



Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 21-Mar-11

Proposal No: C118
Released Date: 23-Mar-11

Proposal Title: Food Security for NSW - More Artificial Reefs

Lead Agency: Department of Industry and Investment

General Government Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14, 4 Year Total. Rows include Expenses (ex. depreciation), Depreciation, Less: Agency Offsets, Agency Revenue, and Net Operating Balance.

Table with 6 columns: 2010-11, 2011-12, 2012-13, 2013-14, Other Years, Total Cost. Rows include Capital Expenditure, Capital Offsets, and Net Capital Expenditure.

Table with 5 columns: Net Worth, 2010-11, 2011-12, 2012-13, 2013-14. Value is 0 for all years.

Table with 5 columns: Net Financial Liabilities, 2010-11, 2011-12, 2012-13, 2013-14. Values are 0, 200, 1,500, 2,800.

Total State Sector Impacts

Table with 5 columns: Net Financial Liabilities, 2010-11, 2011-12, 2012-13, 2013-14. Values are 0, 200, 1,500, 2,800.

Costing assumptions used:

The Parliamentary Budget Office has assumed that the cost of this proposal is \$2.8 million as per the policy document (pages 3 & 10).
There is no information on the number of offshore artificial reefs that will be constructed or a timeframe as to when it will start and finish. The Office assumes the construction of the reefs will begin after an Environmental Assessment is finished and planning is approved.
The Parliamentary Budget Office has assumed that the Environmental Assessment and planning process would start in 2011-12 with an expectation of constructing and deploying the artificial reefs over 2012-13 and 2013-14. All costs are capitalised and with no escalation.
The Parliamentary Budget Office notes that there is a risk to the cost of constructing the reef as it is dependent on the market price of steel. The Office also notes that additional artificial reefs could increase the opportunity of recreational fishing and tourism. With limited time, the Parliamentary Budget Office is unable to estimate the future price of steel and revenue generated from fishing licence fees and tourism.

A.C Harris
Acting Parliamentary Budget Officer