



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 15/01/2015

Proposal No: A106  
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Proposal Title: **RE-ESTABLISH MINISTERIAL DECLARATIONS AS THE TRIGGER FOR DETERMINING A REGION ELIGIBLE**

Cluster: Treasury + 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					-
<b>Net Operating Result:</b>	-	-	-	-	-

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

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

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

A new approach to drought was introduced in NSW in February 2013 which saw a move away from a system where support was triggered by "drought declarations" and to provisions of seasonal conditions reports to help landholders prepare for worsening seasonal conditions.

The policy proposal would reverse this and return to the system of drought declarations. It assumes that expenses would be booked only at the time of a drought declaration decision.

This is an accurate reflection of the system that previously applied. The forward estimates expenditure was mostly updated upon the declaration of "Exceptional Circumstances" (EC), as opposed to provisioned in anticipation of an EC declaration. The declaration was made by the Australian Government Minister for Agriculture, Fisheries and Forestry. Most of the funding was received from the Australian Government (the funding split was 90% from the Commonwealth, 10% from NSW). Transport subsidies were costed separately and were paid by the relevant agency.

NSW Treasury has advised that the current forward estimates reflect costs of drought areas declared under existing arrangements – which would remain in place even under a new policy of ministerial direction. Therefore there would be no saving under a new policy.