



Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 13-Mar-11

Proposal No: C071
Released Date: 21-Mar-11

Proposal Title: Historic Parramatta School to Become Western Sydney Arts Precinct

Lead Agency: Communities NSW

General Government Sector Impacts

| | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 | 2013-14 \$'000 | 4 Year Total \$'000 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------|
| Expenses (ex. depreciation) | 252 | 1,605 | 4,167 | 6,147 | 12,171 |
| Depreciation | | | | 865 | 865 |
| Less: Agency Offsets | 252 | | | | 252 |
| Agency Revenue | | 484 | 496 | 760 | 1,740 |
| Net Operating Balance: | 0 | -1,121 | -3,671 | -6,252 | -11,044 |

| | 2010-11 \$'000 | 2011-12 \$'000 | 2012-13 \$'000 | 2013-14 \$'000 | Other Years \$'000 | Total Cost \$'000 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|----------------------|
| Capital Expenditure | 5,000 | 10,000 | 9,600 | | | 24,600 |
| Capital Offsets | | 5,500 | | | | 5,500 |
| Net Capital Expenditure: | 5,000 | 4,500 | 9,600 | 0 | 0 | 19,100 |

| | | | | |
|-------------------|---|--------|--------|---------|
| Net Worth: | 0 | -1,121 | -4,792 | -11,044 |
|-------------------|---|--------|--------|---------|

| | | | | |
|-----------------------------------|-------|--------|--------|--------|
| Net Financial Liabilities: | 5,000 | 10,621 | 23,892 | 29,279 |
|-----------------------------------|-------|--------|--------|--------|

Total State Sector Impacts

| | | | | |
|-----------------------------------|-------|--------|--------|--------|
| Net Financial Liabilities: | 5,000 | 10,621 | 23,892 | 29,279 |
|-----------------------------------|-------|--------|--------|--------|

Costing assumptions used:

The following assumptions are based on key data provided to Treasury by the Treasurer's Office, Communities NSW, and the project's business case prepared by Hawkless Consulting Pty Ltd (September 2010).

Capital funding of **\$24.6 million** will be spent over three years from 2010-11, and recurrent expenditure will cost **\$20.2 million** over five years from 2010-11 to 2014-15 (\$13 million over the four year period above), and \$7.3 million per annum from 2015-16 onwards once the arts precinct is fully operational.

The \$5.5 million capital offset in 2011-12 is a result of proceeds of the sale of part of the site at Old Kings School.

The agency offset of \$252,000 in 2010-11 is the result of an approved grant for the civic place development at Parramatta Council to fund the costs of the Arts Precinct in 2010-11.

The agency revenue shown in the costings above are from rental income from arts organisations (figures were taken from the business case).

An escalation rate of 2.5% per annum to revenue and operating costs has been factored into the above costings.

A.C Harris
Acting Parliamentary Budget Officer