330	391,635	593,752	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>				
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### Notes and costing assumptions used:

The proposal is to implement a 1.5% efficiency dividend to achieve savings of approximately \$593.8 million over four years (2014-15 to 2017-18).

Broad agency saving targets would be provided based on an efficiency dividend methodology, with savings equating to approximately 1.5 per cent of controlled agency expenses. These savings would be removed from agency budgets as part of the 2015-16 Budget process, with options for review of the relative allocation of targets in the forward estimates, if individual clusters provide greater opportunity to achieve savings.

Efficiency dividend exemptions would be applied to the Ministry of Health, the Rural Fire Service and the State Emergency Services, Education (excluding Communities), TAFE NSW and the Department of Family and Community Services.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C039  
Date Published: 23/03/2015

Proposal Title: **IMPLEMENTATION OF 10 WHOLE OF GOVERNMENT PROCUREMENT SAVINGS INITIATIVES**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		10,380	7,160	7,680	25,220
Depreciation					-
Less: Offsets		72,920	115,780	123,320	312,020
Revenue					-
<b>Net Operating Result:</b>	-	<b>62,540</b>	<b>108,620</b>	<b>115,640</b>	<b>286,800</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>62,540</b>	<b>108,620</b>	<b>115,640</b>	<b>286,800</b>
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<b>Net Financial Liabilities:</b>	-	<b>(62,540)</b>	<b>(171,160)</b>	<b>(286,800)</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(62,540)</b>	<b>(171,160)</b>	<b>(286,800)</b>
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## Notes and costing assumptions

The policy proposes to implement efficiency savings through 10 whole of government procurement initiatives .

The mechanism for achieving the policy will be to take the savings up front by a reduction in agency budgets, as per the offsets profile above, to be followed by a process to implement the new approaches to procurement.

The net efficiency savings under the policy are estimated to be a \$286.8 million from 2015-16 to 2017-18.

### Key assumptions

The procurement initiatives are estimated to require an investment of \$32.9 million over four years to 2018-19 to achieve the required savings, which have been included as an expense in the forward estimates figures above (\$25.2 million to 2017-18).

Efficiency savings have been identified in consultation between cluster Chief Financial Officers , the Office of Finance and Services, and external consultants.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Procurement Benefits Program
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	Implementation of 10 whole of government procurement savings initiatives.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	-62,540	-108,620	-115,640	-286,800	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachment A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachment A

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachment A
Eligibility criteria or thresholds:	See Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

## 2015 Election Policy Costing

**Proposal Title:** Procurement Benefits Program

**Lead Agency:** Office of Finance and Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	10,380	7,160	7,680	25,220
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	72,920	115,780	123,320	312,020
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	62,540	108,620	115,640	286,800
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	62,540	108,620	115,640	286,800
<b>Net Financial Liabilities:</b>	0	-62,540	-171,160	-286,800	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>				
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### Notes and costing assumptions used:

The proposal involves implementation of 10 whole of government procurement savings initiatives identified in KPMG's Procurement Benefits Report 2014, including Contingent Workforce, StateFleet, Strategic Supplier Relationship Management, ICT Software, Travel - Per Diems, Independent Contract Reviews, Purchasing Cards, Professional Services, Legal Services and Telecommunications.

Total savings that will be delivered over 4 years is \$436.37 million is derived from the costings undertaken by KPMG. The initiative will deliver \$286.8 million net saving (over four years from 2015-16 to 2018-19) as the program will require an investment of \$32.90 million (over four years) to achieve the required savings. The indicative savings allocations were determined by KPMG analysis and reviewed in consultation with Cluster CFOs. Data used to inform the allocations includes: (i) Office of Finance and Services' Procurement Data Cube; (ii) estimated savings per initiative utilising previous KPMG initiatives implemented in other jurisdictions.

OFS will work with Clusters to implement the initiatives. A reporting framework through the NSW Procurement Board and Treasury's Fiscal Effectiveness Office will monitor savings.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C040  
Date Published: 23/03/2015

Proposal Title: **SUPPORT OUR RURAL FIREFIGHTERS IN BETTER PROTECTING OUR COMMUNITIES**

Cluster: Justice

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		12,832	12,268	2,507	27,607
Depreciation		197	310	310	817
Less: Offsets					-
Revenue		13,926	12,266	2,141	28,333
<b>Net Operating Result:</b>	-	<b>897</b>	<b>(312)</b>	<b>(676)</b>	<b>(91)</b>

Capital Expenditure		3,475	2,095		5,570
Capital Offsets					-
<b>Capital Expenditure:</b>	-	<b>3,475</b>	<b>2,095</b>	-	<b>5,570</b>

<b>Net Lending/(Borrowing)</b>	-	<b>(2,381)</b>	<b>(2,097)</b>	<b>(366)</b>	<b>(4,843)</b>
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<b>Net Financial Liabilities:</b>	-	<b>2,381</b>	<b>4,477</b>	<b>4,843</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>2,381</b>	<b>4,477</b>	<b>4,843</b>
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## Notes and costing assumptions

The policy proposes to provide rural firefighters with more funding to protect communities. The policy is intended to start from 1 July 2015.

Funding will be allocated to;

- pilot the use of Large Air Tankers (LATs);
- commit to additional hazard reduction activities;
- enhance the fire trail network;
- invest in four regionally based fire fighting training centres; and,
- develop a web portal to provide bush fire information.

### Revenue

Revenue mainly comprises of statutory contributions to fund the Rural Fire Brigade's expenditure. Under the *Rural Fires Act 1997*, local councils contribute 11.7 per cent and the insurance industry contributes 73.7 per cent towards the cost of operating the service. Remaining costs are met by the NSW Government.

### Capital Expenditure

The costing assumes \$5.2 million will be spent across two years from 2015-16 on developing a web portal for bushfire information and improving ICT systems. Also, included in 2015-16 only, is \$350,000 for five Remote Area Fire Team (RAFT) trailers.



**Costing assumptions continued:**

**Expenses**

Expenses consist of the following:

- Two year operating lease of LATs starting 2015-16 at \$9.8 million per year.
- \$2 million per annum towards the enhancement of the rural fire trail network commencing 2015-16.
- In 2015-16, grants will be provided to Local Councils to construct four remote training facilities, estimated to cost \$1 million.
- Ongoing RAFT recurrent costs of \$80,000 per annum from 2016-17.
- ICT recurrent expenses will be \$357,000 in 2016-17 and \$395,000 per annum thereafter.
- Hazard reduction activities are assumed to be funded through existing resources. This assumption is reasonable.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Support our rural firefighters in better protecting our communities
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Equip our rural firefighters with the tools they need to better protect our communities in times of crisis.
Has the policy been publicly released yet?	N/A

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	- 897	312	695	110	
Impact on GGS capital expenditure <sup>4</sup>	-	3,278	1,785	-310	4,753	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of the NSW Rural Fire Service
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	See Attachments A & B
Proposed start and completion date of work:	See Attachments A & B
Intended construction schedule/cashflow:	See Attachments A & B
Offsetting expenditure savings:	See Attachments A & B
Associated asset sell off (if any):	See Attachments A & B
On-going maintenance, depreciation and operational expenses:	See Attachments A & B
Third party funding involvement:	See Attachments A & B

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will support our rural firefighters in better protecting our communities



**The Baird Government is committed to equipping our rural firefighters with the tools they need to better protect our communities in times of crisis.**

Sadly NSW has seen its fair share of horrific bush fires. To ensure that our Rural Fire Service has all the tools necessary to fight fast moving and dangerous bush fires which are often in rugged and inaccessible terrain we will pilot the use of Large Air Tankers (LAT) to support our existing fleet of bush fire aircraft.

We will increase community resilience against the impact of bush fires by targeting the protection of almost 600,000 homes over the next four years through hazard reduction works and almost 750,000 hectares of hazard reduction activities.

Currently there is a lack of consistency to the maintenance and signage of bush fire trails which impedes firefighter access and essential hazard reduction works. We will give the RFS the powers they need to ensure a functional fire trail network across the state is established and maintained to a consistent and high standard to better facilitate hazard reduction activities.

With the significant threat to land and property in remote and regional areas significant, it is important to have appropriately trained personnel. The Baird Government will construct four regionally based remote area fire fighting training centres to provide training and certification facilities for volunteer remote area firefighters. These will be located in the Central West, Southern and Northern regions and an additional centre will cater for the bush fire demands of Western Sydney.

### **A re-elected Baird Government will:**

- ✓ Pilot the use of Large Air Tankers (LAT) to combat serious bush fires
- ✓ Commit to additional hazard reduction activities
- ✓ Provide NSW with an enhanced fire trail network
- ✓ Invest in four regionally based fire fighting training centres
- ✓ Provide the public with important bush fire information in their locality through an online portal

The provision of these regionally based facilities will reduce the travel time for volunteers in obtaining and/or maintaining their accreditation as remote area firefighters.

The Baird Government will develop a web portal that consolidates bush fire risk and treatment information such as past, present and future hazard reduction activities, fire trail networks, and historical bush fire information across the State. This information will be accessible to the general public through a new web portal called 'Guardian'. This web portal will be linked to the successful 'Fires Near Me' app.

This comprehensive package will help increase community resilience against the impact of fires through prevention and preparedness activities.

# Back the Baird Plan and Keep NSW Working.

## 2015 Election Policy Costing

**Proposal Title:** Equipping our rural fire fighters with the tools to better protect our communities

**Lead Agency:** Office of NSW Rural Fire Service

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	12,832	12,575	2,634	28,041
Depreciation	0	197	310	310	817
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	13,926	12,572	2,249	28,748
<b>Net Operating Result:</b>	0	897	-312	-695	-110
Capital Expenditure	0	3,475	2,095	0	5,570
Capital Offsets	0	0	0	0	0
Less Depreciation	0	197	310	310	817
<b>Net Capital Expenditure:</b>	0	3,278	1,785	-310	4,753
<b>Net Lending/Borrowing:</b>	0	-2,381	-2,097	-385	-4,862
<b>Net Financial Liabilities:</b>	0	2,381	4,478	4,862	

### Notes and costing assumptions used:

Proposal comprises improvement of ICT system, trial of additional aircraft, continuing hazard reduction, improve maintenance of fire trail, and purchase of additional remote area fire team trailers.

Costing is based on 14.6% Government contribution share of the total value of the policy.

- ICT system: Capital costs will be \$5.2m across two years from 2015-16, and recurrent expenses will be \$357k in 2016-17 and \$395k per annum thereafter. Costing is based on information made available from the work undertaken in the development of a full business case.
- Very Large Air Tanker Trial: The trial will be through an operating lease costing \$9.8m per annum (recurrent) over two years.
- Hazard Reduction Target: this will be funded from within the existing resources allocated to Fire Mitigation in the agency's recurrent budget.
- Remote Area Fire Teams (RAFT) and remote training facilities: the costing includes a one-off capital cost of \$1m in 2015-16 for RFS to vest the four remote training facilities to be constructed by Local Councils, and \$350k for the purchase of the five RAFT trailers. There is also an ongoing cost of \$80k per annum from 2015-16.

The revenue is from the emergency services levy based on funding services model for RFS, SES and Fire and Rescue.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 11/03/2015

Proposal No: C041  
Date Published: 23/03/2015

Proposal Title: **SPECIALIST SUBJECTS SUCCESSFUL STUDENTS**

Cluster: Education and Communities

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		4,150	2,158	2,212	8,519
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(4,150)	(2,158)	(2,212)	(8,519)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(4,150)	(2,158)	(2,212)	(8,519)
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<b>Net Financial Liabilities:</b>	-	4,150	6,308	8,519
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	4,150	6,308	8,519
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## Notes and costing assumptions

The policy aims to increase the number of students studying science, maths, and Asian language courses. It also aims to stretch high ability students through better links with industry, business and universities.

Key initiatives of the policy include:

- retraining 320 teachers as specialists in maths and science,
- a virtual school for students to study languages,
- establishing a NSW Languages Advisory Panel,
- developing partnerships with universities, and
- upgrading science labs.

New funding for the policy is \$8.5 million over the forward estimates for costs associated with:

- developing the new programs;
- preparing training materials; and
- providing staff to manage and establish the new projects in 2015-16.

Other costs of the policy are to be met from within existing Department of Education resources.



## **Costing assumptions continued:**

### **Key assumptions**

Costs over the forward estimates associated with retraining the 320 specialist teachers, including scholarships , study leave, and back filling of positions whilst teachers are away on study leave, are to be provided from the existing Department of Education and Communities (DEC) budget.

The virtual school , NSW Languages Advisory Panel and partnerships with universities are also to be funded from the DEC budget.

The upgrade of science labs will be funded by a capped \$20 million allocation which is already included in the budget.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Specialist Subjects, Successful Students
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	Take steps to increase the number of students studying maths, science and Asian language courses, and stretch high ability students through better links with industry, business and universities
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	4,150	2,158	2,212	8,519	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Education
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



# A re-elected Baird Government will equip our students with the skills they need for the future

**The Baird Government is committed to ensuring our young people have the skills they need to participate in the fastest growing economy in the country.**

The NSW Liberals & Nationals Government has created more than 100,000 new jobs over the last four years, and we want to ensure every young person in NSW has the skills they need to take up the opportunities in the fastest growing economy in the country.

It is estimated that 75% of the fastest growing occupations in Australia require science, technology, engineering & maths (STEM) skills.

The Baird Government will retrain 320 teachers as specialists in maths and science as part of a number of changes to improve the quality of teaching and student results in this critical area.

This may include including offering scholarships, study leave and/or a guarantee of future employment.

The Baird Government will provide opportunities for students to study languages not offered at their home school through the new virtual high school.

The newly established expert NSW Languages Advisory Panel, with high level representation from key education sectors, community organisations, industry and business will:

- conduct research and devise specific proposals to promote the value of languages learning;
- provide incentives for, and remove barriers to, languages learning;

### A re-elected Baird Government will:

- ✓ Retrain 320 teachers as specialists in maths and science
- ✓ Provide greater student access to languages through the new virtual high school
- ✓ Develop partnerships with universities, training organisations, business and industry to mentor and stretch high ability students
- ✓ Upgrade science labs at 50 schools

- consider whether HSC students who study a language should receive ATAR bonus points; and
- develop a strategy to increase the supply of specialist primary school languages teachers, including consideration of a specialist languages strand within initial teacher education generalist primary qualifications.

High ability students will be stretched by mentoring programs with universities, training organisations, business and industry.

Stronger links with universities and training organisations will stretch high ability students and enable them to attempt tertiary subjects which may lead to early/pre-selection entrance schemes and/or advanced avenues of specialist study.

Science labs at 50 schools will also be upgraded through an investment of \$20 million over 4 years to ensure students can access state-of-the-art equipment and resources.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Specialist Subjects, Successful Students

**Lead Agency:** Board of Studies, Teacher and Education Standards (DEC cluster)

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	4,150	2,158	2,212	8,519
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-4,150	-2,158	-2,212	-8,519
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-4,150	-2,158	-2,212	-8,519
<b>Net Financial Liabilities:</b>	0	4,150	6,308	8,519	

### Notes and costing assumptions used:

The policy aims to:

- increase the number of students undertaking science and maths, and Asian language course; and
- stretch high ability students through better links with industry, business and universities.

The policy actions include:

- training more science and maths teachers;
- upgrading science labs at 50 schools through an investment of \$20 million over 4 years to ensure students can access state-of-the-art equipment and resources (funded with existing resources);
- providing greater student access to languages through a new virtual high school; and
- developing partnerships with universities, training organisations, business and industry to mentor and stretch high ability students.

The funding to meet the costs of the policy indicated above will be drawn from BOSTES resources across the forward estimates. As a consequence the budget impact will be the extent of cash used by BOSTES.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 11/03/2015

Proposal No: C047  
Date Published: 23/03/2015

Proposal Title: **BOOST FUNDING FOR LANDCARE**

Cluster:

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,500	2,500	5,000	9,000
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(1,500)	(2,500)	(5,000)	(9,000)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(1,500)	(2,500)	(5,000)	(9,000)
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<b>Net Financial Liabilities:</b>	-	1,500	4,000	9,000	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	1,500	4,000	9,000	
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## Notes and costing assumptions

The policy proposes \$15 million of funding between 2015-16 and 2018-19 to build on the partnership between the NSW Government and the community Landcare movement and to create a foundation for the long term sustainability, enabling the volunteer effort to continue well into the future. The costing assumes grant funding of \$1.5 million in 2015-16, \$2.5 million in 2016-17 and \$5 million in 2017-18 will be provided to Landcare.





## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals and Nationals
Name of Policy:	Boost Funding for Landcare
Date of request:	11 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	The Baird Government will build the capacity of local Landcare and other volunteer conservation groups (VCG) to improve skills, knowledge and practices, deliver on-ground projects, manage our natural resources and boost agricultural production.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		1,500	2,500	5,000	9,000	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party? NSW Treasury  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Local Land Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

# A re-elected Baird Government will build the capacity and long term sustainability of the Landcare network



## The Baird Government is committed to supporting local Landcare.

The Baird Government will build the capacity of local Landcare and other volunteer conservation groups (VCG) to improve skills, knowledge and practices, deliver on-ground projects, manage our natural resources and boost agricultural production.

We will commit an additional \$15 million to build on an already successful partnership between the NSW Government and the community Landcare movement and create a foundation for long term sustainability, enabling the volunteer effort to continue well into the future.

\$500,000 a year will be provided in recurrent funding to the Landcare Support Program; to:

- assist in the delivery of State wide policy and support functions;
- continue current Landcare Support Programs;
- employ a State Landcare Coordinator; and
- provide secretariat support to local Landcare and other Volunteer Conservation Groups (VCG).

Our policy will also provide an Aboriginal Landcare Facilitator to support and link programs specifically relevant to Aboriginal Land Managers, as well as a network of Local Landcare Facilitators spread across regional NSW to work with local Landcare groups and other VCGs to deliver strategically aligned programs and provide support and guidance.

## A re-elected Baird Government will:

- ✓ Provide \$500,000 a year in recurrent funding to the Landcare Support Program
- ✓ Establish an Aboriginal Landcare Facilitator to support and link programs specifically relevant to Aboriginal land managers
- ✓ Create a Future Funding Program to transition the Landcare Support Program from a predominately government funded program to one that is more self-sufficient
- ✓ Establish a network of Local Landcare Facilitators across the state to work with local Landcare groups and other VCGs to deliver strategically aligned programs and provide support and guidance

A key aspect of this commitment by the Baird Government is facilitating the transition towards financial independence. This will be assisted by the commissioning of a report exploring future funding options, as well as the funding of a Future Funding Program.

While this program will be housed within Local Land Services, the specific details such as reporting lines, location of Local Landcare Facilitators and the makeup of secretariat and Future Funding Program will be determined through consultation with community and Landcare.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Additional Funding for Landcare

**Lead Agency:** Local Land Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	1,500	2,500	5,000	9,000
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0		0
<b>Net Operating Result:</b>	0	-1,500	-2,500	-5,000	-9,000
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-1,500	-2,500	-5,000	-9,000
<b>Net Financial Liabilities:</b>	0	1,500	4,000	9,000	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	1,500	4,000	9,000
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### Notes and costing assumptions used:

The Government will commit an additional \$15 million between 2015-16 and 2018-19 to build on an already successful partnership between the NSW Government and the community Landcare movement and create a foundation for the long term sustainability, enabling the volunteer effort to continue well into the future.

#### Costing assumptions:

- Fixed grant to Landcare of - \$1.5m (2015-16), \$2.5m (2016-17), \$5m (2016-17), \$6m (2018-19)



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 11/03/2015

Proposal No: C048  
Date Published: 23/03/2015

Proposal Title: **SAVE OUR SPECIES**

Cluster: Planning and Environment

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)			20,000	20,000	40,000
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	-	(20,000)	(20,000)	(40,000)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	-	(20,000)	(20,000)	(40,000)
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<b>Net Financial Liabilities:</b>	-	-	20,000	40,000	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	-	20,000	40,000	
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## Notes and costing assumptions

The policy proposes \$100 million of capped funding over five years to protect all threatened species in NSW. Annual funding of \$20 million will begin from 1 July 2016.





## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals and Nationals
Name of Policy:	Save our Species
Date of request:	11 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	<p>The Baird Government will:</p> <p>Invest \$100 million over five years protecting all threatened species in NSW under the <i>Saving our Species</i> initiative.</p> <p>Implement recovery plans for every one of the 970 threatened species in NSW.</p>
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>			20,000	20,000	40,000	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party? NSW Treasury  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2016
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Environment
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

# A re-elected Baird Government will make an unprecedented investment to protect all 970 threatened species in NSW



## The Baird Government is committed to conserving and protecting our native animals.

The Baird Government is committed to conserving and enhancing our natural wonders and has a proud record on environmental reform. In our four years in Government we have created 11 new National Parks and made significant additions to 76 parks and reserves.

More work is needed to protect our threatened and endangered flora and fauna species. Labor has a plan to protect one animal, located near some marginal seats. Our plan will secure threatened plants and animals across the state based on science, not an election strategy.

To overcome the failure of past conservation efforts, a major investment of funding is required to implement targeted programs to give our threatened plants and animals the best chance of surviving in the wild.

If re-elected, the Baird Government will invest \$100 million over five years to protect all threatened species in NSW under the Saving our Species initiative. Funding will commence from July 2016.

We will also implement recovery plans for every one of the 970 threatened species in NSW.

Since the Saving our Species initiative commenced two years ago, the Baird Government has been implementing projects to protect some of our most vulnerable species. This significant new investment of \$100 million will be used to secure the future of each and every one of our threatened species.

This funding will protect our native animals and plants by undertaking on-ground vegetation restoration, fencing and other interventions to protect our species from feral pests. We will also work with local landowners to implement

## A re-elected Baird Government will:

- ✓ Invest \$100 million over five years to protect all threatened species in NSW
- ✓ Implement recovery plans for every one of the 970 threatened species in NSW

programs to improve water and soil quality for native flora, which in turn provides improved habitat for our iconic and less-well-known threatened animals.

Threatened animals such as the brush-tailed rock wallaby, the yellow-bellied glider, and the visually striking superb parrot will all benefit from targeted programs which will help reduce and remove predatory threats from feral animals, improved species habitats through vegetation and biodiversity management, and provide a path towards removing them from our list of endangered species.

Under the Saving our Species initiative, our threatened plants and animals will have a recovery plan developed specifically for them, which will focus on the practical actions that will be taken to protect and sustain these endangered species.

The Saving our Species initiative has been developed with expert advice on what needs to be done to protect our most vulnerable plants and animals. If re-elected, the Baird Government will make a record \$100 million funding commitment to implement the initiative, providing the greatest opportunity to guarantee that future generations can continue to appreciate and enjoy our unique native plants and animals.

# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Invest to Save our Species

**Lead Agency:** Office of Environment and Heritage

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	20,000	20,000	40,000
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	0	-20,000	-20,000	-40,000
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
Less Depreciation	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	0	-20,000	-20,000	-40,000
<b>Net Financial Liabilities:</b>	0	0	20,000	40,000	

### Total State Sector Impact

<b>Net Financial Liabilities:</b>	0	0	20,000	40,000
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### Notes and costing assumptions used:

This policy involves a strictly capped \$100 million commitment over 5 years from 2016-17 - evenly distributed at a capped \$20 million per year.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 11/03/2015

Proposal No: C049  
Date Published: 23/03/2015

Proposal Title: **CASH MANAGEMENT PRACTICES**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		(18,000)	(18,000)	(18,000)	(54,000)
Depreciation					-
Less: Offsets					-
Revenue		44,500	44,500	44,500	133,500
<b>Net Operating Result:</b>	-	<b>62,500</b>	<b>62,500</b>	<b>62,500</b>	<b>187,500</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>62,500</b>	<b>62,500</b>	<b>62,500</b>	<b>187,500</b>
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<b>Net Financial Liabilities:</b>	-	<b>(62,500)</b>	<b>(125,000)</b>	<b>(187,500)</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(62,500)</b>	<b>(125,000)</b>	<b>(187,500)</b>
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## Notes and costing assumptions

This policy proposes to make cash management practices in NSW public sectors more efficient. The specific changes proposed are:

- transferring current Treasury Corporation (TCorp) Hourglass Deposits held by General Government agencies into the Treasury Banking System to allow funds to be invested in higher yielding term deposits. Treasury expects that an average increase in yield of 0.3 per cent could be achieved ;
- adopting a more diversified approach to investing surplus funds which recognises that greater risk (including in relation to capital) could increase investment returns;
- taking advantage of a more diversified range of investments, to increase investment revenue while maintaining the existing conservative risk management objective.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Cash Management Practices
Date of request:	11 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	Achieve savings through improved cash management practices
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	-62,500	-62,500	-62,500	-187,500	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.



If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachment A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachment A

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachment A
Eligibility criteria or thresholds:	See Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

## 2015 Election Policy Costing

**Proposal Title:** Cash Management Practices

**Lead Agency:** Treasury

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0				0
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	62,500	62,500	62,500	187,500
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	62,500	62,500	62,500	187,500
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	62,500	62,500	62,500	187,500
<b>Net Financial Liabilities:</b>	0	-62,500	-125,000	-187,500	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	-62,500	-125,000	-187,500
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### Notes and costing assumptions used:

Cash management practices will be made more efficient, yielding a benefit to the Budget of \$62.5 million per annum from 2015-16. The proposed improvements include:

- a. reforms to the Treasury Banking Sector which will allow better central management of cash
- b. broadening the range of investments in which TBS balances can be held
- c. more active use of the State's balance sheet



## Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition

Date Referred: 12/03/2015

Proposal No: C053

Date Published: 23/03/2015

Proposal Title: **REBUILDING NSW**

Cluster:

### Notes and costing assumptions

This policy has no impact on the forward estimates - see attached briefing paper

# NSW PARLIAMENTARY BUDGET OFFICE (PBO) COSTING OF REBUILDING NSW

## BRIEFING NOTE

### 1. Background

The NSW Premier has submitted an election policy request to the PBO in relation to the *Rebuilding NSW State Infrastructure Strategy 2014*, the December 2014 *Rebuilding NSW Update* on electricity networks, and the February 2015 *Update* to the Strategy.

Under the *Parliamentary Budget Officer Act 2010* (the Act), a parliamentary leader is to have costed policies “that are likely to impact on the current and relevant forward budget estimates” (s.18 (1A)); policies with no impact on the forward estimates are outside the remit of the PBO. This is especially relevant to proposals for asset sales, asset leases and similar commercial transactions, and to the Rebuilding NSW policies subject to what are termed “reservations” in the 2014-15 NSW Budget and in the December 2014 *Statement of Uncommitted Funds* issued by NSW Treasury.

This note details why these proposals do not have an impact on the relevant forward estimates at this stage. In the interests of transparency and public information it also provides commentary on the infrastructure reservations contained in the costing request.

### 2. Accounting and reporting framework for the NSW Budget and forward estimates

#### 2.1 Asset sales and long term leases – general discussion

In preparing election costings the Parliamentary Budget Office aims to apply the same accounting standards and reporting conventions as used by the NSW Treasury in the preparation of the forward estimates and the NSW Budget Papers. This is to ensure accuracy, consistency, and comparability of reported results. The recognition and measurement principles within Australia Accounting Standards are applied to the greatest extent possible.

The budget and forward estimates are prepared to reflect existing operations and the impact of new policy decisions taken by the New South Wales Government where their financial effect can be reliably measured. In keeping with these principles, where the impact of a policy decision or planned event cannot be reliably estimated it is not reflected in the estimates. The budget and forward estimates also do not include the impact of business asset transactions until they are finalised.

Business asset transactions include, among other things, sales of government owned businesses or other business operations, purchase or repurchase after sale of such businesses, and long term leases of infrastructure.

The procedure adopted by NSW Treasury provides that the Estimated Financial Statements in the Budget “do not include the impact of business asset transactions until they are

*finalised.*”<sup>1</sup> This convention has been consistently applied to all major transactions by both the current and the former government. It is adopted both because the impact of the transactions cannot be determined precisely and because of the commercial-in-confidence nature of the transactions. There are also sound public policy reasons for not providing estimates of the expected price given that this could compromise the NSW government’s negotiating position in relation to any asset transaction (whether sale, lease, or purchase).

The convention adopted in NSW is also the practice in other comparable jurisdictions – see for example references in budget papers from Queensland and Western Australia.<sup>2</sup>

There are potentially some types of asset sales for which the PBO would be able to provide an indicative estimate of the likely impact on the forward estimates. As hypothetical instances these could include for example:

- Sale of physical assets in agencies with a regular and predictable cycle of disposals of assets of a similar types, especially where there is reliable current pricing information or a historical time series of sales data from which estimates could be derived
- A proposed sale of a small parcel of shares in an entity with shares traded on the open market, and where further sale of shares would be unlikely to affect the control of the entity or have a material impact on its profitability or operations (that is, the sale would not of itself have a major impact on the share price).

More typically asset sales – and in particular, one-off sales or long term leases of large financial assets, such as a government trading enterprise – are subject to a wide range of factors that affect the timing and amount of future cash flows including: the scope of operations affected; any caveats or restrictions that may apply; whether there are any associated changes in the regulatory framework; when the sale or lease process is completed; and market conditions at the time. All of these can affect the price achieved and the consequent impact on the forward estimates.

## **2.2 Application of these principles to the NSW electricity leases proposal**

The proposed policy for a long term lease of NSW electricity distribution businesses falls in to the category of a business transaction to which the NSW Treasury budget reporting convention applies. As such, the reporting convention is that the Government’s policy proposals will therefore not affect the NSW Government financial statements until such time as the contracts for the potential leases are finalised.

In any conceivable scenario for the lease of the transmission and distribution assets, whether the transactions are completed, and if so, the proportion of each network to be leased and the price achieved will depend on a large number of factors including:

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<sup>1</sup> See NSW Government Budget Papers 2014-15: Budget Paper No. 2, Appendix A: Statement of Significant Accounting Policies and Forecast Assumptions at A -2.

<sup>2</sup> Western Australia 2014-15 Budget Paper No.3 pg. 2 & Queensland 2014-15 Budget Paper No.2 pg.21

- how the process is designed; for example, whether the Government retains flexibility on the proportion of each network to be leased depending on bids received and estimated retention values, whether the process is to proceed by blind tender, negotiation, competitive auction, or some other process yet to be determined;
- conditions of lease, including such things as the employment conditions and protections for staff; and
- the state of the relevant markets at the time, including conditions in global financial markets, the pricing arrangements to be determined by the Australian Energy Regulator (AER) and other rules and regulations set under the National Electricity Law (NEL) and associated instruments
- bidders for the leases providing satisfactory assurances that other conditions required for a sale set out in the Government's policy will not be met.

The proposed long term lease of a proportion of the State's electricity businesses is thus a transaction that would not, at this stage, be recorded in the forward estimates. It would affect the budget or forward estimates only upon finalisation of the contract. The proposal therefore falls outside the scope of s.18 of the *Parliamentary Budget Officer Act 2010*.

### **2.3 Reservations for Restart NSW projects**

Restart NSW was set up by the Government for the purpose of setting aside funding for and securing the delivery of major infrastructure projects and other necessary infrastructure: see the *Restart NSW Fund Act 2011*.

The main sources of funding for Restart NSW to date have been from asset sales and from monies certified by the Treasurer as windfall tax revenue in excess of Budget forecasts.

The *Half Yearly Review 2014-15* (18 December 2014 at p.22) and the *Statement of Uncommitted Funds* of 18 December 2014 (Appendix 1) indicated that Restart NSW is expected to have a balance of \$8.8 billion of funds at 30 June 2015, of which \$3.9 billion has been committed and included in the Budget, with a further \$4.9 billion of reservations not included in the Budget.

The reservations do not affect the forward estimates until the project concerned has been through the necessary processes for approval. The reason for this is outlined in the December 2014 *Half-Yearly Review* as follows:

"...government also reserves funds for projects as a place-marker for future commitments, pending further work including business cases. These reservations do not have an impact on the Budget aggregates because a final decision is required by the Government prior to commitment."

The PBO notes that the requisite prior steps include not only business case approval but also project development, planning and completion of project assurances.

### **3. Leases of the electricity businesses – additional background**

The Government proposes to lease up to 49 per cent of the total network sector while leaving Essential Energy in public hands. It appointed UBS and Deutsche Bank to oversee a scoping study to determine the best structure for the potential transaction.<sup>3</sup>

The PBO has discussed the scoping study with the NSW Treasury. Treasury has not provided a copy to the PBO, on commercial-in-confidence grounds. The estimates of likely proceeds are based on the detailed analysis in the scoping study. The PBO has not sought to conduct a separate valuation study, or a parallel exercise to the scoping study, noting that an independent due diligence exercise would take considerable resources and several months, and would be impractical in the timeframes for preparation of costings prior to the election.

The Government has stated that the earliest the process could be fully completed is in 2016. A transaction would “*only proceed provided the price exceeds retention value*” under the Government’s proposed policy.<sup>4</sup> This is an important proviso; achievement of the objective will be subject to external scrutiny and would be open to audit in the future by the NSW Auditor-General. This means there will a discipline on the NSW Government to provide evidence that the sale has achieved a net benefit.

The PBO understands, from briefings provided by NSW Treasury that the leasing process will be structured with the objective of maximising value to the NSW taxpayer while adhering to the conditions set by Government (see costing request; such conditions include no adverse impact on electricity reliability and maintenance of regional presence).

### **4. Potential budgetary impacts of a proposed partial lease of NSW electricity networks – general discussion**

Outlined below is a broad discussion of some of the factors relevant to determining the potential impacts on the forward estimates from the policy to lease parts of the NSW government owned electricity transmission and distribution businesses. This is a brief overview aimed at providing factual information to assist in public discussion and debate.

Ausgrid, Endeavour Energy and Transgrid are equity investments by the NSW Government in public sector entities. They are excluded from the calculation of the General Government Sector net financial liabilities.<sup>5</sup> If these networks are leased, General Government Net Financial Liabilities will decrease by the amount of the asset sale price achieved<sup>6</sup>: that is, the General Government sector financial position will improve.

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<sup>3</sup> Mike Baird Media Release – Keeping the lid on Household Costs 10 July 2014 at <https://www.nsw.gov.au/media-releases-premier/keeping-lid-household-costs>.

Andrew Constance Media release ‘Financial Advisers Appointed for Electricity Network Scoping Study, 14 July at [http://www.treasury.nsw.gov.au/\\_data/assets/pdf\\_file/0010/124489/14-07-14\\_Financial\\_advisors\\_appointed\\_for\\_electricity\\_network\\_scoping\\_study.pdf](http://www.treasury.nsw.gov.au/_data/assets/pdf_file/0010/124489/14-07-14_Financial_advisors_appointed_for_electricity_network_scoping_study.pdf)

<sup>4</sup> Baird, *ibid*.

<sup>5</sup> See NSW Government Budget Paper Number 2 2014-15 at 10 – 11, Table 10.2.

<sup>6</sup> On the basis that proceeds are to be deposited in the Restart NSW Fund which forms part of the General Government sector.



The impact on the Total State Sector Net Financial Liabilities is more complicated, and depends on a number of factors including whether debt held by the leased businesses is excluded from the calculation of State liabilities. The residual interest retained in the distribution businesses may also be reclassified as a financial investment which would have an impact on the calculation of both General Government and Total State Sector Net Financial Liabilities.

As a result of the lease, NSW will have a capacity to fund other investments, and/or realise savings in interest paid by Government on net borrowing, depending on how the proceeds are deployed. Offsetting this, after the lease, the government will receive less of the total distributions – that is, the dividends and tax equivalence payments - paid by these companies. A discussion of both of these effects is provided later in this paper.

#### **4.1 Asset Recycling**

A further consideration in the debate is that under the Commonwealth Government's Asset Recycling Initiative the partial lease of the electricity networks is likely, depending on how the proceeds are spent, to qualify NSW for additional Commonwealth funding. The Commonwealth has undertaken to provide States and Territories with incentive payments of 15 per cent of the sale price of privatised assets (for which the lease of the electricity businesses would qualify), with the returns to be reinvested into new priority infrastructure projects. The Commonwealth funding programme is capped at \$5 billion.<sup>7</sup>

The amount to be transferred to NSW as a result of the Asset Recycling Initiative is likely to be in the order of \$2 billion provided the conditions set are met. These include among other things whether the \$13bn lease price is achieved, whether the proposed reinvestments would qualify under the Asset Recycling Initiative eligibility criteria<sup>8</sup> and guidelines, and the asset sales programs of other states and territories given the funding is to be made available on a "first-come, first-served" basis.

The likelihood of the funding being available has increased in recent months due to a) assurances from the Commonwealth Treasurer that \$2 billion in Asset Recycling incentive payments will be available<sup>9 10</sup> and b) the outcome of the Queensland election, which means Queensland will not be ahead of NSW in the 'queue' for limited amounts of Asset Recycling funding.

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<sup>7</sup> See: Australian Government Department of Infrastructure and Regional Development Asset Recycling Initiative at: [http://investment.infrastructure.gov.au/publications/reports/pdf/factsheets2014/Factsheet\\_The\\_Asset\\_Recycling\\_Initiative.pdf](http://investment.infrastructure.gov.au/publications/reports/pdf/factsheets2014/Factsheet_The_Asset_Recycling_Initiative.pdf).

<sup>8</sup> The 2014-15 Commonwealth Budget, Overview, indicates that for projects to be eligible for funding under the Asset Recycling Initiative, states and territories must bring forward infrastructure projects that:

1. demonstrate a clear net positive benefit;
2. enhance the long-term productive capacity of the economy;
3. where possible, provide for enhanced private sector involvement in both the funding and financing of infrastructure.

<sup>9</sup> See media release of 8 March at <http://www.joehockey.com/media/media-releases/details.aspx?r=456>

<sup>10</sup> For further confirmation of these details see also partnership agreement at [http://www.federalfinancialrelations.gov.au/content/npa/infrastructure/asset\\_recycling/NSW.pdf](http://www.federalfinancialrelations.gov.au/content/npa/infrastructure/asset_recycling/NSW.pdf)

## 4.2 New infrastructure investments

The Rebuilding NSW policy proposes to invest proceeds from the lease of the electricity networks in new infrastructure. It estimates \$20 billion will be available over the medium term, on the assumption of achieving a price of \$13bn from the lease of the transmission and distribution businesses, a \$2bn contribution from the Commonwealth from its Asset Recycling Initiative, and a further \$5bn of returns from investing this after the transaction<sup>11</sup>, noting that the funds invested will be progressively drawn down over time to fund the Rebuilding NSW initiatives.

The PBO has not costed the starting assumption of the likely price from the leasing transactions. This is because it is based on the scoping study which Treasury has not provided to the PBO, as noted previously, for commercial in confidence reasons. The other elements of the total are consequences of the initial starting point assumption.

The estimate of the \$5 bn return from investing the sale proceeds will depend on, among other things:

- how quickly funds are drawn down to invest in the Rebuilding NSW initiatives (the key variable in determining the \$5 bn estimate);
- how the \$15 bn is invested and the risk/rate of return trade-off;
- interest rates over the relevant time frame.

The PBO understands from discussions with NSW Treasury the NSW government bond rate has been used as the rate of return assumption in calculating the \$5bn estimate, which is a reasonable and conservative assumption. In addition, it is reasonable to expect sales proceeds are likely to be realised well before the bulk of the infrastructure spend can be rolled out, the funds will be invested by the NSW Treasury Corporation, and any interest earned will itself attract further interest (compounding).

### Box 1 – Uncertainties in infrastructure cost estimates

Any long term infrastructure plan is subject to uncertainty, and the estimates are less reliable the further into the future the plan extends. The PBO notes that it is rare that the final spend figure for any large construction project post completion is exactly the same as the estimate prior to the start of the project. Any project can be subject to delays and cost pressures due to numerous factors including but not limited to: exchange rate variations, labour costs, competition for resources from the private sector or other public sector jurisdictions, changes in regulation, changes in costs of raw materials, unexpected physical barriers to construction and so on. There can be positive changes: technological change that makes a project easier, access to better materials, favourable exchange rate movements, and competing construction firms offering better than expected prices.

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<sup>11</sup> These returns could come from interest savings, from buying back government bonds or making other investments.

The NSW government has provisionally distributed the expected infrastructure spending across a range of projects as outlined in Attachment A.

More than 75 per cent of the amount is for urban and rural transport projects of various types including \$7 billion in Sydney rapid transit and \$2 billion on a regional road freight corridor. The PBO notes these projects are projected to be developed over a ten year time period; the actual timing remains subject to more detailed planning and business cases. One of the largest single components is the proposal to extend North West Rail Link services under Sydney Harbour, which will be a complex and challenging engineering project.

The projects – particularly the large transport projects - will obviously extend well beyond the forward estimates timeframe, and completion within the ten years proposed will require well-coordinated planning.

The risks to the timetable and estimates are considerable and include a number of factors outside the control of the NSW government including environment, technology change and exchange rate variations. The reservations should therefore in the view of the PBO be considered indicative rather than a definitive statement of likely final costs, especially in relation to the elements expected to be rolled out over the full ten years.

The PBO understands that for most of the items identified in Attachment A the Government's intention is to fix the financial contribution to a project or program. Thus, for most of the categories identified the number and scope of projects funded will be capped by the contribution available.

For the specific projects identified (for example, Sydney Rapid Transit, WestConnex and Sydney' Rail Future) the funding from the Rebuilding NSW Plan will contribute to the delivery of the project but will not necessarily underwrite the full costs. The balance of the funding may, for example, come from within existing cluster allocations or from private partners.

#### **4.3 Impact on dividends and tax equivalence payments**

The estimates for dividend and tax equivalence payments in the forward estimates period to 2017-18 for the four Government owned electricity businesses, Endeavour, Transgrid, Ausgrid and Essential were contained in the *Half Yearly Review* released on 18 December 2014.<sup>12</sup> Whilst the payments are not broken down by company, Essential made up 15 per

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<sup>12</sup> The table does not include loan guarantee fee repayments made by these companies to Treasury Corp (T Corp). At present, T Corp borrows money on behalf of these companies at below normal commercial interest rates because T Corp is ultimately backed by the NSW Government. The loan guarantee fee paid by the companies to T Corp attempts to add back the difference between government and private sector lending rates, so that these companies effectively pay normal market interest rates on their net lending. It is included within the net interest expense line within the companies' accounts.

cent of the total distribution to Government in 2013-14. Essential is not proposed for lease under the announced NSW government policies, so will continue to provide a stream of dividend payments and tax equivalence payments regardless of the outcomes of that process.

**Box 2 – Updated dividend estimates, December 2014**

Weighted Average Cost of Capital included in the Half-Yearly Review				
	2014-15	2015-16	2016-17	2017-18
		Forward Estimates		
	\$m	\$m	\$m	\$m
2014-15 Budget - electricity network dividends and tax equivalent payments	1,172	945	936	766
Impact of WACC on dividends and tax equivalent payments	...	-209	-294	-359
2014-15 Half-Yearly Review	1,172	736	642	407
The full impact will be reflected in the Budget aggregates when final determinations are made.				

Source: Half Yearly Review, NSW Government, p.18

The decline in dividend estimates over the period shown in the *Half Yearly Review* continued the longer term trend previously documented in the NSW 2014-15 Budget (Budget Paper 2, chapter 9, p.9-7). The key factor causing the decline in the dividend trajectory between the Budget and Half Yearly Review is a reduction in the weighted average cost of capital (WACC) proposed by the Australian Energy Regulator (AER) for the next regulatory period.<sup>13</sup> The Australian Energy Regulator (AER) plays a key role under arrangements agreed nationally (including by NSW) for the national energy market. As noted by the Australian Energy Market Commission (AEMC):

National Electricity Rules govern the operation of the National Electricity Market. The Rules have the force of law, and are made under the National Electricity Law.

([www.aemc.gov.au/energy-rules](http://www.aemc.gov.au/energy-rules))

Under Chapter 6 of the Rules the distribution businesses (including those in NSW) are subject to economic regulation by the AER. The AER determines revenues based on, among

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The loan fee payments are made for competitive neutrality reasons so that these companies cannot effectively source debt more cheaply than their private sector competitors because of an implicit government guarantee on their net lending.

<sup>13</sup> The WACC sets the rate of return the electricity businesses can earn on their regulated asset base. A lower WACC results in lower revenues for the businesses. It should be noted the dividend estimates are based on a 70 per cent payout ratio for Networks NSW and a 100 per cent payout ratio for Transgrid, and also include additional ordinary dividends over 2014-15 to 2016-17 to fund energy rebates.

other things, benchmarking of costs and other related factors amongst Australian participants in the National Energy Market (NEM)<sup>14</sup>.

The further drop in the estimates between the June *Budget* and the *Half Yearly Review* was due to draft revenue determinations issued by the AER in November 2014. As outlined in the *Half Yearly Review*:

The AER recently released draft revenue determinations for NSW electricity network businesses proposing to cut regulatory return (WACC), operating and capital expenditure allowances for the next regulatory period. Lower expenditure allowances are based on the AER's benchmarking analysis that concluded the NSW network businesses were significantly less efficient than their private sector counterparts in Victoria and South Australia. The draft determinations, if implemented, would result in an estimated decrease to the average residential electricity bill of between \$183 to \$370 in 2015-16. The returns to the Government would also be lower.

The AER is expected to release final revenue determinations for the network businesses in April 2015 after consultation with stakeholders, and new network prices will apply from 1 July 2015...If the businesses were not to respond adequately to the lower operating and capital expenditure allowances, the full impact of the draft determinations would be to effectively reduce their dividends and tax equivalent payments to close to zero.

There is the potential for a larger drop in dividend estimates if the AER final decision is substantially the same and the businesses are unable to reduce their costs in a manner that reflects the underlying assumptions of the AER decision.

Given the above dividend estimates, to support a potential \$13 bn sale price for the lease of 49% of the electricity businesses, any buyer would likely be factoring in to the valuation the potential for the businesses to significantly reduce costs and/or possible changes to the AER draft decision.

The dividends for NSW network electricity businesses have shown very different patterns in recent years, in opposite directions. For the five year period up to 2012-13 dividends rose at a rapid rate, from \$426m in 2008-09 (NSW 2010) to \$1098m for dividends from the distribution and transmission businesses in 2012-13 (NSW 2014a). The dividend increases were due largely to increased margins arising from increases to the regulated network tariffs under the previous AER regulatory determination (NSW 2009-2014), coupled with significant cost reductions that were unanticipated at the time of the determination. The dividends then fell in 2013-14 and estimated dividends continue to fall further in the Budget and forward estimates for the reasons outlined above.

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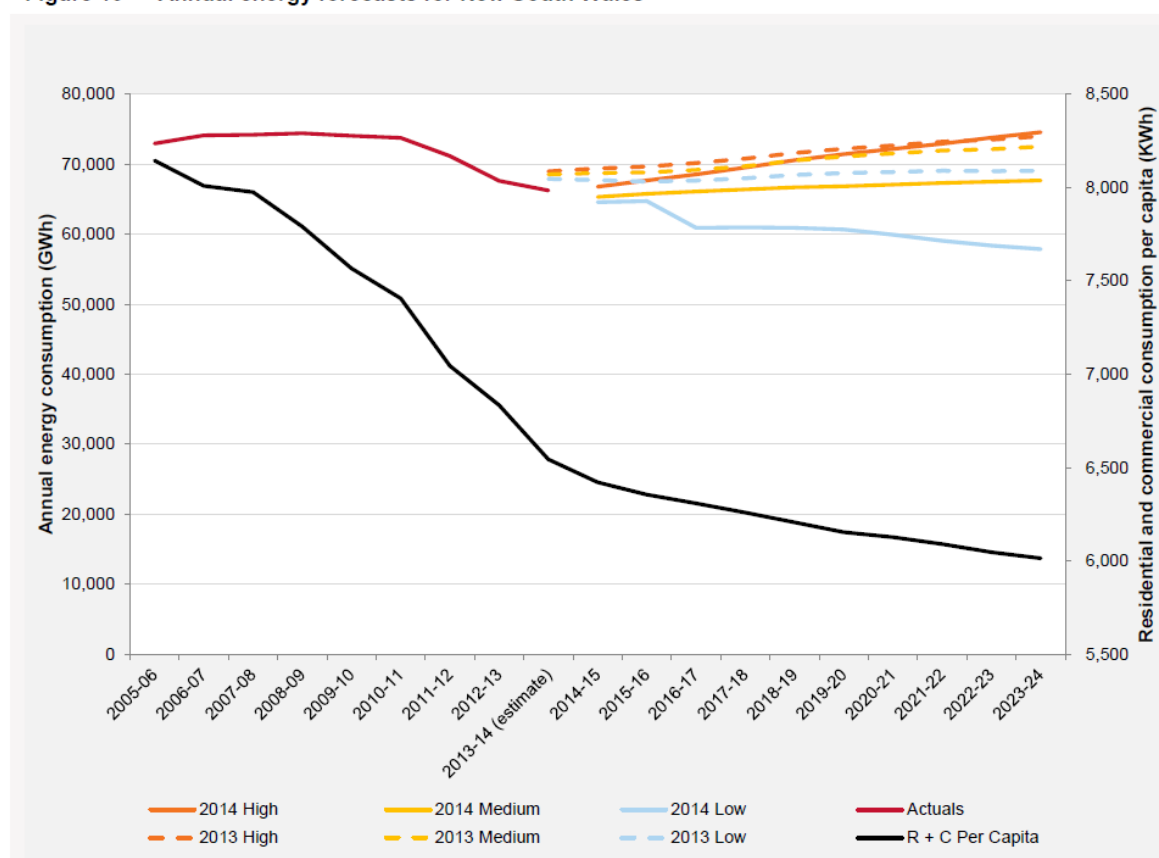
<sup>14</sup>This is a massive simplification of a highly complex and detailed regulatory regime. For more details see the numerous publications issued by the AER at [www.aer.gov.au](http://www.aer.gov.au). Other key players in the system are the Australian Energy Market Operator (which operates the NEM) and the Australian Energy Market Commission (which develops the rules to be applied by the regulator, ensuring AER is not both rule maker and regulator).

It should also be noted annual energy consumption per capita peaked in 2011 and has since been in decline, reversing a long term historical trend of growing energy consumption per person.

The AEMO has forecast a continuing drop in demand per capita, and a range of forecasts for annual energy estimates for NSW ranging from a slight increase (high scenario), virtually no change (medium scenario) or a substantial drop (low scenario).

### Box 3 - AEMO energy consumption forecasts

Figure 10 — Annual energy forecasts for New South Wales



These factors mean the past ten years is not a reliable guide to the future ten. The estimates of long term dividends are more closely related to the changes in the regulatory regime and the potential for the businesses to realise cost efficiencies, than to the parameters such as market/population growth or changes in economic activity that would be used for estimating dividends in other types of businesses in less regulated markets.

The profitability of the NSW electricity businesses is a function of its revenues – essentially, the prices that the companies can charge their customers – and its costs. Unlike businesses in less regulated markets, costs and revenues are closely interlinked through the regulatory mechanisms applied by the AER. Under the national electricity law, electricity businesses

are constrained in what they can charge customers. This means they cannot raise their charges in order to increase profits, or in order to incur excessive costs.

The AER draft determinations for calculations of expected revenues for each of the businesses show a drop in revenues to 2015-16 and maintenance of that level in the following years (see Attachment B).

This leads to a conclusion that future dividends are likely to be lower, absent other changes in the environment, than those which applied on average over the previous ten years. The other key variable which needs to be taken into account is the speed at which the necessary changes to processes, practices, investment profiles, management and associated drivers of costs could be fully implemented. The faster these can be put in place the greater the likelihood of increased profitability.

## **References**

Australian Energy Market Operator (AEMO) National Electricity Forecasting Report 2014 at [www.aemc.gov.au](http://www.aemc.gov.au)

Australian Energy Regulator (2012) Submission to the Productivity Commission into electricity Network Regulation

Australian Energy Regulator (2014) Statement of Intent 2014-15

NSW 2010 Electricity Network and Prices Inquiry -December 2010 NSW Government Sydney

NSW 2014a Budget Papers 2014-15 NSW Government Sydney

NSW 2014b Half Yearly Review 2014-15 NSW Government Sydney

## ATTACHMENT A – LIST OF PROJECT RESERVATIONS, REBUILDING NSW

Note: this list shows the reservations at a high level of aggregation. The *Rebuilding NSW* documents contain additional details, and as the policy matures there will be further specific projects within these categories. The PBO also notes that during the election campaign there have been various project announcements that fall within the different categories of reservation.

Sector	Project	RebuildingNSW Reservation	Regional NSW	Funding from
Urban public transport	Sydney Rapid Transit	\$7,000m		2016-17
	Sydney's Rail Future 2 Upgrades	\$1,000m		2015-16
	Parramatta Light Rail	\$600m		2017-18
	Bus Rapid Transit and Bus Priority Infrastructure	\$300m		2016-17
	Subtotal	\$8,900m		
Urban roads	WestConnex northern and southern extensions; Western Harbour Tunnel	\$1,100m		2015-16
	Pinch Points & Clearways	\$400m		2015-16
	Smart Motorways	\$400m		2015-16
	Gateway to the South	\$300m		2015-16
	Traffic Management Upgrades	\$200m		2015-16
	Subtotal	\$2,400m		2015-16
Regional transport	Regional Road Freight Corridor	\$2,000m	\$2,000m	2015-16
	Regional Growth Roads	\$1,000m	\$1,000m	2015-16
	Fixing Country Roads	\$500m	\$500m	2015-16
	Fixing Country Rail	\$400m	\$400m	2018-19
	Bridges for the Bush	\$200m	\$200m	2015-16
	Subtotal	\$4,100m		
Water security	Regional Water Security and Supply Fund	\$1,000m		2017-18
	Subtotal	\$1,000m	\$1,000m	
Education	Future Focused Schools	\$700m		2016-17
	Regional Schools Renewal program	\$300m	\$300m	2016-17
	Subtotal	\$1,000m		

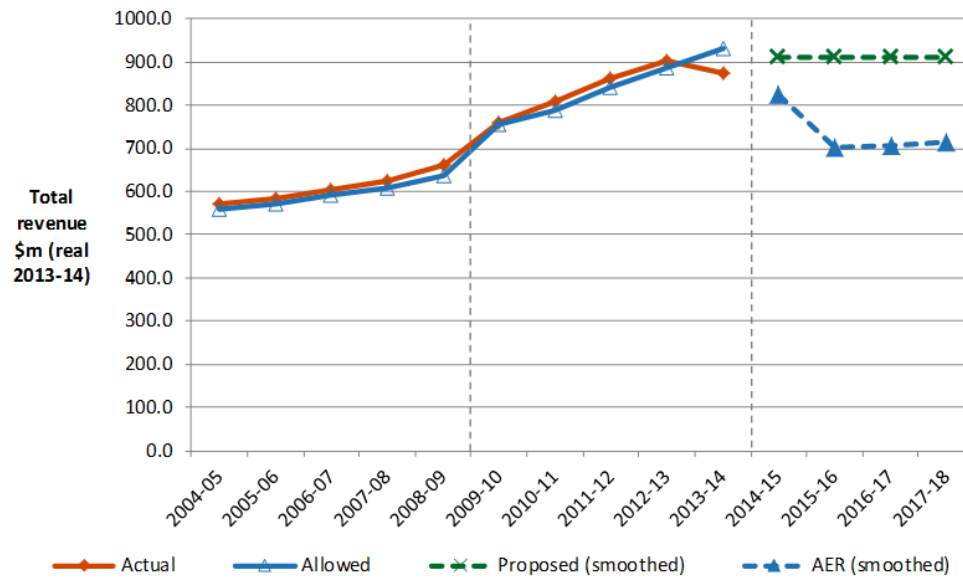


Health	Hospitals Growth Program	\$600m		2018-19
	Regional Multipurpose Facilities	\$300m	\$300m	2015-16
	Care Co-location Program	\$100m		2016-17
	Subtotal	\$1,000m		
Culture & Sport	Culture and Arts	\$600m		2017-18
	Sports Stadia	\$600m		2017-18
	Regional Environment and Tourism Fund	\$300m	\$300m	2017-18
	Subtotal	\$1,500m		
Other opportunities	Corridor Identification and Reservation	\$100m		2016-17
<b>TOTAL</b>		<b>\$20,000m</b>	<b>\$6,000m</b>	

## ATTACHMENT B – AER DRAFT DETERMINATIONS

### Transgrid

Figure 1-1 TransGrid's past total revenue, proposed total revenue and AER draft decision revenue allowance (\$ million, 2013-14)

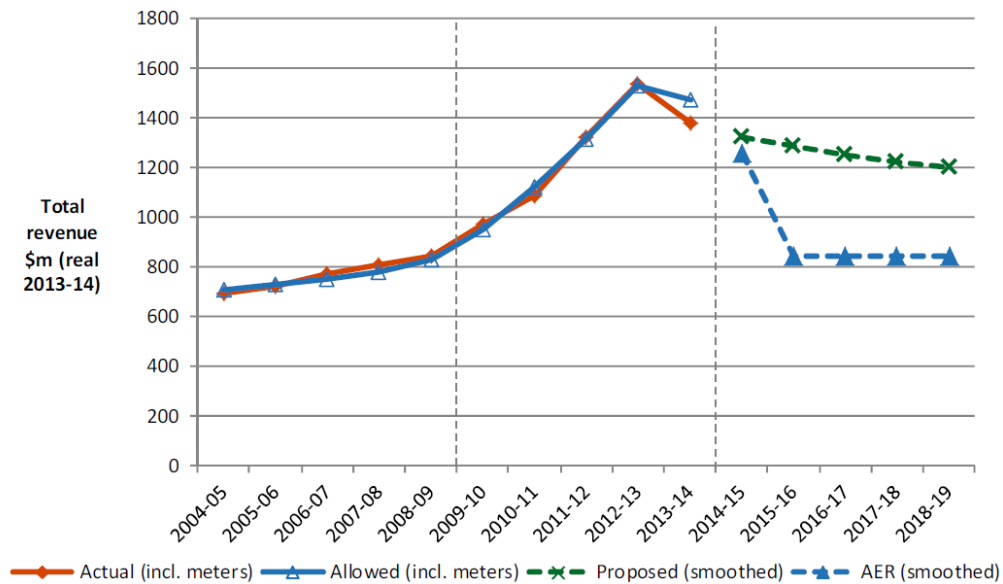


Source: AER analysis.

Extracted from AER Draft decision *TransGrid transmission determination 2015-16 to 2017-18*  
November 2014

## Essential Energy

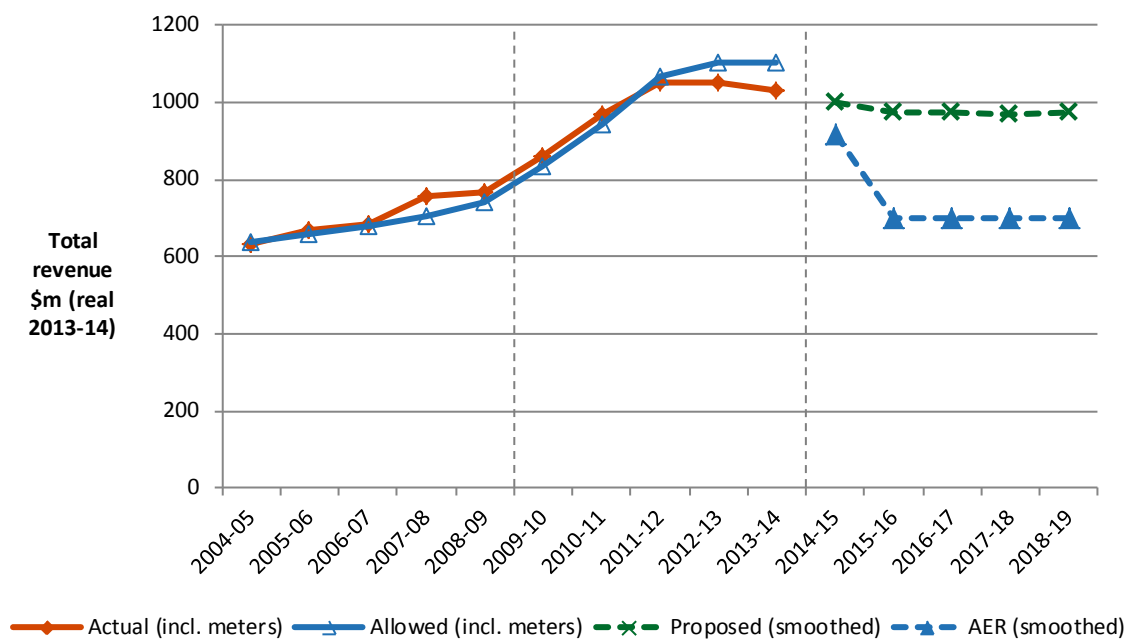
**Figure 1-1** Essential Energy's past total revenue, proposed total revenue and AER total revenue allowance (\$ million, 2013–14)



Source: AER analysis.

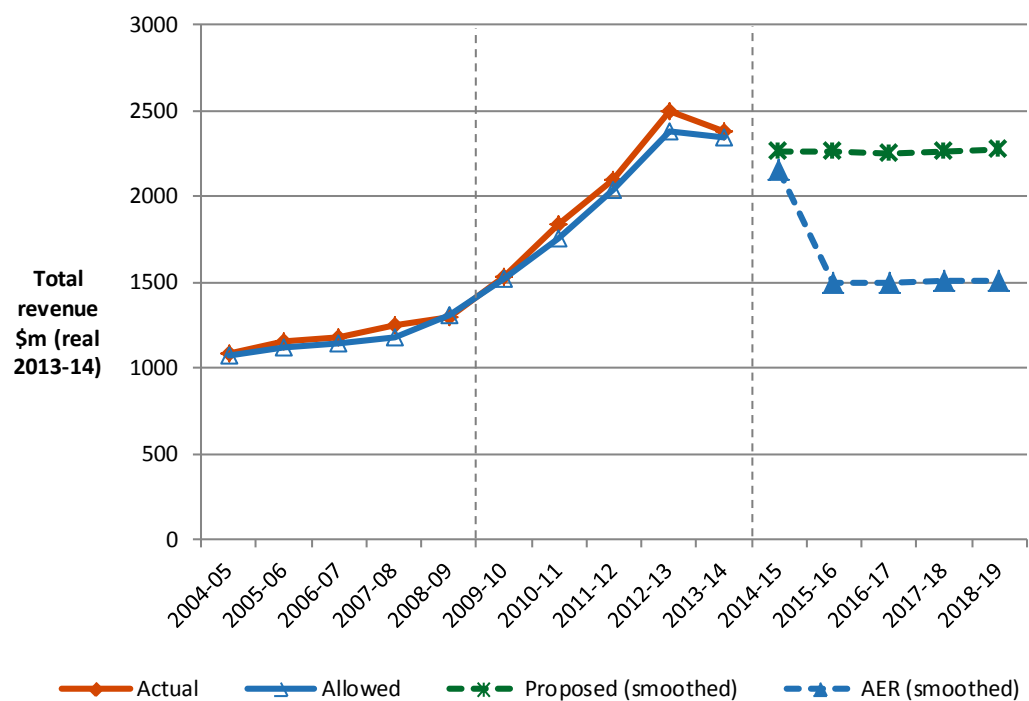
Extracted from AER *Draft decision Essential Energy distribution determination 2015–16 to 2018–19 Overview* November 2014 p.10

## Endeavour energy



Extracted from AER Draft decision *Endeavour Energy distribution determination 2015–16 to 2018–19 Overview* November 2014 p.10

## Ausgrid



Extracted from AER Draft decision *Ausgrid distribution determination 2015–16 to 2018–19 Overview* November 2014 p.15



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Rebuilding NSW
Date of request:	12 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to attached: <ol style="list-style-type: none"><li>1) 'Rebuilding NSW State Infrastructure Strategy 2014' (November 2014);</li><li>2) 'Rebuilding NSW State Infrastructure Strategy 2014 – Update (February 2015);</li><li>3) Rebuilding NSW - Update on electricity networks (December 2014)</li></ol>
What is the purpose or intention of the policy?	Rebuilding NSW is a plan to turbocharge New South Wales with \$20 billion of new, productive infrastructure that will create more than 100,000 new jobs, deliver downward pressure on electricity prices for consumers and will boost the New South Wales economy by almost \$300 billion over 20 years.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>						
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?

**NSW Treasury** engaged financial advisors Deutsche Bank and UBS to conduct a scoping study into the proposed lease which found that the network businesses were likely to attract a broad range of domestic and international investors due to their long-term strategic value as regulated assets. Both NSW Treasury and the independent financial advisors have confirmed that funding the \$20 billion Rebuilding NSW program is achievable on the basis of the assumptions about sources of funds outlined in the scoping study.

**Infrastructure NSW** has made 30 investment recommendations to Government on the next round of critical infrastructure for NSW. These were accepted by the Government and set out in the State Infrastructure Strategy. The recommendations are for infrastructure projects and programs valued at \$20.0 billion—priorities that will reduce congestion, support population growth and stimulate productivity across Sydney and regional NSW.

Independent modelling by **Deloitte Access Economics** has found that Rebuilding NSW would increase the Gross State Product by a cumulative \$300bn over 20 years and add over 100,000 more jobs.

If yes, can you provide a copy of this costing and its assumptions?

Refer to attached.

Key assumptions made in the policy	
Does the policy relate to a previous announcement?	-

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, which announcement?	
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	<p>NSW Treasury has confirmed that funding Rebuilding NSW is achievable on the basis of assumptions outlined in the scoping study.</p> <p>The scoping study is of a commercial-in-confidence nature and as such cannot be attached here. However, detailed briefings have been provided by NSW Treasury officials to the PBO regarding the scoping study.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Final decisions on infrastructure projects and programs – on their precise scope, budget, timing and means of procurement – will be guided by final business cases. This is an important element of good governance in infrastructure planning and a number of Infrastructure NSW's recommendations (accepted by Government) relate to the development of detailed business cases.
Are there associated savings, offsets or expenses? If yes, please provide details.	<p>The infrastructure spending in Rebuilding NSW is fully funded by the 49% long term lease of the network businesses.</p> <p>NSW PBO "Costing Request Guidelines" outline that proceeds conditional upon asset transactions are not included in the forward estimates until a transaction is complete. Additionally, infrastructure spending under this policy is conditional upon the proposed 49% lease.</p> <p>As a result, Rebuilding NSW has no impact on the forward estimates.</p>

Administration of policy	
Intended date of implementation:	From April 2015.
Intended duration of policy:	2015-2025.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	NSW Government.
Are there any specific administrative arrangements for the policy that need to be taken into account?	-
Are there transitional arrangements associated with policy implementation?	-

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or capped amount:	Refer to attached.
Eligibility criteria or thresholds:	-

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	Refer to attached.
Proposed start and completion date of work:	From April 2015.
Intended construction schedule/cashflow:	Refer to attached.
Offsetting expenditure savings:	-
Associated asset sell off (if any):	Refer to attached.
On-going maintenance, depreciation and operational expenses:	Refer to attached.
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



- Are there other administrative resources required?
- Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.



# **Rebuilding NSW**

State Infrastructure Strategy 2014





#### **Disclaimer**

While every reasonable effort has been made to ensure that this document is correct at the time of printing, the State of NSW, its agents and employees, disclaim any and all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance upon the whole or any part of this document.





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## Premier's Message

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In June 2014, the Government announced Rebuilding NSW – a plan to turbocharge NSW. This is a plan to invest \$20 billion in new productive infrastructure, including a second Harbour rail crossing and a third Harbour road crossing.

It is a plan that will create more than 100,000 jobs and deliver downward pressure on electricity prices for consumers.

It is a plan that will boost the economy by almost \$300 billion in just over 20 years.

Releasing capital from leasing the State's electricity businesses means projects that improve our quality of life can get moving now, rather than years into the future.

Following a period of extensive analysis and consultation, the Government has fully adopted the recommendations proposed by Infrastructure NSW to deliver this new State Infrastructure Strategy.

This Strategy highlights the importance of sustaining productivity growth in our major centres and our regional communities, as well as supporting population growth toward almost 6 million people in Sydney and more than 9 million people in NSW.

Already, congestion costs Sydney \$5 billion per annum and this will grow to \$8 billion per annum by 2020 if nothing is done. Rebuilding NSW tackles this head-on.

Rebuilding NSW will ensure that, as our community and economy grow, NSW residents have the best in water, transport, education, health, sports and arts infrastructure.

Rebuilding NSW will:

- > Reserve \$1.1 billion to invest in the WestConnex northern and southern extensions, and the Western Harbour Tunnel.
- > Reserve \$7 billion for Sydney Rapid Transit, to fully fund a second Harbour rail crossing.
- > Recognise the importance of sporting and cultural assets by increasing the commitment of a Sports and Cultural Fund from \$500 million to \$1.2 billion, capitalising on our existing iconic assets and precincts, and increasing the presence of facilities in Western Sydney.
- > Reserve an even greater investment in regional transport of \$4.1 billion, to underpin economic growth across the whole State.
- > Reserve \$1 billion for regional and metropolitan schools.
- > Reserve \$1 billion for regional and metropolitan hospitals.
- > Reserve \$1 billion for water security for our regional communities.
- > Reserve \$300 million for regional tourism and the environment.

This investment is possible only by recycling capital from our leased electricity network businesses. The Government is committed to a transaction that puts the public's interests first and ensures consumers are protected.

We thank the many hundreds of organisations and individuals who have played a part by having their say through our Rebuilding NSW consultation process. Our plan for NSW is better for your contributions. *Let's get NSW moving.*

**Mike Baird**  
**Premier**

# Rebuilding NSW

Sector	Project/Program	Reservation	Regional NSW	Funding from
Urban public transport	Sydney Rapid Transit	\$7,000m		2016-17
	Sydney's Rail Future 2 Upgrades	\$1,000m		2015-16
	Parramatta Light Rail	\$600m		2017-18
	Bus Rapid Transit and Bus Priority Infrastructure	\$300m		2016-17
	<b>Subtotal</b>	<b>\$8,900m</b>		
Urban roads	WestConnex northern and southern extensions; Western Harbour Tunnel	\$1,100m		2015-16
	Pinch Points & Clearways	\$400m		2015-16
	Smart Motorways	\$400m		2015-16
	Gateway to the South	\$300m		2015-16
	Traffic Management Upgrades	\$200m		2015-16
	<b>Subtotal</b>	<b>\$2,400m</b>		
Regional transport	Regional Road Freight Corridor	\$2,000m	\$2,000m	2015-16
	Regional Growth Roads	\$1,000m	\$1,000m	2015-16
	Fixing Country Roads	\$500m	\$500m	2015-16
	Fixing Country Rail	\$400m	\$400m	2018-19
	Bridges for the Bush	\$200m	\$200m	2015-16
	<b>Subtotal</b>	<b>\$4,100m</b>		
Water security	Regional Water Security and Supply Fund	\$1,000m	\$1,000m	2017-18
Education	Future Focused Schools	\$700m		2016-17
	Regional Schools Renewal program	\$300m	\$300m	2016-17
	<b>Subtotal</b>	<b>\$1,000m</b>		
Health	Hospitals Growth Program	\$600m		2018-19
	Regional Multipurpose Facilities	\$300m	\$300m	2015-16
	Care Co-location Program	\$100m		2016-17
	<b>Subtotal</b>	<b>\$1,000m</b>		
Culture & Sport	Culture and Arts	\$600m		2017-18
	Sports Stadia	\$600m		2017-18
	Regional Environment and Tourism Fund	\$300m	\$300m	2017-18
	<b>Subtotal</b>	<b>\$1,500m</b>		
Other opportunities	Corridor Identification and Reservation	\$100m		2016-17
<b>TOTAL</b>		<b>\$20,000m</b>	<b>\$6,000m</b>	



## NSW Government Response

The NSW Government has reviewed the investment recommendations put forward by Infrastructure NSW, and accepts the recommendations, as summarised below. The design and delivery of all projects for which funding is reserved will be subject to thorough examination and scrutiny.

Urban Public Transport	Response
Reserve \$7 billion for Sydney Rapid Transit.	✓
Reserve \$1 billion of funding for Sydney's Rail Future Phase 2.	✓
Reserve an additional \$600 million for Parramatta Light Rail.	✓
Reserve \$300 million for Bus Rapid Transit and Bus Priority Infrastructure.	✓
Consider non-capital options to relieve pressure on the rail system during peak periods.	✓
Assess how Sydney Light Rail could be extended over a 10 – 20 year timeframe.	✓
Develop a program to reduce travel time between Sydney - Central Coast, Sydney - Illawarra.	✓
Commence feasibility studies for the long-term future augmentation of the rail network, and reserve relevant corridors	✓
Prepare a long-term transport improvement program for the Parramatta CBD and Western Sydney.	✓
Urban Roads	
Invest in the Western Harbour Tunnel.	✓
Invest in the WestConnex northern/southern extensions.	✓
Reserve \$400 million to progressively implement Smart Motorways.	✓
Reserve \$300 million to unblock critical constraints, creating a Gateway to the South.	✓
Complete investigations for larger-scale investment in the F6 and A6 corridors.	✓
Reserve \$300 million for the Urban Roads Pinch Points program.	✓

Urban Roads - Continued	Response
Reserve \$200 million for the Sydney Coordinated Adaptive Traffic System (SCATS) and the Transport Management Centre.	✓
Reserve \$100 million for the Expanded Clearways program.	✓
Further review and develop Beaches Link.	✓
Develop a program of customer empowerment initiatives (e.g. smart parking technology).	✓
Identify Outer Sydney Orbital and Bells Line of Road – Castlereagh Connection corridors.	✓
Progressively implement an integrated infrastructure planning, funding, and delivery framework.	✓
Include explicit provisions for growth infrastructure funding requirements in capital plans.	✓
Regional Transport	
Reserve \$2 billion for a Regional Road Freight Corridor program.	✓
Reserve \$1 billion for a Regional Growth Roads program.	✓
Reserve \$500 million for the Fixing Country Roads program.	✓
Reserve \$400 million for a Fixing Country Rail program.	✓
Reserve \$200 million to turbocharge the Bridges for the Bush program.	✓
Complete the Newell Highway corridor strategy and develop corridor strategies for the Golden, New England, and Great Western Highways by mid-2016.	✓
Investigate private, Local and Australian Government co-contributions for regional road upgrades.	✓
International Gateways	
Assess connections from Port Botany and Sydney Airport to WestConnex for road freight.	✓
Assess projects that support rail freight from Port Botany to the Moorebank Intermodal precinct, and the reconfiguration of the roads around the precinct.	✓
Encourage the Australian Rail Track Corporation to increase capacity on the Southern Sydney Freight Line.	✓
Continue work to reserve the corridor/site and commence assessment for the Western Sydney Freight Line and Eastern Creek Intermodal Terminal.	✓
Assess projects that secure freight paths for regional exporters at Port Kembla.	✓
Gauge private sector interest in construction and operation of the Maldon Dombarton rail link.	✓
Assess and prioritise further road and rail projects to serve Badgerys Creek airport, and preserve site capacity	✓
Continue work to reserve the Lower Hunter Freight Corridor.	✓

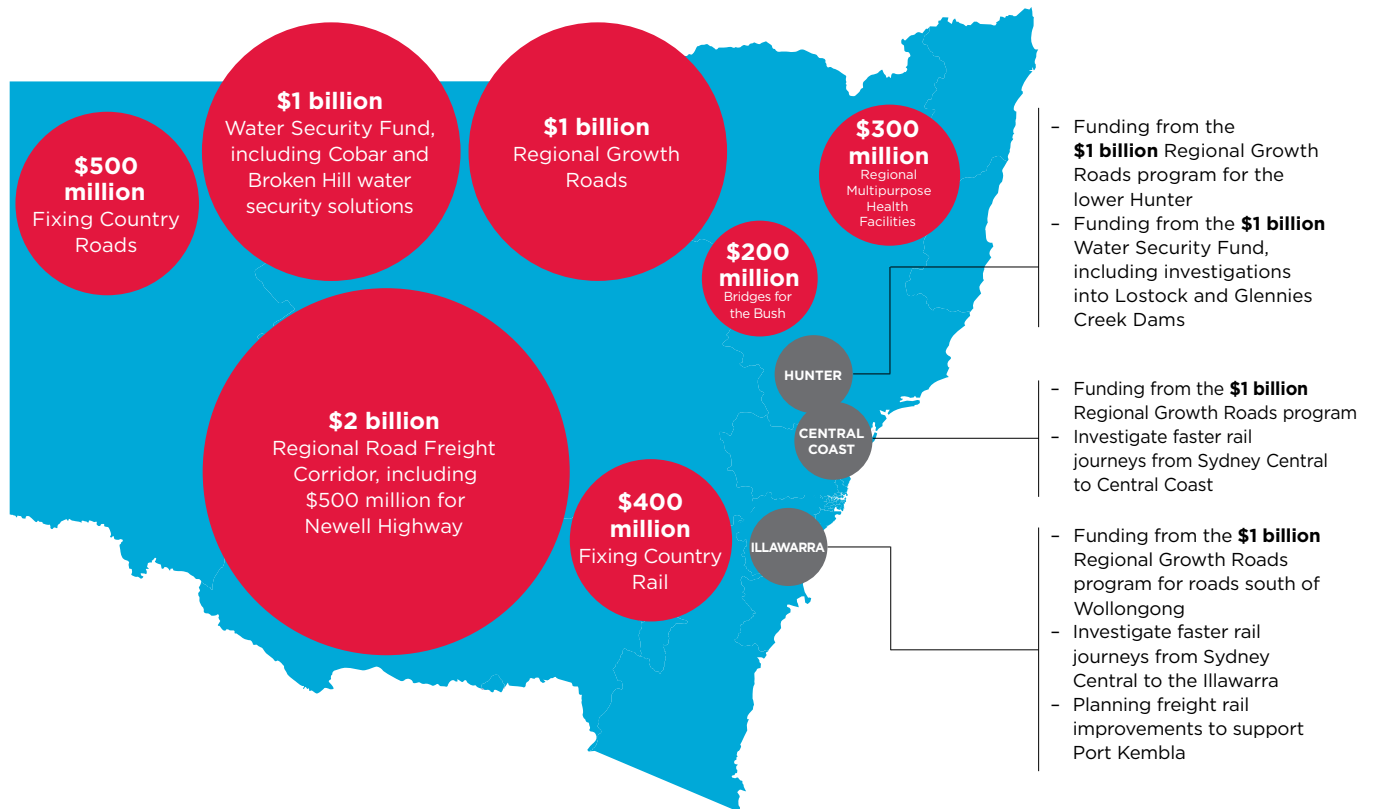


Water	Response
<p>A \$1 billion reservation for a Regional Water Security and Supply Fund to:</p> <ul style="list-style-type: none"> <li>&gt; Develop final business cases to select a mix of investment in the priority catchments of the Gwydir, Macquarie and Lachlan Rivers.</li> <li>&gt; Identify investments to take advantage of unutilised flows and underutilised infrastructure in the Upper Hunter.</li> <li>&gt; Develop final business cases for 71 water quality and waste water backlog projects for country towns.</li> <li>&gt; Develop options to deliver water security to Cobar and Broken Hill.</li> </ul>	✓
Maintain and further develop the catchment needs assessment framework.	✓
Develop a 20 year capital plan for NSW bulk water.	✓
Request IPART to advise/review how costs can be recovered for water security.	✓
Respond to the expert report on the Hawkesbury-Nepean Valley, following completion of the report in July 2015.	✓
Education	
Reserve \$700 million for 10-year Future Focused Schools program for education infrastructure.	✓
Reserve \$300 million to create a 10-year Regional Schools Renewal program.	✓
Prepare a funded School Asset Strategic Plan that manages projected requirements to 2031.	✓
Ensure that NSW planning policies enable delivery of the Strategic Plan.	✓
Expedite demonstration projects in metropolitan and regional areas.	✓
Explore PPP opportunities with non-government providers, innovative school models.	✓
TAFE NSW to prepare a Strategic Asset Management Plan.	✓
Health	
Reserve \$600 million for new health facilities in the Hospitals Growth Program targeting Western Sydney hospitals.	✓
Reserve \$300 million to accelerate the delivery of multipurpose health facilities in smaller country towns.	✓
Reserve \$100 million to invest in up to 19 'one stop shops' facilitating health care in metropolitan and regional areas.	✓
Pursue a mix of not-for-profit/private sector delivery of infrastructure and public health services.	✓
Prioritise configurations that implement best practice clinical redesign and reduce operating costs.	✓
Continue to pursue partnerships for a better mix of services with the not-for-profit and private sectors.	✓
Continue to pursue system-wide reforms to deliver more efficient and effective health services.	✓

Sports and Cultural Infrastructure	Response
Reserve \$600 million for stadia upgrades.	✓
Reserve \$600 million for a Cultural Infrastructure Program.	✓
Reserve \$300 million for a Regional Environment and Tourism Program for both national parks and regional tourism.	✓
Establish a defined cultural precinct in the Sydney CBD, including the Opera House, Walsh Bay Arts precinct, and the Art Gallery of NSW: Sydney Modern.	✓
Continue work on a purpose built Indigenous Cultural Centre at Barangaroo Headland Park.	✓
Deliver greater collaboration between institutions housing indigenous collections to maximise access.	✓
Invest in the Australian/Powerhouse Museums' alignment with sector strategic direction.	✓
Develop a Parramatta cultural precinct, and investigate moving Powerhouse Museum collections to that site.	✓
Develop opportunities for co-investment in new arts infrastructure for Western Sydney, in partnership with local councils. Develop cultural hubs in Newcastle and Wollongong and other regional centres.	✓
Complete master planning for the Moore Park sporting precinct.	✓
Review opportunities around Parramatta/Homebush for a rectangular stadium and commence planning for an outer Western Sydney stadium. Examine options for a multi-use indoor arena in a strategic Sydney location.	✓
Develop a master cultural infrastructure strategy for the sector as a whole, including sharing of collections between institutions	✓
Review investment decisions through a standardised investment framework.	✓
Energy	
Develop an appropriate regulatory regime for gas projects.	✓
Key Themes and Opportunities – Planning for our Future	
Reserve \$100 million for a Corridor Reservation program for identified strategic projects.	✓
Infrastructure NSW to enter into a long term partnership with National ICT Australia to develop ICT and innovation options.	✓
Innovative funding to be considered for projects.	✓
Recycling of public assets to support generational improvements to infrastructure stock.	✓

# Rebuilding NSW Funding by Location

## Regional Investment



Education & Health  
**\$600 million**



Regional roads  
**\$3.7 billion**



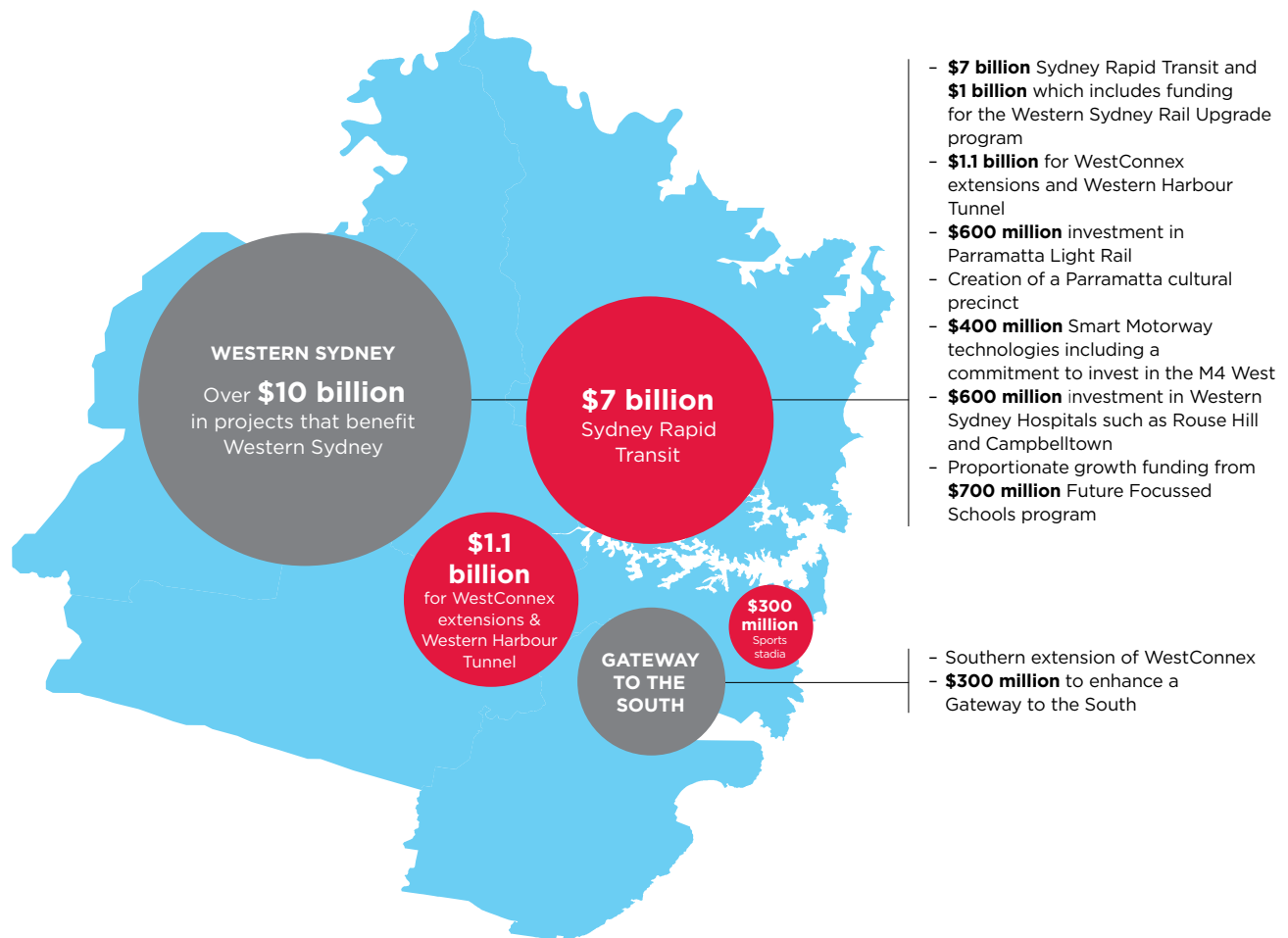
Fixing Country Rail  
**\$400 million**



Water security  
**\$1 billion**

# Rebuilding NSW Funding by Location

## Metropolitan Investment



Urban public transport  
**\$8.9 billion**



Urban roads  
**\$2.4 billion**



Education and Health  
**\$1.4 billion**



Parramatta Light Rail  
**\$600 million**



Sport and Culture  
**\$1.2 billion**



Bus Rapid Transit  
**\$300 million**

# Economic Benefits of Infrastructure

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## The cost of doing nothing

Following the hard work of the Government since 2011, NSW is set to grow over coming decades. This growth creates jobs and economic opportunity, but it does require investment to ensure that congestion is addressed, in order to protect quality of life and sustain productivity. Congestion in Sydney currently costs \$5 billion per annum and is expected to grow to \$8 billion per annum by 2020, if nothing is done.

## Increased investment in productive infrastructure

The Government will fund an additional \$20 billion for productive infrastructure investment from capital that will be unlocked from the partial lease of the electricity network. This investment will include additional incentives of at least \$2 billion through the Commonwealth's asset recycling fund.

The Government commissioned Deloitte Access Economics to examine the economic benefits of Rebuilding NSW. Deloitte has concluded that Rebuilding NSW will boost the economy by almost \$300 billion in just over 20 years.

The economic benefits initially come from increased capital expenditure in the build-stage of infrastructure development. But once in place, ongoing benefits are generated by increases to productivity, participation and population. These are the three Ps that are the foundation of economic growth.

## Benefits to households and businesses

Rebuilding NSW is expected to generate more than 100,000 jobs.

The proposed investment program is also estimated to lower transport costs associated with travel time in Sydney and regional NSW.

Increased investment in water infrastructure is estimated to result in water savings of 320 GL. This amount of water could support an increase in agriculture and mining output in the range of \$1-2 billion a year and also increase water availability for environmental uses.

Deloitte also found additional benefits will accrue to households and businesses from increased investments in schools, hospitals and sporting and cultural assets. These investments will lead to improved social outcomes, such as a more educated and healthy population as well as improving the tourism economy.

## Reaping the benefits of productivity

NSW and Australia face a productivity challenge and declining terms of trade. This challenge will become more apparent as our economy transitions further away from the mining investment boom and record high prices for our mineral exports subside.

Increasing the productivity of the NSW economy will drive growth, create new jobs, improve standards of living and boost our competitiveness in the international economy. It also means businesses can make long term investments and undertake new job creating ventures with the confidence that the infrastructure will be there to support their operations.

A productive and growing economy allows our society to provide for the most vulnerable members of our community and deliver government services more efficiently and effectively.

# Rebuilding NSW Consultation

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## A plan to rebuild NSW

Rebuilding NSW included a commitment to undertake three key planning activities to prepare for the delivery of our \$20 billion infrastructure program:

- > updated recommendations for a **State Infrastructure Strategy** prepared by Infrastructure NSW in response to additional funds that will be made available by the transaction
- > a **scoping study** prepared by NSW Treasury. This includes options to implement the partial lease of the State's electricity networks that protects consumer interests while maximising the expected transaction proceeds for taxpayers, available for reinvestment
- > a **community consultation**: by the Department of Premier and Cabinet (DPC). This included gathering community views on the implementation of Rebuilding NSW.

## Wide community involvement

The consultation involved a number of opportunities for the community to have its say:

- > a two-round **submission process**, commencing on 14 August and concluding on 30 October, with nearly 350 written submissions received
- > **consultation meetings** held with a broad range of stakeholders including consumer organisations and business groups. Meetings were organised in local communities across the State to give regional stakeholders an opportunity to have their say
- > **publishing reports** that provide additional information on issues relevant to Rebuilding NSW, such as electricity price regulation, network reliability standards and infrastructure project funding. Further information will be released as it becomes available.

## Valuable community feedback

The key infrastructure themes to emerge from the consultation process include:

- > **support for infrastructure investment** – stakeholders overwhelmingly supported a step change in infrastructure investment, and provided many proposals for consideration as the plan is rolled out
- > **planning for the long term** – taxpayer investment in new infrastructure must be undertaken in the context of a long term vision for the State. There was strong support for the role of Infrastructure NSW in ensuring projects are selected on the basis of rigorous analysis
- > **ensuring that Sydney remains a liveable city** – community feedback was strongly informed by the understanding that Sydney needs infrastructure to accommodate a growing population. This includes improving our roads to reduce congestion, and building new public transport to align with housing and jobs. The Government's commitment to investing in schools, hospitals, and sporting and cultural infrastructure was also supported
- > **connecting regional NSW to markets and opportunities** – regional communities were highly engaged in this process, with the highest priority being enhanced connectivity to secure the future prosperity and vitality of regional and rural NSW. The Government's commitment to investing in regional areas was strongly supported, including many proposals for new road, rail, water and tourism projects.

The Government also received valuable feedback on the overall plan. Stakeholders encouraged the Government to adopt a broad view of infrastructure in regions and ensure strong consumer protections are maintained.

Recommendations provided in submissions and at stakeholder meetings continue to be considered and will be evaluated against the further development of the investment program proposed.





## WestConnex Extensions and a Western Harbour Tunnel

### WestConnex will be extended

The Government will deliver northern and southern extensions to WestConnex.

Extensions to the WestConnex scheme would see the motorway connect to the Anzac Bridge and Victoria Road to the north, and near Kogarah to the south.

These extensions will relieve pressure on the existing orbital road network, and reduce journey times.

Together with WestConnex, the northern and southern extensions will provide a western bypass for the Sydney CBD. This will:

- > alleviate pressure on Southern Cross Drive and the Eastern Distributor
- > reduce journey times from Sydney's south and west
- > improve the connectivity between Sydney's west and the Harbour Bridge.

The two extensions are being further assessed as part of the development of WestConnex Stage 3, which is the final stage of the project. Stages 1 and 2 are already in the market for procurement.

### Delivering new cross Harbour road capacity

After the completion of WestConnex, the Western Harbour Tunnel project will be the next major motorway for development, to be commenced around the beginning of the next decade. It will see the construction of an additional Harbour road crossing of approximately 7 kilometres, connecting the WestConnex northern extension around Rozelle with the Gore Hill or Warringah Freeways.

The Western Harbour Tunnel will relieve congestion on the Harbour Bridge and Tunnel, potentially diverting around 2,000 vehicles an hour. Feasibility work and final business case development for the project will now commence in detail.

Together the WestConnex extensions and the Western Harbour Tunnel will facilitate a new north-south route through Sydney that avoids the Sydney Harbour Bridge & Tunnel, CBD, Eastern Distributor and Anzac Bridge.

### Investment strategy

The Government will reserve \$1.1 billion from Rebuilding NSW to invest in the northern and southern extensions of WestConnex and the Western Harbour Tunnel.

This contribution will allow the Sydney Motorway Corporation to proceed with finalising business cases for these projects and set delivery timeframes.

The funding model is consistent with the asset recycling model being used for Stages 1 and 2 of WestConnex, including private investments.

Potential further contributions from the Commonwealth Government may also enable further acceleration.

All investment decisions will be subject to final business cases and will be undertaken in a manner consistent with the maintenance of the AAA credit rating as required by the Fiscal Responsibility Act.

# Sydney Rapid Transit

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## Delivery of Sydney's Rail Future has been accelerated

The North West Rail Link, Australia's largest public transport infrastructure project, is under construction. When completed in 2019, it will form the first part of Sydney Rapid Transit. This line will be extended under the Harbour, forming Sydney's second Harbour rail crossing.

Under the 2012 State Infrastructure Strategy a Harbour rail crossing may not have been built for up to 20 years. Rebuilding NSW significantly accelerates delivery of a second Harbour crossing, with funding now expected to flow from 2016-17, and construction expected to commence in 2017.

## Transforming the whole rail network

Sydney Rapid Transit is the next phase in the evolution of Sydney's rapid transit system. In extending North West Rail Link services under Sydney Harbour and through the Sydney CBD, onto the Bankstown Line, significant new capacity will be delivered for the whole rail network.

**The Government will reserve \$7 billion from Rebuilding NSW for Sydney Rapid Transit.** This is in addition to funding already earmarked for the project over the next 10 years. Infrastructure NSW estimates \$10.4 billion as a reasonable mid-range cost and, with funds already earmarked, this is now a fully funded project. The aim will be to have the full line operational within 10 years, by 2024.

Sydney Rapid Transit will deliver benefits across the entire rail network. When complete, it will provide a step change in the capacity of the rail system by delivering the first new heavy rail capacity through the Sydney CBD in 45 years. Combined with the Western Sydney Rail Upgrade program, Sydney Rapid Transit will allow:

- > a 60 per cent increase in the number of trains accessing the CBD during the peak hour
- > the capacity for an additional 100,000 passengers per hour
- > the cutting of expected crowding on T1 Western Line trains and on trains from the south west by up to 50 per cent

- > more trains and more capacity for people travelling from Penrith, Blacktown, Westmead and Parramatta
- > five new Sydney Rapid Transit stations to be built including Central, Pitt Street, Martin Place, Victoria Cross and St Leonards/Crows Nest
- > have the capacity to operate up to 30 trains an hour (once every two minutes) - each way. That's a total of 60 rapid transit trains across the CBD every hour.

The expansion in capacity will provide relief to overcrowding and improve the reliability of Sydney's train system. Ultimately, this will also mean fewer cars on the road and less congestion.

## Delivering major benefits

Initial analysis for Sydney Rapid Transit shows the project has the potential to transform Sydney, with major economic benefits. At this early stage of analysis, it is estimated that Sydney Rapid Transit will:

- > reduce travel times
- > remove over 17 million car trips from the road each year
- > enable growth of around 40,000 additional jobs in Sydney
- > trigger significant increase in economic 'value-add' generated by businesses along its route, reaching over \$5 billion per year.

## Planning for delivery continues

Delivering projects of the scale and significance of Sydney Rapid Transit requires exhaustive planning and diligence. That work continues and is being accelerated in line with the State Infrastructure Strategy. It will further refine the economic benefits, determine best delivery approaches, and test a number of sub-options for the project. It will also identify potential urban renewal, and additional employment and housing opportunities that the new line will facilitate.

Options under investigation include the viability of additional stations at Barangaroo and at either Waterloo, or Victoria Park/ University of Sydney.



# Urban Public Transport

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## **\$8.9 billion for urban public transport**

In total, \$8.9 billion in Rebuilding NSW funds will be reserved for urban public transport to support Sydney's population, that is expected to reach almost 6 million by 2031. This is a historic investment in public transport, unprecedented in its scale, that will transform Sydney.

## **Delivering on and expanding long term plans**

Public transport is critical to urban productivity, expanding employment opportunities by connecting people to jobs, reducing congestion, and supporting delivery of urban renewal.

In 2012 the Government released the NSW Long Term Transport Master Plan. Together with mode specific plans, it lays out the strategic priorities pursued by the Government in this critical infrastructure area.

The Government is now delivering on that plan, and extending it further. Improving travel times and delivery of new bus and light rail options were highlighted during the Rebuilding NSW consultation process. Work on these will be further advanced.

## **Massive investment in rail infrastructure**

Two passenger trains can move more people than a motorway lane can move over an hour. The Government is investing massively in new rail infrastructure, that will benefit the entire network.

**\$7 billion in Rebuilding NSW funds will be reserved for the Sydney Rapid Transit project**, including a second Harbour rail crossing, new CBD stations and the conversion of the Bankstown line to rapid transit. This project, together with the Western Sydney Rail Upgrade program, will unlock capacity across the rail network.

Sydney Rapid Transit will:

- > reduce travel times
- > remove over 17 million car trips from the roads each year
- > enable growth of around 40,000 additional jobs in Sydney.

To further expand the capacity of the existing network, **\$1 billion will be reserved for Sydney's Rail Future Stage 2.**

This includes the Western Sydney Rail Upgrade program, which will:

- > target capacity constraints on the T1 Western and Northern Lines to deliver more services
- > upgrade power supplies, to allow improved train operations on the T1 line
- > introduce advanced train control systems, to improve service frequencies and capacity.

To enable future planning and corridor reservation, augmentations to the rail network beyond Sydney's Rail Future will also be identified.

## **Boosting Parramatta as a second Sydney CBD**

Parramatta is Sydney's second CBD, and a major centre for Western Sydney. The Government has already reserved \$400 million towards Light Rail through Parramatta, with four options currently under consideration.

**The Government will now commit a further \$600 million in funds for light rail in Parramatta, bringing the total to \$1 billion.**

## **Bus rapid transit**

Bus Rapid Transit projects can facilitate high quality connections on some of Sydney's existing corridors at a relatively low cost. These buses can operate at high frequencies throughout the day, at high speeds and with improved reliability.

**The Government will reserve \$300 million for Bus Rapid Transit and bus priority infrastructure upgrades**, for bus corridors which may include Victoria Road and Parramatta Road, in addition to Northern Beaches Bus Rapid Transit.

# Urban Roads

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## **\$1.3 billion to unlock capacity of existing infrastructure**

Congestion costs Sydney around \$5 billion a year, and is set to grow to \$8 billion a year by 2020 if nothing was done.

The Government has already committed to programs that target pinch points and clearways, to get traffic flowing more freely.

A total of \$1.3 billion will be reserved for congestion busting through the productivity improvements to Sydney's roads:

- > **\$400 million for Smart Motorways, including investments on the M4**
- > **\$300 million for the Urban Road Pinch Points program**
- > **\$300 million to unblock critical constraints, creating a Gateway to the South**
- > **\$200 million for improvements to SCATS and the Traffic Management Centre**
- > **\$100 million for the Expanding Clearways program.**

Not only is the Government investing more, it is also investing in a smarter way. Innovative initiatives, such as Smart Motorways, making use of innovative ICT solutions, and upgrades to the traffic management system will help to improve how traffic flows and unexpected delays are managed.

This type of investment in the State's infrastructure has a very high payoff for road users. These high impact and highly targeted investments will remain a core element of the Government's strategy to tackle congestion. The recently announced Premier's Innovation Initiative, which has sought innovative ideas to address congestion from the non-Government sector, is expected to deliver more improvements along these lines.

## **Delivering WestConnex and NorthConnex**

Major new motorway capacity in Sydney will see significant benefits for road users. WestConnex will deliver savings of up to 40 minutes between Western Sydney and the airport, while NorthConnex will save up to 15 minutes for users of the Pennant Hills corridor, each day, every day in both directions.

These two new road tunnel projects will also directly benefit the communities they will run beneath, with an estimated 3,000 trucks a day removed from Parramatta Road, and up to 5,000 trucks a day off Pennant Hills Road. This will not only provide improved journey times, but will also deliver significant amenity benefits for local residents including the revitalisation of Parramatta Road.

Tendering of the first two stages of WestConnex – the upgrade and extension of the M4, and the duplication of the M5 – is already underway.

## **Western Harbour Tunnel**

**The Government will commence work on a third Harbour road crossing** and a north-south route through Sydney that avoids the CBD.

Work will also continue to identify and preserve new road corridors such as the Outer Sydney Orbital and the Bells Line of Road – Castlereagh Connection to the M7. This will ensure that the roads can be delivered cost effectively when the economic case and funding become available.

## **Gateway to the South**

The Government is committed to enhancing a Gateway to the South. The Government has commissioned scoping studies for large scale investment options on the F6 and A6 corridors, which are yet to be finalised. In the interim, in addition to funding the southern extension of WestConnex, the Government will commit \$300 million to address pinch points across the A1, A3 and A6 corridors.

# Regional Transport

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## Demand for roads in regional NSW

Rebuilding NSW recognises the importance of regional transport by reserving **\$4.1 billion** to upgrade regional freight corridors, build new infrastructure in growth areas, enhance and expand existing road and bridge programs and improve regional rail.

Regional road and rail upgrades were a prominent theme in the Rebuilding NSW consultation. Good transport infrastructure helps people get to where they are going quickly and safely, and ensures regional producers can get goods to market on time and cost effectively.

By 2031, the amount of freight travelling in NSW will nearly double. The transport freight industry is critical to the NSW economy. It is an enabler of almost all economic activity, supporting many industries and jobs.

This investment in better roads will deliver an economic dividend to regional communities as they become better connected. Individuals will have greater access to employment opportunities, be closer to essential services and spend less time on the road when visiting friends and family. It is also critical to attracting business investment and front line workers to regional NSW.

Freight will also move more easily and more safely. This will bring agricultural products and other goods produced in our regions closer to markets and export facilities. This will deliver a significant economic dividend to our regional economies.

## \$3.7 billion to be reserved for regional roads

To meet the challenge and improve the productivity of our regional economies, the Government will invest in the Newell Highway - which provides the major freight route between Queensland and Victoria, and connects dozens of regional centres and communities along its 1060km corridor.

Corridor strategies will also be developed for the Golden Highway, the New England Highway and the Great Western Highway to guide the investment priorities.

To deliver upgrades on these roads, the **Government will reserve \$2 billion** for a Regional Road Freight Corridor program.

The Government will also deliver the upgrade of the Pacific Highway by 2020.

Infrastructure NSW has acknowledged the success of programs such as Bridges for the Bush and Fixing Country Roads.

**A total of \$700 million will be reserved to expand those programs.** The NSW Government will also seek to leverage funding from councils, the Federal Government, and the private sector in delivering this work.

The Government will also improve the connectivity within and around regional centres, building on the major projects already underway. There will be a **\$1 billion reservation to accommodate roads in regional growth areas.**

## Improving regional rail freight

The growth of regional economies and populations will need to be supported. There are too many constraints on the rail network which reduce the efficiency of freight connections between regional NSW and key markets.

**\$400 million will be reserved for Fixing Country Rail.** Transport for NSW will be directed to complete final business cases for the program by mid-2016. This will support our primary producers who make a vital contribution to our economy.

# International Gateways

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## **Connecting the NSW economy to the world**

The Government will ensure that the transport network serving our international gateways is operating efficiently and effectively. Connections to international trade supports jobs and economic growth.

The import and export of goods is vital to the NSW economy. Our infrastructure facilitates \$127 billion of international trade. Ports and airports play a pivotal role in the freight supply chain that keeps business moving and shelves stocked. The freight and logistics industry contributes approximately \$58 billion (14%) of the NSW Gross State Product and directly employs 128,000 people. Furthermore, it is estimated that each 1% of additional efficiency in the freight sector saves the economy \$1.5 billion. Industry needs highly efficient links to the international economy, and we are committed to further improving those links.

## **Delivering better access to Port Botany and the airport precinct**

WestConnex will provide major new motorway capacity to link the Port Botany precinct to west and south-west Sydney. This will be combined with enabling works in the precinct to improve access to the new motorway.

There are also measures underway that will improve rail productivity in and around the precinct. The operation of the Enfield intermodal terminal, and the proposed Moorebank intermodal precinct, will enhance the ability of rail freight to move containers to and from Port Botany. This will reduce congestion and get trucks off our road.

Currently Western Sydney is dependent on heavy vehicles for its freight needs. By 2036, 4.3 million truck kilometres could be saved through the Western Sydney Freight Line and Eastern Creek intermodal precinct. The Government will continue work to reserve the corridor and site for this important project.

The Government is also improving passenger links to Sydney Airport. Timetable changes have already enhanced airport rail services. There are now at least eight trains an hour between Sydney Airport and City Circle stations from 7am to 9pm during weekdays, cutting wait times down from a maximum of 15 minutes to nine minutes. Other public transport improvements, including to the bus network, are being progressed.

## **Improving connections to Port Kembla and the Port of Newcastle**

Both road and rail projects that improve connectivity into these ports will be developed and assessed on an economic needs basis.

Corridors will be preserved in the Hunter to support future growth needs and recommendations will be adopted to support the continued development of Port Kembla. Capacity constraints at either port cannot be allowed to hinder the economic growth of our State.

## **Supporting Badgerys Creek as a catalyst for development**

The NSW and Federal Governments have committed to road network upgrades for a number of major roads supporting the Badgerys Creek airport precinct. The NSW Government will also investigate additional infrastructure, including a rail extension, as demand necessitates.

This will support the development of Sydney's second airport and the economic benefits it will deliver.

# Education

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## **Building new schools to meet growth**

**The Government will reserve \$700 million in Rebuilding NSW funds to create a 10-year Future Focused Schools program for education infrastructure.**

This infrastructure will service growing student populations and provide new and innovative school designs which rethink how schools work, how teachers teach and how students learn into the future. Work will commence shortly to prepare final business cases supporting these projects.

The number of children enrolling in NSW public schools is expected to increase by 23% by 2031, with the strongest growth occurring in Western and South Western Sydney. Funding from Rebuilding NSW will help the State to meet our expected need for new schools in the public education system, which Infrastructure NSW estimates to be equivalent to demand for 6,250 more classrooms. This investment, along with more efficient utilisation of existing facilities will ensure NSW can continue to provide high quality public education to the State's students.

Future Focused Schools will include connected teaching and learning spaces that will enable flexible, collaborative and problem-based teaching and learning. Future Focused Schools will offer a differentiated and individualised learning environment designed to meet the learning needs of a broad cohort of students.

## **Renewing regional schools**

**The Government will reserve \$300 million in Rebuilding NSW funds to create a 10 year Regional Schools Renewal program to upgrade schools to become future focused learning environments.** Work will commence shortly to prepare final business cases supporting these projects.

The condition of schools has an impact on the quality of education our students receive, and building maintenance costs are likely to continue to increase each year due to ageing infrastructure. Capital investment under the program will lead to better maintained schools.

In future, schools will be technology rich spaces that allow group collaboration as well as cross border and cross-sectoral learning opportunities. A greater emphasis on technology in rural and remote schools has the opportunity to reduce the challenges faced by many students in regional and rural NSW.

## **Planning for growth**

The Government will prepare a funded School Asset Strategic Plan that manages the projected capital expenditure requirements for teaching space supply to 2031 and seeks to realign its asset portfolio to better match demand. This work will build on commitments in this Strategy to explore a range of options to improve asset utilisation. The new approach will also require greater coordination between schools planning and the State's planning policies.

## **Innovative community partnerships**

The Government will explore partnership opportunities with non-government providers and innovative school models through public-private partnerships. This could expand the pool of funds available for investment in education infrastructure, including through partnerships with local councils, universities, and other providers.

Flexible governance arrangements will also be required so that schools can partner with local councils and non-government providers for greater resource sharing. Benefits to the community could include improved access to out of school hours care, libraries, halls and playing fields.

## **Modernising TAFE NSW asset management**

TAFE NSW will prepare an asset management plan that enables the asset portfolio of each institute to keep pace with the competitive market for vocational education and training, including having the flexibility to invest in facilities that expand online delivery of courses.



## Building on record investment

In addition to the record health infrastructure investment, Rebuilding NSW will allow an additional \$1 billion to be invested in health.

## Investing in Western Sydney hospitals

**The Government will reserve \$600 million in Rebuilding NSW funds for a Hospitals Growth Program targeting Western Sydney**, with investigation of specific options such as Rouse Hill and Campbelltown, in addition to new paediatric capacity in South Western Sydney.

These investments build on work underway since 2011, including Stage 1 of the Blacktown and Mount Druitt Hospitals Expansion Project, with new facilities already delivered including mental health, clinical services and additional car parking. Significant investment is also occurring at Campbelltown Hospital and at Westmead Hospital.

## New models of service delivery

**The Government will reserve \$100 million in Rebuilding NSW funds for the Care Co-location Program** to accelerate the Primary and Integrated Care Strategy. New 'one stop shops' in 19 regional and metropolitan communities will bring together a variety of healthcare providers to improve patient access to services and increase overall efficiency. This is expected to improve health outcomes for vulnerable members of the community, and will attempt to create partnerships with not-for-profit providers where possible. Services to be co-located include mental health, early childhood and youth, nursing, and Aboriginal health services.

The Government will prioritise facility reconfigurations that implement best practice clinical redesign and reduce operating costs. This includes changing work practices to manage patient care more efficiently, reduce delays, and improve service quality. A program to accelerate the modernisation of metropolitan, regional and rural facilities will be developed to deliver improvements over the next 20 years.

## Integrated regional health services

**The Government will reserve \$300 million in Rebuilding NSW funds to accelerate delivery of the Regional Multipurpose Health Facilities program.**

This investment will secure the sustainability of smaller rural facilities by integrating healthcare services, with a focus on innovation and flexibility in service delivery. Locations prioritised for new investment will be those with smaller populations that may not be able to sustain separate hospital, residential care, community health, and home care services. The program will also focus on improving coordination of health and aged care services appropriate for isolated communities.

## Partnering with non-government providers

The Government will consider opportunities for partnerships with the not-for-profit and private sectors. This will help NSW to achieve a better mix of providers involved in the delivery of health infrastructure and services and to deliver health care more efficiently and effectively. The delivery of the new Northern Beaches hospital under a \$1 billion public-private partnership is an important step already underway to achieve this. A provider was selected in October 2014 to design, build, operate and maintain the hospital, with completion expected in 2018.

The Government is also identifying additional projects that could be progressed in partnership with non-government providers to deliver a more productive health system for NSW.

## Driving innovation in health systems

The Government will continue to reform the State's health system through greater contestability in service provision and more efficient asset management. NSW will also continue to invest in eHealth technology, particularly for patients in regional communities.

## **Establish a dedicated \$1 billion fund to respond to water challenges**

Our communities can prosper only with reliable water supplies, and with the confidence that reliability engenders. This \$1 billion fund will be used to address challenges including deficiencies in drinking water quality, capacity to meet water demand from growing populations, drought security, dam safety and inadequate wastewater treatment.

## **Focus on priority river systems to support mining and agriculture**

The Government will focus on the Hunter, Gwydir, Macquarie, and Lachlan river systems as the highest priority catchments for infrastructure investment.

Allocations from the \$1 billion Regional Water Security and Supply Fund will depend on the assessment of different options for each of the catchments, focusing on options that deliver the most efficient and sustainable outcomes and contribute to productivity growth.

The Government will examine the options proposed by Infrastructure NSW:

**Upper Hunter** – modelling to identify water delivery efficiency investments, including in respect of the Lostock and Glennies Creek Dams.

**Gwydir River Valley** – a re-regulating dam at Gravesend or a new dam on the Horton River.

**Macquarie River Valley** – augmentation of Burrendong Dam or a re-regulating dam on the Macquarie River.

**Lachlan River Valley** – a new dam on the Belubula River.

In addition to these projects, Infrastructure NSW recommend considering other possible delivery efficiency projects in these catchments. The Government will examine a state-wide delivery efficiency program to identify optimum additional delivery efficiency projects.

These investments will help improve State productivity and create stronger regional communities by enabling economic activity that would otherwise be constrained by a lack of water security.

## **Deliver long term solutions for Cobar and Broken Hill**

Cobar and Broken Hill will be targeted as high priority locations for the development of sustainable water security solutions.

Final business cases will be developed to assess the best way of delivering long-term solutions and will examine the specific options identified by Infrastructure NSW, including a pipeline from the Murray River to Broken Hill and a new pipeline to Cobar.

## **Bringing water quality and waste water up to standard in all regional towns**

As part of the \$1 billion Regional Water Security and Supply Fund, the Government will also respond to challenges faced by some regional towns. One of the messages from consultation on Rebuilding NSW was the need for investment to go, not just towards improving water security, but also towards waste water services.

The Government will invest in the completion of 71 projects already identified through the Country Town Water Supply and Sewerage program. Final business cases will be developed for each project and may include the provision of sewerage services to currently unserved communities in locations such as Ulmarra (North Coast) and Bowning (near Yass).

These projects will ensure towns' water supplies meet minimum water quality standards and waste water services meet environmental standards.

## **Flood mitigation options for the Hawkesbury Nepean Valley**

As recommended by Infrastructure NSW, funding sources will be identified to deliver flood mitigation and evacuation works when the Hawkesbury Nepean Valley Task Force reports to the Government in mid-2015.

# Sports and Cultural Infrastructure

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## **\$1.2 billion reserved for sports and cultural infrastructure**

The Government will reserve **\$1.2 billion for sports and cultural infrastructure**, including:

- > \$600 million allocation for a cultural infrastructure program
- > \$600 million for stadia.

The Government **will also reserve \$300 million** for regional environment and tourism.

A new whole-of-Government cultural infrastructure plan will be developed to provide the context and priorities for future investment decisions.

## **Investing in sports infrastructure**

The Government will reserve a minimum of \$600 million to invest in sporting infrastructure, with funding available from 2017-18. The focus of this investment will be on Moore Park and Western Sydney.

- > The Sydney Cricket and Sports Ground Trust will be tasked with finalising upgrade plans for Allianz Stadium.
- > The Government will assess options for rectangular stadia at Parramatta/Sydney Olympic Park.

The Government will also look at:

- > identifying long term options for the construction of an outer Western Sydney Stadium, with the appropriate capacity and facilities to house high-profile events
- > options for a multi-use indoor stadium in Sydney.

## **Developing an arts precinct in the Sydney CBD**

As part of a new cultural infrastructure plan, the Government will focus future investments on creating a geographically confined arts precinct in the Sydney CBD.

Not only will this re-affirm Sydney as a major centre for the arts, it will also enhance collaboration between institutions and promote better use of collections and facilities.

Priority will be given to investment in:

- > Sydney Opera House
- > Walsh Bay Arts Precinct
- > Art Gallery of NSW: Sydney Modern.

Future investment in the Australian Museum and NSW State Library will be considered in long-term plans.

## **Showcasing indigenous art and culture**

A new Indigenous Cultural Centre is proposed for Barangaroo, as part of the CBD arts precinct. This new facility would provide a focal point for the expression of Indigenous art and culture. The Government will further develop work on this important project.

## **Investing in cultural infrastructure in Western Sydney**

The Government will create a Parramatta Cultural Precinct as a component of current urban renewal activities in the area, where there is a range of cultural and heritage assets that could be better connected and utilised. As part of this, the Government will investigate the relocation of the Museum of Applied Arts and Sciences (the Powerhouse) collection to Parramatta.

In line with better collaboration and flexibility among institutions, CBD-based collections will be shared with new facilities at Parramatta and across Western Sydney. This will mean more people will experience the State's art and cultural collections.

The Government will also engage with Western Sydney councils, particularly in Liverpool, Penrith and Campbelltown, to identify co-investment proposals for cultural infrastructure. Engagement will commence immediately.

## **Supporting regional tourism and the environment**

As part of Rebuilding NSW, a further **\$300 million will be reserved for investment in both environmental and tourism** related assets in regional NSW, supporting regional heritage and the visitor economy.



# Western Sydney

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## **Better transport infrastructure in Western Sydney is essential**

With a population of over 2 million people, Western Sydney is now bigger than many of Australia's capital cities. **This State Infrastructure Strategy provides at least \$10 billion that will have a benefit for Western Sydney.**

Public transport connects people to jobs, and also improves liveability by providing access to key destinations. The Government will reserve \$1 billion for Sydney's Rail Future Stage 2, including the Western Sydney Rail Upgrade program. This will specifically target the capacity constraints on the T1 Western Line. Together with the \$7 billion contribution reserved for Sydney Rapid Transit, new rail capacity will be unlocked across the rail network – including on the Western, South, and Airport and East Hills lines which serve Parramatta, Penrith, Richmond, Campbelltown and Macarthur.

## **Benefits for Western Sydney**

Western Sydney provides a key hub for Sydney's freight industry. The road network is central to the industry. It also supports Sydney as a multi-centred city, connecting regional centres in Western Sydney, as well as linking them to other major economic precincts such as Port Botany and Sydney Airport.

Improving those linkages – better connecting western and south western Sydney with the Sydney CBD, port and airport – is one of the primary reasons for the WestConnex motorway. Programs such as the reservation of \$400 million to implement Smart Motorways, including on the M4, and investments in pinch point upgrades, are also specifically targeted to improve traffic flows and reduce congestion in Western Sydney.

## **Long term planning for the west**

In the long term, land will be reserved for future Western Sydney road corridors which may include the Outer Sydney Orbital and the Bells Line of Road – Castlereagh Connection to the M7 and an extension to the South West Rail Link. This will ensure that the Government is positioned to deliver infrastructure to Sydney's growing western suburbs efficiently and effectively when it is needed.

Parramatta is Sydney's second CBD, and requires a transport system that will provide Western Sydney residents with access to jobs and services. The Government has already put aside \$400 million in funds to develop light rail for this major centre, and will now commit a further \$600 million in funding for this project.

The Government will create a Parramatta Cultural Precinct as a component of current urban renewal activities in the area. It has a range of cultural and heritage assets that could be better connected and utilised. As part of this, consideration will be given to relocating the Museum of Applied Arts and Sciences (the Powerhouse) collection to Parramatta.

In line with better collaboration and flexibility among institutions, CBD-based collections will be shared with new facilities at Parramatta, and other Western Sydney locations.

The Government will also engage with Western Sydney councils, particularly in Liverpool, Penrith and Campbelltown, to identify co-investment proposals for cultural infrastructure. Engagement will commence immediately.

## **Sporting infrastructure for Western Sydney**

Opportunities for a rectangular sports stadium in Western Sydney with appropriate capacity and facilities to house high-profile events will be explored, to be funded from the \$600 million sports fund. This will include identifying options for an outer Western Sydney stadium in the longer term.

## **Building more hospitals and schools in Western Sydney**

In addition to ongoing health and education investments, Rebuilding NSW will allow the Government to deliver health and education infrastructure projects to match population growth. Final business cases will be developed for hospital investments at Rouse Hill and Campbelltown, as well as for additional paediatric capacity in South Western Sydney. The Government will also expedite the Parramatta Education Precinct that co-locates primary and secondary school students and partners with the University of Western Sydney to embed best practice teaching and technology.

# Regional NSW

## Delivering for regions

This Strategy outlines new investment programs that will ensure regional and rural communities share the benefits of Rebuilding NSW. The Government will reserve \$6 billion for regional infrastructure, including:

- > \$3.7 billion on regional roads
- > \$1 billion on water security
- > \$600 million for schools and hospitals
- > \$400 million for rail freight
- > \$300 million for a regional tourism and environment fund.

## Missing highway links for Western NSW

The Government will secure future growth for Western NSW with investment in freight productivity on the Golden Highway, New England Highway, and Great Western Highway corridors, with funding from the **\$2 billion** Regional Road Freight Corridor program.

This will include a commitment of at least **\$500 million** of funding for the Newell Highway which is expected to deliver additional overtaking lanes, heavy duty pavement construction from Narrabri to Moree, pavement upgrades from Mungleback Creek to Boggabilla, the Parkes Bypass and road widening from Coonabarabran to Narrabri.

## Regional growth roads

Funds available from the **\$1 billion** Regional Growth Roads program will be directed towards road network improvements that support regional centres experiencing strong population growth. This investment will focus on the Central Coast, Lower Hunter works to improve traffic efficiency, southern Illawarra, and the North Coast.

## Improving road freight productivity

Infrastructure NSW has recognised the success of the Fixing Country Roads program, and an additional **\$500 million** will be invested. This will fund projects that remove constraints on local roads to support the use of high productivity vehicles, eliminate unnecessary diversions and improve 'last mile' access, including to the rail freight network.

## Bridges for the Bush

Infrastructure NSW has recognised the success of the Bridges for the Bush program, and an additional **\$200 million** will be invested. Targeted investments in bridge strengthening or replacement can open up hundreds of kilometres of highway for high productivity vehicles.

## Regional rail freight

The **\$400 million** Fixing Country Rail program will target regional rail freight improvements to support primary producers and regional jobs.

## Water security

Upgrades to the Gwydir River Valley, Macquarie River Valley and Lachlan River Valley are priorities for the **\$1 billion** Regional Water Security and Supply Fund. Funding will also be available for backlog water quality and wastewater projects in identified communities.

## Regional health and education

Schools and health facilities in regional NSW will be eligible for new funding through the **\$300 million** Regional Schools Renewal program and the **\$300 million** Regional Multipurpose Health Facilities program.

## Investment in cultural and tourism infrastructure

Funding from the **\$600 million** Cultural Infrastructure program will be available for the development of arts and cultural hubs in regional NSW. **\$300 million** will also be set aside for regional environmental and tourism facilities to support local economies.



# Long Term Infrastructure Planning for our Community

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## Ensuring good infrastructure planning processes are in place

The Government strongly supports solid infrastructure planning and delivery processes. All new infrastructure projects are already subject to a rigorous selection process by Infrastructure NSW and NSW Treasury, including evaluating economic impacts. This is essential to ensure that taxpayers' money is invested efficiently for the benefit of the whole State.

Projects will also be considered carefully against strategic priorities contained within long term planning documents. This requires identifying long term trends and assessing any infrastructure gaps that may emerge. The State Infrastructure Strategy is part of the Government's strategic planning process, along with other long term planning documents, including the Long Term Transport Master Plan and Regional Growth and Infrastructure Plans.

## Supporting a corridor reservation fund

The Government supports the Infrastructure NSW recommendation to establish a corridor reservation fund. This will allow long term planning to manage growth and support the efficient delivery of future infrastructure projects. This is a prudent policy to ensure we have the space to grow.

Potential corridors for reservation include:

- > Western Sydney Freight Line (including the Eastern Creek Intermodal precinct)
- > Outer Sydney Orbital
- > Bells Line of Road – Castlereagh Connection
- > Lower Hunter Freight Corridor.

## Promoting social inclusion and economic opportunity

Investment in social infrastructure, such as social housing, was a consistent theme that emerged in the Rebuilding NSW consultation.

The Government's social infrastructure portfolio delivers a range of benefits to the community and ensures that the benefits of prosperity are shared. The right investments in social infrastructure to support social inclusion and economic participation will deliver benefits to the entire NSW community. It would also improve the opportunities and lives of some of the most vulnerable members of our community.

The Government has recently released a discussion paper on social housing policy with a view to engaging the community and housing providers on how to best sustain the provision of suitable and fairly allocated social housing. In addition, the Government has released an Expression of Interest on Social Housing under the Premier's Innovation Initiative, designed to increase the availability and suitability of services in a cost effective and sustainable manner. Submissions will be sought on both documents over coming months.

## Harnessing technology in infrastructure

New technology, such as advances in information and communications technology, have the potential to deliver efficiencies in infrastructure planning, construction, operations, maintenance and pricing. The Government will seek a long-term non-exclusive partnership with National ICT Australia to develop ICT options that could be applied to public infrastructure.





# **Rebuilding NSW**

State Infrastructure Strategy 2014 - Update

FEBRUARY 2015





## Premier's Message

In June 2014, the Government announced Rebuilding NSW – a plan to turbocharge NSW with \$20 billion of new, productive infrastructure. It is a plan that will create more than 100,000 jobs and deliver downward pressure on electricity prices for consumers.

It is a plan that will boost the New South Wales economy by almost \$300 billion in just over 20 years.

Releasing capital from leasing the State's electricity businesses means projects that improve our quality of life can get moving now, rather than years into the future.

In November 2014 the Government presented the recommendations of Infrastructure NSW – all of which the Government has adopted – along with high level details of the infrastructure investments Rebuilding NSW will prioritise. These included:

- » \$7 billion reserved for the Sydney Rapid Transit, to fully fund a second Harbour rail crossing
- » \$1.1 billion reserved to invest in the WestConnex northern and southern extensions, and the Western Harbour Tunnel
- » Increasing the Sports and Cultural Fund from \$500 million to \$1.2 billion to ensure we capitalise on our iconic sporting and cultural precincts and increase the presence of facilities in Western Sydney
- » Reserve an even greater investment in regional transport of \$4.1 billion to underpin economic growth across the whole State
- » \$1 billion reserved for regional and metropolitan schools
- » \$1 billion reserved for regional and metropolitan hospitals
- » \$1 billion reserved for water security for our regional communities
- » \$300 million reserved for regional tourism and the environment

Three months later, I am pleased to provide the people of New South Wales with a further update, including projects which are now further progressed.

This investment is only possible if we recycle capital from our leased electricity network businesses.

The Government is committed to a transaction that puts the public's interests first and ensures consumers are protected.

Let's improve the lives of people in our great state. Let's get New South Wales moving.

**Mike Baird**

Premier



Education & Health

**\$2 billion**



Fixing Country Rail

**\$400 million**



Urban public transport

**\$8.9 billion**



Sport and Culture

**\$1.2 billion**



Regional roads

**\$3.7 billion**



Water security

**\$1 billion**



Urban roads

**\$2.4 billion**



Parramatta Light Rail

**\$600 million**



Bus Rapid Transit

**\$300 million**

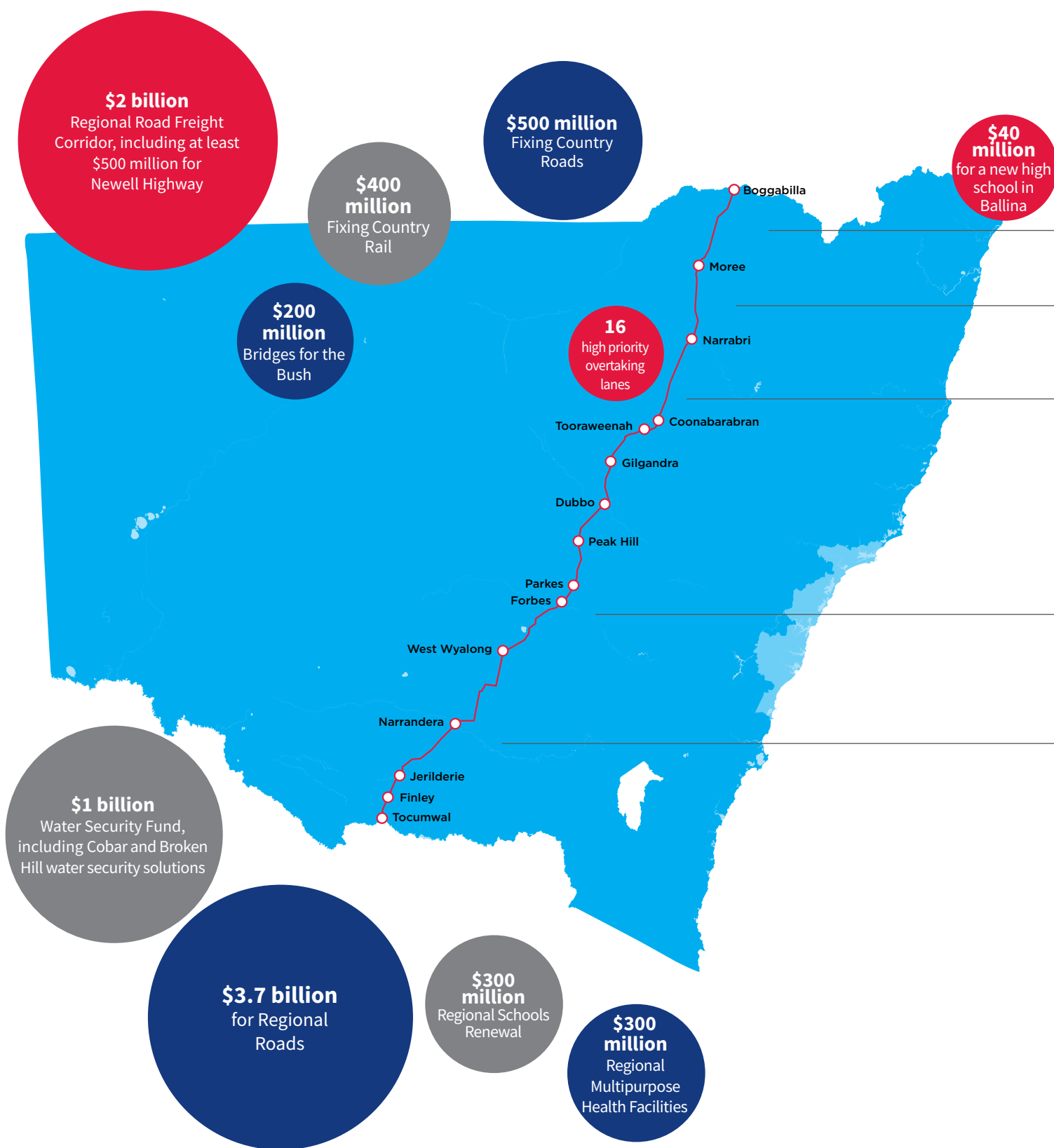


Road Pinch Points

**\$300 million**

# Rebuilding NSW Funding by Location

## Regional NSW Investment



## Regional Road Freight Corridor Program

At least \$500 million for the Newell Highway, including the following investments:

Boggabilla realignment - Bruxner Highway/Newell Highway  
Road widening between Boggabilla and Goondiwindi  
Pavement upgrades Mungleback Creek to Boggabilla

Overtaking lanes between Moree and Boggabilla  
Heavy duty pavement - North Moree  
Heavy Vehicle inspection station at Moree

Overtaking lanes between Narrabri and Moree  
Heavy duty pavement - Narrabri to Bellata  
Heavy Vehicle inspection station - Narrabri  
Overtaking lanes between Coonabarabran and Narrabri  
Road widening at Pilliga - Gowang to Narrabri

Improvements through Coonabarabran  
Overtaking lanes between Gilgandra and Coonabarabran  
Improvements through Dubbo  
Trewilga Realignment

Upgrades at Parkes  
Heavy Vehicle inspection station - Daroobalgie  
Overtaking lanes between West Wyalong and Forbes  
Overtaking lanes between Jerilderie and Narrandera

***Turbo  
charging the  
economy with  
\$20 billion  
of new,  
productive  
infrastructure  
for the  
entire state***

**The plan  
will create  
more than  
100,000 jobs**

## Gateway to the South

**\$300 million** for the 'Gateway to the South' Sydney to Illawarra Pinch Point program unblocking critical constraints

**\$45 million commencing 2015-2016** to fix pinch points at key intersections:

Intersection of President Avenue and the Princes Highway, Kirrawee

Intersection of Princes Highway, Old Princes Highway and Acacia Road North, Kirrawee

Intersection of Princes Highway and Oak Road, Kirrawee

Intersection of Princes Highway and King Georges Road, Blakehurst

Intersection of The Grand Parade and President Avenue, Monterey

Intersection of Princes Highway and Rockdale Plaza Drive, Rockdale

Intersection of Princes Highway, Forest Road and Wickham Street, Arncliffe

Intersection of Princes Highway and Railway Road, Sydenham

Intersection of King Georges Road, Broadarrow Road and Ponyara Road, Beverly Hills

Heathcote Road, between the Princes Highway and New Illawarra Road, Waterfall to Lucas Heights

Intersection of Fairford Road, Stacey Street and Macauley Avenue, Bankstown

Intersection of Stacey Street, Stanley Street and Salvia Avenue, Bankstown

Port Hacking Road, Sylvania between Melrose Avenue and the Princes Highway

A further **\$240 million** worth of projects identified to fix pinch points along key Sydney road corridors including the Princes Highway, King Georges Road, New Illawarra Road, Heathcote Road and Alfords Point Road, commencing in 2016-2017



## Metropolitan Investment

### \$300 million for Road Pinch Points

Campbelltown Road (Campbelltown to the Cross Roads) **\$2 million**

Elizabeth Drive (Cecil Hills to Liverpool) **\$2 million**

Henry Lawson Drive/ Woodville Road (Picnic Point to Parramatta) **\$10 million**

Narellan Road (Narellan to Campbelltown) **\$4 million**

Cumberland Highway (Warwick Farm – Northmead) **\$18 million**

Devlin Street – Homebush Bay Drive (Ryde to Homebush) **\$12 million**

Blaxland Road (Epping to North Ryde) **\$4 million**

Pennant Hills Road (North Parramatta to M2) **\$7 million**

Pennant Hills Road (M2 to Wahroonga) **\$2 million**

M1 Motorway Connections (Normanhurst to Wahroonga) **\$8 million**

### \$300 million for Road Pinch Points

Pacific Highway (North Sydney to Pymble) **\$23 million**

Mona Vale Road (Pacific Highway, West Pymble to Kitchener Street, St Ives) **\$10 million**

Mona Vale Road (Kitchener Street, St Ives to Pittwater Road, Mona Vale) **\$8 million**

Boundary Street/ Warringah Road (Roseville to Beacon Hill) **\$1 million**

Eastern Valley Way (Northbridge to Castle Cove) **\$13 million**

Centennial Avenue/ Burns Bay Road (Lane Cove to Huntleys Point) **\$5 million**

Fairford Road/Rookwood Road (Padstow to Yagoona) **\$2 million**

Great Western Highway (Eastern Creek to Wentworthville) **\$13 million**

Erskine Park Road/ Roper Road/ Carlisle Avenue (Orchard Hills to Mount Druitt) **\$2 million**

Hoxton Park Road (West Hoxton to Liverpool) **\$18 million**

Old Windsor Road (Constitution Hill – Seven Hills) **\$15 million**

Hume Highway (The Cross Roads to Warwick Farm) **\$4 million**

Richmond Road/ Blacktown Road (Blacktown to Richmond) **\$1 million**

Hume Highway (Woodville Road, Villawood to Parramatta Road, Summer Hill) **\$2 million**

James Ruse Drive (Granville to Northmead) **\$1 million**

Parramatta Road (Strathfield to Leichardt) **\$22 million**

Coronation Parade/ The Boulevard/ Concord Road (South Strathfield to Rhodes) **\$1 million**

Punchbowl Road/ Georges River Road (Punchbowl to Ashfield) **\$7 million**

Newbridge Road, Milperra Road, Canterbury Road, New Canterbury Road, Stanmore Road, Enmore Road (Liverpool to Newtown) **\$7 million**

The Kingsway (Gymea to Cronulla) **\$11 million**

Taren Point Road/ Rocky Point Road (Caringbah to Kogarah) **\$11 million**

Heathcote Road (Lucas Heights to Moorebank) **\$2 million**

### WESTERN SYDNEY

Over \$10 billion in projects that benefit Western Sydney

**\$7 billion**  
Sydney Rapid Transit

**\$1.1 billion**  
reserved WestConnex extensions & Western Harbour Tunnel

An additional **\$1 billion** reserved to expand the capacity of the rail network, including funding for the Western Sydney Rail Upgrade program

An additional **\$600 million** investment in Parramatta Light Rail, bringing our total investment to **\$1 billion**

**\$100 million** for a new high school and primary school in Parramatta and **\$60 million** for a new Sydney inner-city high school

**\$400 million** for Smart Motorways, including for the M4 between Church St, Parramatta and Russell St, Emu Plains, reducing travel time by up to 7 minutes over this 14km stretch of road

**\$600 million**

Western Sydney Hospitals such as Rouse Hill and Campbelltown

**\$600 million**  
Sports Stadia

**\$600 million** reserved for cultural infrastructure including:

- Up to **\$202 million** reserved for the Sydney Opera House Stage 1 Renewal Project
- Up to **\$140 million** reserved for the Walsh Bay Arts Precinct
- Powerhouse Museum to be relocated to Parramatta

Sector	Project/Program	Reservation	Regional NSW	Funding from
Urban public transport	Sydney Rapid Transit	\$7,000m		2016–2017
	Sydney's Rail Future 2 Upgrades	\$1,000m		2015–2016
	Parramatta Light Rail	\$600m		2017–2018
	Bus Rapid Transit and Bus Priority Infrastructure	\$300m		2016–2017
	<b>Subtotal</b>	<b>\$8,900m</b>		
Urban roads	WestConnex northern and southern extensions; Western Harbour Tunnel	\$1,100m		2015–2016
	Pinch Points & Clearways	\$400m		2015–2016
	Smart Motorways	\$400m		2015–2016
	Gateway to the South	\$300m		2015–2016
	Traffic Management Upgrades	\$200m		2015–2016
	<b>Subtotal</b>	<b>\$2,400m</b>		
Regional transport	Regional Road Freight Corridor	\$2,000m	\$2,000m	2015–2016
	Regional Growth Roads	\$1,000m	\$1,000m	2015–2016
	Fixing Country Roads	\$500m	\$500m	2015–2016
	Fixing Country Rail	\$400m	\$400m	2018–2019
	Bridges for the Bush	\$200m	\$200m	2015–2016
	<b>Subtotal</b>	<b>\$4,100m</b>		
Water security	Regional Water Security and Supply Fund	\$1,000m	\$1,000m	2017–2018
Education	Future Focused Schools	\$700m		2016–2017
	Regional Schools Renewal program	\$300m	\$300m	2016–2017
	<b>Subtotal</b>	<b>\$1,000m</b>		
Health	Hospitals Growth Program	\$600m		2018–2019
	Regional Multipurpose Facilities	\$300m	\$300m	2015–2016
	Care Co-location Program	\$100m		2016–2017
	<b>Subtotal</b>	<b>\$1,000m</b>		
Culture & Sport	Culture and Arts	\$600m		2017–2018
	Sports Stadia	\$600m		2017–2018
	Regional Environment and Tourism Fund	\$300m	\$300m	2017–2018
	<b>Subtotal</b>	<b>\$1,500m</b>		
Other opportunities	Corridor Identification and Reservation	\$100m		2016–2017
<b>TOTAL</b>		<b>\$20,000m</b>	<b>\$6,000m</b>	

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# Rebuilding NSW

## Update on Electricity Networks

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### Long-term Lease of the Electricity Network

The NSW Government has confirmed it will proceed with the long-term lease of 49% of the NSW electricity network, introducing private investment into TransGrid, Ausgrid and Endeavour Energy (the “Network Businesses”). This follows the Government’s consideration of a Scoping Study into the proposal.

The regional distribution network, Essential Energy, will remain 100% Government owned.

The Government’s decision also follows the completion of a community consultation process which found overwhelming support for its \$20 billion infrastructure plan, *Rebuilding NSW*, which will be funded by the lease proceeds.

The Government has reaffirmed it will not proceed with any transaction unless it receives a mandate from the people of NSW at the March 2015 State Election.

### Key Findings and Recommendations

#### Attractive Investment Opportunity

The 99-year lease of the Network Businesses provides a rare opportunity to invest in regulated energy assets and will likely attract a range of domestic and international long-term investors, including superannuation or pension funds.

### \$20 Billion Infrastructure Fund Confirmed

The Government has a 10 year \$20 billion infrastructure plan - Rebuilding NSW.

This investment is only possible with the proceeds generated by recycling capital locked up in the electricity networks. Proceeds from the transaction will be supplemented by an estimated \$2 billion from Commonwealth asset recycling incentive payments, and earnings from transaction proceeds that will be invested until required for Rebuilding NSW projects. Investment earnings on the transaction proceeds are based on an investment strategy to deliver strong returns, commensurate with appropriate risk management and liquidity needs, as well as the drawdown over a 10 year delivery timeframe for Rebuilding NSW projects.

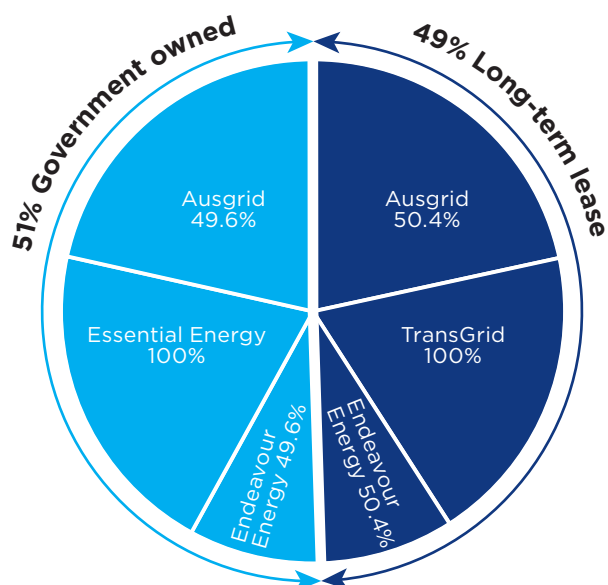
The Government has separately reserved \$2 billion from existing Restart NSW funds to provide additional assurance for the delivery of Rebuilding NSW.

NSW Treasury has confirmed that funding a \$20 billion Rebuilding NSW program is achievable on the basis of the sources of funds outlined above.



## Transaction Structure and Sequencing

The Government will proceed with a 99-year lease of 49% of the Network Businesses, with a trade sale recommended for TransGrid, Ausgrid and Endeavour Energy, but with the flexibility to undertake one transaction as an Initial Public Offering (IPO) if market conditions change.



TransGrid, which owns, operates and manages one of the largest high-voltage transmission networks in Australia, will be the first business to be leased.

The sequencing of Ausgrid and Endeavour Energy will be confirmed in due course, subject to market conditions and the outcome of the Australian Energy Regulator's (AER's) regulatory price determination process.

## Protecting the Value of Retained Interests

The State's interests in the leased Network Businesses will be overseen by a special independently governed holding entity. The new holding entity will have a mandate to protect the value of taxpayers' interest in the leased assets through the exercise of reserved shareholder rights.

Essential Energy will remain a State-Owned Corporation and will not be transferred to the holding entity.

## AER Process

The AER released draft determinations regarding allowed revenues for the Network Businesses on 27 November 2014. The Government will continue to monitor the regulator's process, with final determinations from the AER expected to be released by 30 April 2015 following consultation with the Network Businesses, the community, Government and other stakeholders.

## Benefits of the Transaction

The long-term lease of the Network Businesses will deliver real and lasting benefits to the everyday lives of people across NSW through downward pressure on electricity prices and transformative infrastructure investment.

### Downward Pressure on Electricity Prices and Consumer Protection

The facts on electricity prices are clear and are again confirmed by the AER draft determinations:

- > Electricity network prices and household bills are on their way down in NSW and will continue to fall as a result of the AER determination;
- > This is because the AER has benchmarked against privately owned networks (VIC and SA) which are significantly more efficient than government-owned networks (NSW and QLD);
- > NSW residents currently pay more than they should and do not receive the benefits of efficiency that flow to households and businesses in Victoria and South Australia;
- > Electricity network price increases have been the lowest in states that have private ownership of the networks; and
- > As network prices are regulated by the AER, there is no risk of a private operator unilaterally increasing prices.

Typical residential customers could receive the following average annual savings on their electricity bills under the AER draft determination proposals:

Network Distribution Area	Potential Saving on a Typical Household Bill		
	Distribution	Transmission	TOTAL
Ausgrid	\$189	\$24	<b>\$213</b>
Endeavour Energy	\$159	\$24	<b>\$183</b>
Essential Energy	\$346	\$24	<b>\$370</b>

The draft determinations have been released as part of a consultation process and the final outcomes will not be known until 30 April 2015.

Standards such as reliability and safety are protected by legislation and will continue to be enforced through licences.

### Turbocharging the Economy

The lease of the Network Businesses will unlock \$20 billion to fund once-in-a-generation infrastructure through the Government's Rebuilding NSW plan.

Deloitte Access Economics estimates the Rebuilding NSW Plan will boost the economy by almost \$300 billion in just over 20 years and will generate more than 100,000 jobs over that period.

The funds released from the long-term lease of Network Businesses will be added to by an expected \$2 billion from the Commonwealth asset recycling incentive scheme.

### Conditions of the Transaction

The Government is committed to the following strict conditions for the partial lease of the Network Businesses that it outlined in June 2014:

- > All net proceeds will be invested in new productive infrastructure, through the Restart NSW Fund;
- > The transaction will have no adverse impact on electricity reliability;
- > The regional presence of the Network Businesses will be maintained; and
- > Essential Energy will remain in full public ownership.

The Government committed to providing a 1% discount off network prices. The AER's draft determinations, if implemented, would discount network prices by over 20%, which far exceeds the Government's commitment. For households, this could mean cuts to average annual electricity bills by \$183 to \$370 (or between 9% and 14%).

The Government will ensure that the costs associated with the transaction will not be borne by electricity consumers, a matter raised during the Rebuilding NSW consultation.



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All consumers will benefit from greater efficiency and strong regulation in electricity networks and that will be embedded in the partial leasing.

Regional communities expressed a desire for lower electricity network prices and the AER draft decision confirms that this is expected. The Government will take steps to pursue efficiency in its retained business, Essential Energy.

The Government will liaise with the Network Businesses about how it will respond to the AER's determinations regarding employment. The transitional employment arrangements for employees will be finalised once the AER releases its final determination.

### **State Infrastructure Strategy**

The State Infrastructure Strategy highlights the importance of sustaining productivity growth in NSW's major centres and regional communities as well as supporting population growth.

Releasing capital from the Network Businesses will make this strategy a reality, allowing for:

- > A \$1.1 billion investment in the WestConnex northern and southern extensions and the Western Harbour Tunnel;
- > A \$7 billion investment in Sydney Rapid Transit to fully fund a second Harbour Rail Crossing;
- > Increasing the Government's commitment to the Sports and Cultural Infrastructure Fund from \$500 million to \$1.2 billion;
- > Reserving \$4.1 billion for regional transport;
- > Reserving \$1 billion for regional and metropolitan schools;
- > Reserving \$1 billion for regional and metropolitan hospitals;
- > Reserving \$1 billion for water security for regional communities;
- > Reserving \$300 million for regional tourism and the environment.

### **The Consultation Process**

The Government has undertaken a number of key planning activities to prepare for the delivery of its \$20 billion infrastructure program Rebuilding NSW.

It consulted a wide range of stakeholders to ensure the community had its say, receiving nearly 350 written submissions over a two-and-a-half month period. It also conducted consultation meetings with a broad range of stakeholders including consumer organisations, business groups, councils and local communities across the State.

Some of the themes arising from the Rebuilding NSW consultation are reflected in this statement, and include:

- > Overwhelming support for infrastructure investment;
- > Ensure prices do not rise further;
- > Ensure the costs of the transaction are not passed on to consumers;
- > Support for vulnerable households, regardless of any transaction; and
- > Ensure that taxpayers receive good value for money.

A number of independent expert reports were released on electricity pricing and reliability to share information on consumer protections.

The Government also sought expert advice regarding its proposal to lease the Network Businesses. It appointed Deutsche Bank and UBS as financial advisers in July 2014 to oversee a scoping study to determine the best structure for the transaction, in order to maximize the return for NSW taxpayers.





# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 13/03/2015

Proposal No: C054  
Date Published: 23/03/2015

Proposal Title: **BOOSTING POLICE CITIZEN YOUTH CLUBS (PCYCS)**

Cluster:

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		1,000	500	500	2,000
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(1,000)	(500)	(500)	(2,000)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(1,000)	(500)	(500)	(2,000)
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<b>Net Financial Liabilities:</b>	-	1,000	1,500	2,000
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	1,000	1,500	2,000
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## Notes and costing assumptions

The policy proposes \$2.5 million over four years to help relocate, refurbish and expand three Police Citizen Youth Clubs at Umina, Maitland and Campbelltown.

The policy proposes capped grant funding of \$1 million in 2015-16, \$500,000 in 2016-17, \$500,000 in 2017-18, and \$500,000 outside the forward estimates in 2018-19.





## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Boosting PCYCs
Date of request:	13 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	The Baird Government will commit \$2.5 million over four years to help refurbish, or expand three PCYC clubs.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	1000	500	500	2000	500
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costing by a third party?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.



If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachment A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachment A

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Sport
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped, per the profile attached (as a grant)
Eligibility criteria or thresholds:	See Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will build more Police Citizens Youth Clubs



## The Baird Government is committed to supporting our Police Citizens Youth Clubs.

Recent crime statistics for NSW show that all major crime categories have fallen or remained stable across the State.

The Baird Government understands that providing a safe, secure and productive environment is vital to ensuring our youth grow up into successful young adults and future leaders.

Just four short years ago, this Government committed a record \$20.25 million to PCYC to build and revitalise clubs across the State. Our commitment oversaw the unprecedented expansion of PCYCs into several new areas in NSW including Auburn, Camden, Morisset, Warringah, Walgett, Port Macquarie, Mittagong, and Nowra.

In addition, this commitment saw the delivery of vital changes including \$2.65 million for the removal of asbestos roofing at a number of clubs, priority maintenance works across clubs; major upgrades of the Wollongong, Wagga Wagga and Lithgow Clubs; and funding for regional and indigenous communities, and popular youth support programs including 'Blue Light Goes West'.

If re-elected the Baird Government will commit \$2.5 million over four years to help relocate, refurbish, or expand three PCYC clubs including the:

- Upgraded PCYC at Umina;
- Expansion and refurbishment of the sports and youth hub at Maitland; and
- Expansion and refurbishment of sports and youth hub Campbelltown.

This is in addition to the Liberal & Nationals Government securing \$4.267 million per year to fund club managers for PCYC's network of clubs.

The Baird Government is committed to ensuring the Police Citizens Youth Clubs in NSW continue to provide an extensive and varied range of fun, safe activities for young people and the wider community whilst driving down crime by and against young people.

# Back The Baird Plan and keep NSW working.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 13/03/2015

Proposal No: C055  
Date Published: 23/03/2015

Proposal Title: **SUPPORTING THE RSPCA**

Cluster: Trade and Investment, Regional Infrastructure and Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		500	500	500	1,500
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(500)	(500)	(500)	(1,500)

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	(500)	(500)	(500)	(1,500)
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<b>Net Financial Liabilities:</b>	-	500	1,000	1,500	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	500	1,000	1,500	
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## Notes and costing assumptions

The policy proposes capped grant funding of 2 million over four years (\$500,000 per year from 2015-16) to the Royal Society for the Prevention of Cruelty to Animals (RSPCA).



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Supporting the RSPCA
Date of request:	13 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	The Baird Government will commit \$2 million over four years in grant funding for the RSPCA
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	500	500	500	1,500	500
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	N/A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	N/A

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	DPC
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped, per the profile attached (as a grant)
Eligibility criteria or thresholds:	N/A

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

# A re-elected Baird Government will give discount pet registration for pound animals and provide an additional \$2 million to the RSPCA



## The Baird Government is committed to responsible pet ownership and promoting animal welfare.

The Baird Government recognises the importance of pets to families in NSW. The Government is committed to responsible pet ownership because it enhances animal welfare and the safety of communities.

Unfortunately, too many pets are abandoned and euthanasia rates are too high. Furthermore, there are significant animal welfare issues associated with unethical and irresponsible breeding practices, known as puppy and kitten farms.

The Baird Government supports the invaluable work the RSPCA undertakes in providing training to the community to further promote responsible pet ownership and responsible breeding practices.

Our reforms will:

- Introduce a new online registration system to replace the current paper-based two stage process which has resulted in low registration numbers and frustrated owners who struggled to locate their pet when lost. Under the new system, dogs and cats will be added to the register at the time of micro-chipping. Registration fees will be payable by the time the pet is six months old, maintaining the price differential to incentivise owners to de-sex their pets. The streamlined system will operate in real time, making it easier for NSW families to transfer registration at time of purchase, as well as update contact details and search for lost pets. This streamlined information system will reduce abandonment and euthanasia rates.
- Improve animal welfare by cracking down on unethical animal breeding practices through the utilisation of

## A re-elected Baird Government will:

- ✓ Streamline the registration system for dogs and cats in NSW by creating a one-step 'real time' online register
- ✓ Introduce 50% discounted registration fees for dogs and cats obtained from eligible pounds or animal shelters
- ✓ Provide \$2 million for the RSPCA NSW Education Centre - a multi functional training hub which will be home to the RSPCA Academy in Western Sydney

better and more coordinated information relating to breeders and the registration process.

- Encourage the purchase and rehoming of dogs and cats from pounds and shelters which will reduce the number of dogs and cats euthanized in NSW.
- Promote responsible pet ownership through training and community awareness programs. The new RSPCA Education Centre in Western Sydney will promote responsible pet ownership and animal welfare in the community by using the dedicated facility for training programs targeting pet owners and the animal industry. The RSPCA Education Centre will also be a hub for school children K-12 offering a variety of learning experiences designed to educate them about approaching animals, keeping them safe and giving them the skills to become responsible pet owners. The Centre will underpin the RSPCA NSW's long-term strategy of helping people help animals.

# Back The Baird Plan and keep NSW working.





# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 13/03/2015

Proposal No: C056  
Date Published: 23/03/2015

Proposal Title: **GROWING NSW VISITOR ECONOMY**

Cluster: Trade and Investment, Regional Infrastructure and Services

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	-	35,650	32,698	32,990	101,337
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	<b>(35,650)</b>	<b>(32,698)</b>	<b>(32,990)</b>	<b>(101,337)</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>(35,650)</b>	<b>(32,698)</b>	<b>(32,990)</b>	<b>(101,337)</b>
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<b>Net Financial Liabilities:</b>	-	<b>35,650</b>	<b>68,348</b>	<b>101,337</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>35,650</b>	<b>68,348</b>	<b>101,337</b>
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## Notes and costing assumptions

The policy proposes additional capped funding across existing programs to grow the visitor economy in NSW through promoting NSW as a destination choice for major events.

In unescalated terms, the policy provides an additional \$123.35 million to be spent over the four years from 1 July 2015 on the following programs:

- \$73.25 million towards making Sydney the number one destination for major events, which includes \$22 million for more events in Western Sydney;
- \$40.6 million to grow regional tourism; and
- \$9.5 million to target overseas visitors from priority international markets.

In escalated terms, the policy is estimated to cost \$127.6 million over the four years commencing 1 July 2015. This includes costs of \$26.3 million to be incurred outside the forward estimates, in the 2018-19 financial year.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Growing the NSW visitor economy
Date of request:	13 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To grow the visitor economy in NSW and make Sydney the number one destination for major events
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		35650	32698	32990	101337	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

Administration of policy	
Intended date of implementation:	From 1 July 2015
Intended duration of policy:	Additional funding to occur from 2015-16 to 2018-19
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Destination NSW
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachments A&B
Are there transitional arrangements associated with policy implementation?	Refer to Attachments A&B

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped amount
Eligibility criteria or thresholds:	Refer to Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

## 2015 Election Policy Costing

**Proposal Title:** To grow the visitor economy in New South Wales, and make Sydney the number one destination for major events.

**Lead Agency:** Destination NSW

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	35,650	32,698	32,990	101,337
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-35,650	-32,698	-32,990	-101,337
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-35,650	-32,698	-32,990	-101,337
<b>Net Financial Liabilities:</b>	0	35,650	68,348	101,337	

### Notes and costing assumptions used:

The four year total of \$101.34 million is segregated into three categories which are already receiving funding: securing major events and making Sydney the number one destination for major events, growing regional tourism and attracting more overseas visitors to regional locations, and targeting overseas visitors from the target international markets. The total additional funding is \$123.35 million over 4 years to 2018-19.

# A re-elected Baird Government will strengthen Sydney as Australia's events capital



**The Baird Government is committed to doubling overnight visitor expenditure by the year 2020 to keep Sydney the number one destination for major events.**

The NSW Liberals & Nationals have cemented Sydney as the major events capital of Australia.

Since 2011, we have successfully hosted the Major League Baseball Opening Series, friendly matches with football giants Manchester United and Juventus, the British and Irish Lions Rugby Tour, the Sydney International Art Series: Pop to Popism, the first Pop Art exhibition to be showcased in Australia since 1985, and the hugely successful Vivid Sydney.

The Baird Government is committed to doubling overnight visitor expenditure by the year 2020 to make Sydney the number one destination for major events.

To achieve this, we will commit an additional \$123.35 million to secure more major events and boost visitor expenditure by an estimated \$481 million.

More major events will attract more tourists to NSW and provide a boost to the State economy when they stay at local hotels, eat out at local restaurants and take cabs home.

This additional \$123.35 million represents a 25% budget boost and brings our total tourism and major events spend to over \$643 million over four years.

\$22 million of additional funding will be targeted at Western Sydney to ensure the growing region has the opportunity to host events that will provide a big boost to local businesses.

### **A re-elected Baird Government will:**

- ✓ Provide an additional \$73.25 million to make Sydney the number one destination for major events, including \$22 million for more events in Western Sydney
- ✓ Provide an additional \$40.6 million to grow regional tourism
- ✓ Provide an additional \$9.5 million more to target overseas visitors from our priority international markets

# Back The Baird Plan and keep NSW working.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 13/03/2015

Proposal No: C057  
Date Published: 23/03/2015

Proposal Title: **VICTIMS COMPENSATION SCHEME**

Cluster: Justice

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	4,764	15,142	7,552	8,815	36,273
Depreciation					-
Less: Offsets		7,575			7,575
Revenue					-
<b>Net Operating Result:</b>	<b>(4,764)</b>	<b>(7,567)</b>	<b>(7,552)</b>	<b>(8,815)</b>	<b>(28,698)</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Net Lending/(Borrowing)</b>	<b>(4,764)</b>	<b>(7,567)</b>	<b>(7,552)</b>	<b>(8,815)</b>	<b>(28,698)</b>
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<b>Net Financial Liabilities:</b>	<b>244,155</b>	<b>251,722</b>	<b>259,274</b>	<b>268,089</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	<b>244,155</b>	<b>251,722</b>	<b>259,274</b>	<b>268,089</b>
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## Notes and costing assumptions

The policy proposes to reverse the retrospective application of the *Victims Rights and Support Act 2013* and assess all claims arising up until the introduction of the new legislation under the former Victims Compensation Scheme from 1 April 2015.

An estimate of amounts payable were the policy proposals implemented would ordinarily be subject to current actuarial assessment using recent data. However, in the absence of such an assessment, reference to past actuarial assessments can be used as the best available information.

The most recent actuarial forecast of the liability for applicants under the old scheme provisions was \$430 million, which was performed at July 2012. However, there is evidence of a significant discernible trend towards reductions in the required liability as more data becomes available. Applying this trend reduces the additional liability that would be recognised should the proposals be implemented.

Offsetting this reduction, an adjustment to increase the liability to 'current dollars' is required due to the impact of inflation. The liability of \$430 million reflects the liability in 2012-13 dollars. An increase for inflation to arrive at current 2014-15 amounts is required. This adjustment for inflation is standard practice across the forward estimates.

After all adjustments, and having regard to liability amounts already recognised, an additional \$244 million in liability is required. This increases 2014-15 Net Financial Liabilities but does not impact the 2014-15 Net Operating Budget as the adjustment is recognised in 'Other Economic Flows', which does not affect the 'budget result'.

**Costing assumptions continued:**

Future years' Net Operating Result is impacted by an interest cost arising from unwinding of the discount to 2015 dollars.

Costs of implementing the proposals include \$8.1 million in employee costs and \$1.9 million other operating costs. One quarter of the costs are assumed to be incurred in 2014-15, with the remainder in 2015-16. It is assumed that 2015-16 costs could be absorbed in the agency budget.





## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Victims Compensation Scheme
Date of request:	13 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	To remove the retrospective application of the Victims Rights and Support Act 2013 and assess all claims arising up until the introduction of the new legislation under the former Victims Compensation scheme.
What is the purpose or intention of the policy?	To remove the retrospective application of the Victims Rights and Support Act 2013 and assess all claims arising up until the introduction of the new legislation under the former Victims Compensation scheme.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	4,764	7,567	7,552	8,815		
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total	244,155	251,722	259,274	268,089		

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Assume that any additional compensation arising for victims as a result of this policy change is offset by the total compensation already awarded to that claimant under the Victims Rights and Support Act 2013.
Is there a range for the costing or any sensitivity analysis that you have undertaken?	
Are there associated savings, offsets or expenses? If yes, please provide details.	

Administration of policy	
Intended date of implementation:	1 April 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Justice
Are there any specific administrative arrangements for the policy that need to be taken into account?	
Are there transitional arrangements associated with policy implementation?	

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	
Eligibility criteria or thresholds:	

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



Additional expenditure associated with collection:	
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If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).

Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.

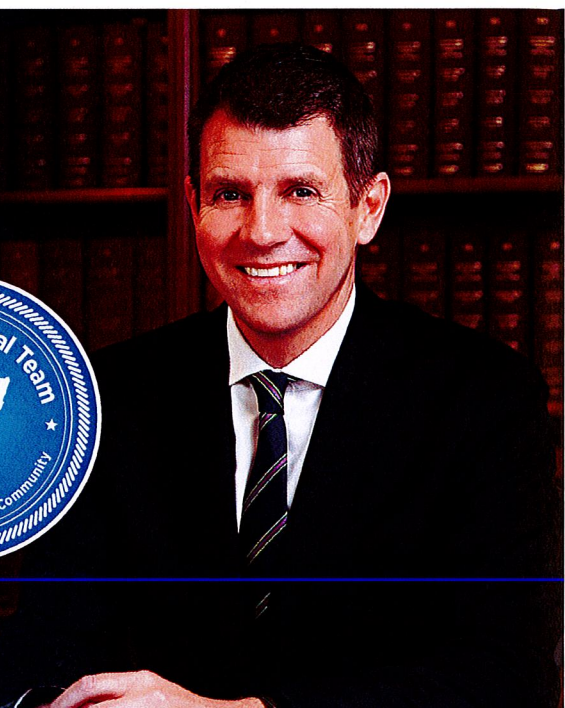
<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.
-



## Mike Baird's long term plan for NSW

### A re-elected Baird Government will support victims of crime



**The Baird Government is committed to helping victims of crime receive the support and care they need.**

In 2013 the NSW Liberals & Nationals reformed the Victims Compensation Scheme to ensure victims got the support they needed within 30 days, rather than having to wait 31 months under the old scheme.

The 2013 scheme has ensured that all victims have access to far quicker counselling and payment of expenses, including medical bills, than was previously the case under the former Labor government.

The Government's changes have worked well for the majority of victims but there is a group whose expectations under the former scheme were not realised.

We have listened to these concerns raised by victims, and victims' groups, about the transition from the old scheme to the new scheme.

A re-elected Baird Government will make changes so that victims who suffered crimes prior to the 2013 legislative changes and had lodged claims under the old scheme will be able to apply for funds under the provisions of the former scheme as if no changes had been made.

These changes are possible as a result of our strong financial management over the past four years, meaning we have the Budget flexibility to fund those changes.

## Back The Baird Plan and keep NSW working.

Authorised and printed by Tony Nutt, 100 William Street, East Sydney NSW 2011.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 15/03/2015

Proposal No: C073  
Date Published: 23/03/2015

Proposal Title: **REDUCTION TO DPC CONTINGENCY FUND**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation					-
Less: Offsets	-	9,700	10,000	10,000	29,700
Revenue					-
<b>Net Operating Result:</b>	-	<b>9,700</b>	<b>10,000</b>	<b>10,000</b>	<b>29,700</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>9,700</b>	<b>10,000</b>	<b>10,000</b>	<b>29,700</b>
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<b>Net Financial Liabilities:</b>	-	<b>(9,700)</b>	<b>(19,700)</b>	<b>(29,700)</b>	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(9,700)</b>	<b>(19,700)</b>	<b>(29,700)</b>	
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## Notes and costing assumptions

The policy proposes to cancel the DPC Contingency Fund from 1 July 2015. This will produce savings of \$29.7 million in savings over the forward estimates.

The Department of Premier and Cabinet have advised that \$300,000 have already been approved for spending from the DPC Contingency Fund in the 2015-16 year. This costing assumes that amounts that have been approved will be funded.

Cancellation of the DPC Contingency Fund will limit the ability of the Department to meet the cost of any unanticipated and unbudgeted initiatives of the Executive Branch of government, and may result in departmental overspends in future years. The cost of this is not included in the costing.



## PARLIAMENTARY BUDGET OFFICE

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### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Re-allocate DPC Contingency Fund
Date of request:	15 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Reduce the DPC Contingency Fund
What is the purpose or intention of the policy?	Reduce the DPC Contingency Fund
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	0	-9,700	-10,000	-10,000	-29,700	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.



If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	-
Is there a range for the costing or any sensitivity analysis that you have undertaken?	-
Are there associated savings, offsets or expenses? If yes, please provide details.	-

Administration of policy	
Intended date of implementation:	July 2015
Intended duration of policy:	Forward Estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury
Are there any specific administrative arrangements for the policy that need to be taken into account?	-
Are there transitional arrangements associated with policy implementation?	-

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	-

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.



If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 16/03/2015

Proposal No: C076  
Date Published: 23/03/2015

Proposal Title: **\$20 MILLION BEFORE AND AFTER SCHOOL CARE FUND**

Cluster: Education and Communities

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		20,000			20,000
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	<b>(20,000)</b>	-	-	<b>(20,000)</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	-	<b>(20,000)</b>	-	-	<b>(20,000)</b>
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<b>Net Financial Liabilities:</b>	-	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
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## Notes and costing assumptions

The policy proposes capped funding of \$20 million in 2015-16 to facilitate increased before and after school care.

The program envisages up to 1000 grants of \$20,000 being made to NSW primary schools to improve before and after school care outcomes.

If there is insufficient take up of all the grants by primary schools, other community groups could then apply for the funding.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	\$20 million Before and After School Care Fund
Date of request:	16 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To facilitate increased before and after school care
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	20,000	-	-	20,000	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	See Attachment A
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachment A

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Education
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	See Attachment A
Eligibility criteria or thresholds:	See Attachment A

If the policy is mainly a revenue commitment	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Offsetting expenditure savings:	
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

## 2015 Election Policy Costing

**Proposal Title:** \$20 million Before and After School care Fund

**Lead Agency:** Department of Education and Communities

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	20,000			20,000
Depreciation	0	0	0	0	0
Less: Agency Offsets	0				
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	20,000	0	0	20,000
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
Less Depreciation	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	20,000	0	0	20,000
<b>Net Financial Liabilities:</b>	0	20,000	20,000	20,000	

### Total State Sector Impact

<b>Net Financial Liabilities:</b>	0	0	0	0
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### Notes and costing assumptions used:

This fully capped program provides for up to 1,000 grants (every primary school in NSW) to be eligible to receive a \$20,000 grant to facilitate better before and after school care outcomes.

The proposal would facilitate those primary schools with existing capacity that do not currently offer an OSHC service to conduct an expression of interest process (subject to agreement by the school principal) for the operation of OSHC at their schools.

In the instance that there is insufficient take up - other community groups will then be able to apply.

### Interagency Transactions

n/a
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**DEC CFO Approved Yes** For escalated items, rate is 2.5% starting 2015-16 budget year

\*Includes Transfers of Rail Assets

# A re-elected Baird Government will provide more and better after school care



## The Baird Government is committed to supporting parents balance the difficult challenges of work and family.

The extra flexibility that good out of school hours care (OSHC) provides can take stress out of the daily lives of families, as well as facilitating greater workforce participation.

However, parents have reported that particularly in metropolitan areas, OSHC services can be difficult to access. The Government is already integrating OSHC facilities and long day care facilities into plans for new and redeveloped public schools, where there is the space available to do so. The new Victoria Avenue Public School in Concord West is a great example - with long day care and OSHC on site.

There are already 670 OSHC services in the Department of Education and Communities (DEC) primary schools, 310 services in non-government primary schools and 386 additional services not located on primary school grounds. These services are currently approved to offer 78,622 OSHC places in NSW.

The Baird Government recognises that while these services are popular and necessary, there are often practical and logistical challenges to establishing new services. Greater support and innovative approaches are required to meet demand in areas of high need across the primary schools of NSW.

The Baird Government will establish a \$20 million Before and After School Care Fund, to help with the practical costs of establishing new OSHC services in 1000 Government and

### A re-elected Baird Government will:

- ✓ Establish a \$20 million Before and After School Care Fund
- ✓ Conduct a Primary School-Preschool partnerships pilot

non-government primary school communities that do not presently have a service.

This represents the potential for 45,000 additional OSHC places to be made available to support hardworking NSW families.

Grants of up to \$20,000 will be available to assist primary school principals with the costs of bringing on board a new service, either run by the school P&C, not for profit providers or the commercial sector. This could include fit-out costs for rooms, tendering or establishment costs, or to pay for necessary equipment to support the new service.

All public primary schools that do not presently have a service will assess, jointly with their local P&Cs, whether they have the need for and then the capacity to provide an on-site OSHC service. This assessment will be supported by more resources and guidance for principals on options to accommodate OSHC. Where it is determined there is not the need or capacity to host an OSHC service on site, Principals will be required to provide an outline of the situation, which will be published on the DEC website.

# Back The Baird Plan and keep NSW working.

## Mike Baird's long term plan for NSW

In school communities where an OSHC service is deemed desirable, but is unable to be provided on-site, grants will then be available for local preschools, Local Councils, or other non-government organisations that are able to host an OSHC service. The Government will work with not-for-profit and local government sectors on these innovative OSHC options, leveraging community infrastructure to accommodate services.

The Baird Government will also support schools to partner with community preschools to co-locate community preschools and other early childhood education and care services, like OSHC, vacation care in or nearby public school facilities. Two demonstration sites will be established in this primary school-preschool partnerships pilot (Tamworth and the Inner West of Sydney) to map existing early childhood education and care providers to local schools, to identify demand for out of school hours care and capacity for local services to increase access for families.



MIKE BAIRD  
*Premier of NSW*



**For more on our plans please go to [www.BackBaird.org.au](http://www.BackBaird.org.au)**





# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 19/03/2015

Proposal No: C081  
Date Published: 23/03/2015

Proposal Title: **TREASURER'S ADVANCE TO FUND CHANGES IN VICTIMS' COMPENSATION SCHEME EXPENSES**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets	4,764				4,764
Revenue					-
<b>Net Operating Result:</b>	<b>4,764</b>	-	-	-	<b>4,764</b>

Capital Expenditure					-
Capital Offsets					-
<b>Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing)</b>	<b>4,764</b>	-	-	-	<b>4,764</b>
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<b>Net Financial Liabilities:</b>	<b>(4,764)</b>	<b>(4,764)</b>	<b>(4,764)</b>	<b>(4,764)</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	<b>(4,764)</b>	<b>(4,764)</b>	<b>(4,764)</b>	<b>(4,764)</b>
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## Notes and costing assumptions

The policy proposes to fund the 2014-15 \$4.8 million cost of the Victims Compensation Scheme related policy C057 in via the Treasurer's advance. The net effects of this costing and C057 on the Net Operating Result and Net Financial Liabilities in 2014-15 is nil.

The costing assumes the amount is available within the Treasurer's Advance. Advice from Treasury indicates this is a reasonable assumption. The recurrent amount of the Treasurer's Advance per the *Appropriation Act 2014* was \$150 million. Use of the Treasurer's Advance for this purpose means the same amount is not available to meet other expenditures.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Treasurer's Advance – use to fund changes in the Victims Compensation Scheme expenses in 2014-15
Date of request:	16 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	This policy uses the Treasurer's Advance to fund the \$4,764,000 expenses cost of the Victims Compensation Scheme in 2014-15
What is the purpose or intention of the policy?	Savings measure
Has the policy been publicly released yet?	No

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>						
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	No
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	Funds in the Treasurer's Advance as at 13 March 2015
Is there a range for the costing or any sensitivity analysis that you have undertaken?	-
Are there associated savings, offsets or expenses? If yes, please provide details.	-

Administration of policy	
Intended date of implementation:	April 2015
Intended duration of policy:	NA
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Treasury
Are there any specific administrative arrangements for the policy that need to be taken into account?	NA
Are there transitional arrangements associated with policy implementation?	NA

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	NA
Eligibility criteria or thresholds:	NA

If the policy is mainly a revenue commitment	
Transaction based or capped:	NA
Thresholds and/or exemptions:	NA
Collection method:	NA
Additional expenditure associated with collection:	NA

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	NA
Proposed start and completion date of work:	NA
Intended construction schedule/cashflow:	NA
Offsetting expenditure savings:	NA
Associated asset sell off (if any):	NA
On-going maintenance, depreciation and operational expenses:	NA
Third party funding involvement:	NA

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).  
Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - ☐ If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - ☐ For example, will additional staff be needed in the agency responsible for the policy?
  - ☐ If you have assumptions on this, how many and at what approximate levels?
  - ☐ Are there other administrative resources required?
  - ☐ Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 13/03/2015

Proposal No: C082  
Date Published: 23/03/2015

Proposal Title: **FIXED COMMITMENTS FOR LOCAL PROJECTS**

Cluster:

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		14,510	1,195	4,125	19,830
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	(14,510)	(1,195)	(4,125)	(19,830)

Capital Expenditure		600	600		1,200
Capital Offsets					-
<b>Capital Expenditure:</b>	-	600	600	-	1,200

<b>Net Lending/(Borrowing)</b>	-	(15,110)	(1,795)	(4,125)	(21,030)
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<b>Net Financial Liabilities:</b>	-	15,110	16,905	21,030	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	15,110	16,905	21,030	
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## Notes and costing assumptions

The policy provides capped grants to community groups and associations, local councils and non-government organisations to improve facilities and services in local neighbourhoods.

The total costs, including capital and expenses, of the policy over the forward estimates is \$21 million.

## Costing assumptions continued:

The table below provides a breakdown of the grants in dollars by recipient and year.

<b>Project</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Total</b>
Save our Kids	\$30,000	\$30,000		\$60,000
Centenary Park	\$250,000	\$250,000		\$500,000
Central Coast Life Saving	\$345,000			\$345,000
Multi-purpose Sporting Complex - Stage 1 Moss Vale	\$50,000			\$50,000
Hunter Surf Life Saving	\$90,350			\$90,350
West Goulburn Public School*	\$600,000	\$600,000		\$1,200,000
Wetlands Walk	\$300,000	\$300,000		\$600,000
Maitland Showground	\$125,000	\$125,000		\$250,000
Winmalee Neighbourhood Centre	\$55,000			\$55,000
Western Sydney Sport and Community Centre	\$8,000,000		\$4,000,000	\$12,000,000
Argyle Street Railway Overpass	\$300,000	\$390,000		\$690,000
Upgrade McEvoy Park		\$100,000	\$125,000	\$225,000
The Entrance Channel Break Wall	\$2,415,000			\$2,415,000
Murrumbateman – Sporting Ground	\$550,000			\$550,000
Relocate Canberra Train Museum to Bungendore	\$1,000,000			\$1,000,000
Northern Inland Centre of Excellence	\$1,000,000			\$1,000,000
<b>Total</b>	<b>\$15,110,350</b>	<b>\$1,795,000</b>	<b>\$4,125,000</b>	<b>\$21,030,350</b>

\* Expenditure is Capital

Save our Kids - provides capped grant funding of \$30,000 per year in 2015-16 and 2016-17 to the Gosford North Rotary for the 'Save Our Kids' youth suicide prevention program.

Centenary Park - provides capped grant funding of \$250,000 per year in 2015-16 and 2016-17 to upgrade amenities at Centenary Park, Croydon.

Central Coast Life Saving - policy provides a capped, one-off grant of \$345,000 in 2015-16 to Surf Life Saving Central Coast to boost surf life saving education and technology on the Central Coast.

Multi-purpose Sporting Complex - Stage 1 Moss Vale - policy provides a capped, one-off grant of \$50,000 in 2015-16 to assist with facilitating stage 1 of the Multipurpose Sporting Complex in Moss Vale.

Hunter Surf Life Saving - the policy provides a capped, one-off grant of \$90,350 in 2015-16 to Hunter Surf Life Saving to boost surf life saving technology for the 13 clubs it administers.

West Goulburn Public School - the policy provides capped funding of \$600,000 per year in 2015-16 and 2016-17 for the construction of a new administration building for the West Goulburn Public School. The spending is treated as capital because public schools are owned by the NSW Government.

Wetlands Walk - the policy provides a capped grant of \$300,000 per year in 2015-16 and 2016-17 to fast-track the construction of the first stage of the Wetlands Walk from the Goulburn Wetlands. The costing assumes the grant will be provided to a body outside the NSW general government sector.

Restoration of Maitland Showground - the policy provides capped funding of \$125,000 per year in 2015-16 and 2016-17 as a grant to assist with facilitating the restoration of the Maitland Showground grandstand.

Winmalee Neighbourhood Centre - policy provides capped funding of \$55,000 in 2015-16 as a grant to assist with providing disability access to the Winmalee Neighbourhood Centre.

### Costing assumptions continued:

Western Sydney Sport and Community Centre - policy provides capped funding of \$8 million in 2015-16 and \$4 million in 2017-18 as a grant to partially fund the Western Sydney Sport and Community Centre - in conjunction with the Federal Government.

Argyle Street Railway Overpass - the policy provides capped funding of \$300,000 in 2015-16 and \$390,000 in 2016-17 to be provided as a grant to facilitate the completion of a pedestrian railway line overpass at Argyle Street, Moss Vale. From the assumption that the funding will be provided as a grant the PBO assumes that the overpass would be owned by another jurisdiction such as the Wingecarribee Shire; if it were owned by the NSW government it would be classed as capital expenditure.

Upgrade McEvoy Park - the policy provides a capped grant of \$100,000 in 2016-17 and \$125,000 in 2017-18 to Gosford City Council to go towards funding the amenities upgrade at McEvoy Park.

The Entrance Channel Break Wall - the policy provides a capped grant of \$2.415 million in 2015-16.

Murrumbateman – Sporting Ground - the policy provides a capped, one-off grant of \$550,000 in 2015-16 to the Yass Valley Council towards the comprehensive redevelopment of the shared recreation facilities at the Murrumbateman Recreation Grounds.

Relocate Canberra Train Museum to Bungendore - the policy provides a capped grant of \$1 million in 2015-16 to facilitate the relocation of the Canberra Train Museum to Bungendore.

Northern Inland Centre of Excellence - the policy provides a capped grant of \$1 million in 2015-16 to the Tamworth Regional Council, to partially fund the Northern Inland Centre of Excellence. The policy assumes that the Tamworth Regional Council will fund the remainder of the project.



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Fixed Commitments for Local Projects
Date of request:	17 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	The policy provides capped grants to community groups and associations, local councils and non-government organisations.
What is the purpose or intention of the policy?	To improve facilities and services in local communities.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>		14,510	1,195	4,125	19,830	
Impact on GGS capital expenditure <sup>4</sup>		600	600		1,200	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.



**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	-
Is there a range for the costing or any sensitivity analysis that you have undertaken?	-
Are there associated savings, offsets or expenses? If yes, please provide details.	-

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	DPC
Are there any specific administrative arrangements for the policy that need to be taken into account?	-
Are there transitional arrangements associated with policy implementation?	-

If the policy is mainly an expenditure <sup>6</sup> commitment	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	<p>Save our Kids - provides capped grant funding of \$30,000 per year in 2015-16 and 2016-17 to the Gosford North Rotary for the 'Save Our Kids' youth suicide prevention program.</p> <p>Centenary Park - provides capped grant funding of \$250,000 per year in 2015-16 and 2016-17 to upgrade amenities at Centenary Park, Croydon.</p> <p>Central Coast Life Saving - policy provides a capped, one-off grant of \$345,000 in 2015-16 to Surf Life Saving Central Coast to boost surf life saving education and technology on the</p>

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

	<p>Central Coast.</p> <p>Multi-purpose Sporting Complex - Stage 1 Moss Vale - policy provides a capped, one-off grant of \$50,000 in 2015-16 to assist with facilitating stage 1 of the Multipurpose Sporting Complex in Moss Vale.</p> <p>Hunter Surf Life Saving - the policy provides a capped, one-off grant of \$90,350 in 2015-16 to Hunter Surf Life Saving to boost surf life saving technology for the 13 clubs it administers.</p> <p>West Goulburn Public School - the policy provides capped funding of \$600,000 per year in 2015-16 and 2016-17 for the construction of a new administration building for the West Goulburn Public School.</p> <p>Wetlands Walk - the policy provides a capped grant of \$300,000 per year in 2015-16 and 2016-17 to fast-track the construction of the first stage of the Wetlands Walk from the Goulburn Wetlands.</p> <p>Restoration of Maitland Showground - the policy provides capped funding of \$125,000 per year in 2015-16 and 2016-17 as a grant to assist with facilitating the restoration of the Maitland Showground grandstand.</p> <p>Winmalee Neighbourhood Centre - policy provides capped funding of \$55,000 in 2015-16 as a grant to assist with providing disability access to the Winmalee Neighbourhood Centre.</p> <p>Western Sydney Sport and Community Centre - policy provides capped funding of \$8 million in 2015-16 and \$4 million in 2017-18 as a grant to partially fund the Western Sydney Sport and Community Centre - in conjunction with the Federal Government.</p> <p>Argyle Street Railway Overpass - the policy provides capped funding of \$300,000 in 2015-16 and \$390,000 in 2016-17 to be provided as a grant to facilitate the</p>
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	<p>completion of a pedestrian railway line overpass at Argyle Street, Moss Vale.</p> <p>Upgrade McEvoy Park - the policy provides a capped grant of \$100,000 in 2016-17 and \$125,000 in 2017-18 to Gosford City Council to go towards funding the amenities upgrade at McEvoy Park.</p> <p>The Entrance Channel - the policy provides a capped grant of \$2.415 million in 2015-16.</p> <p>Murrumbateman – Sporting Ground - the policy provides a capped, one-off grant of \$550,000 in 2015-16 to the Yass Valley Council towards the comprehensive redevelopment of the shared recreation facilities at the Murrumbateman Recreation Grounds.</p> <p>Relocate Canberra Train Museum to Bungendore - the policy provides a capped grant of \$1 million in 2015-16 to facilitate the relocation of the Canberra Train Museum to Bungendore.</p> <p>Northern Inland Centre of Excellence - the policy provides a capped grant of \$1 million in 2015-16 to the Tamworth Regional Council, to partially fund the Northern Inland Centre of Excellence. The policy assumes that the Tamworth Regional Council will fund the remainder of the project.</p>
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If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

If the policy is mainly a capital costs <sup>7</sup> commitment	
Type of work, size and capacity:	-

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).

Assumptions could include, but are not limited to, questions such as:

- ☐ What is the expected community impact?
- ☐ How many people will be affected by the policy?
- ☐ What is the likely take up or other behavioural response you expect?
- ☐ Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- ☐ Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- ☐ Will funding/program cost require indexation?
  - If yes, do you have any assumptions about the index that should be applied?
- ☐ What assumptions have you made about costs of administering the policy?
  - For example, will additional staff be needed in the agency responsible for the policy?
  - If you have assumptions on this, how many and at what approximate levels?
  - Are there other administrative resources required?
  - Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.