



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Lake Illawarra Authority
Date of request:	9 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Re-establish the Lake Illawarra Authority, with an annual funding commitment from the NSW Government of \$1.2 million (see Attachment 1).
What is the purpose or intention of the policy?	Protect the environmental health of Lake Illawarra and surrounding areas.
Has the policy been publicly released yet?	

Your estimated costing of the policy ¹						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years ² \$'000
Impact on General Government Sector (GGS) net operating result ³	-	1,200	1,200	1,200	3,600	-
Impact on GGS capital expenditure ⁴	-	-	-	-	-	-
If different from above, impact on total State Sector net financial liabilities ⁵	-	-	-	-	-	-

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

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

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ 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?	No.
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>The Lake Illawarra Authority was closed at the end of 2012-13.</p> <p>In 2012-13, NSW Government provided the Lake Illawarra Authority with recurrent operational funding of \$722,000. This made up 28 per cent of its total funding. The original budget allocation from the NSW Government, which was not fully exhausted, was \$962,000.</p> <p>The authority also received funding from councils, grants for specific purposes from the NSW Government, and other income.</p> <p>It is proposed that the NSW Government work with the relevant councils to ensure the reestablishment of the Lake Illawarra Authority.</p> <p>NSW Labor is committed to funding the authority at least \$1.2 million. The authority may also apply for additional grants for specific projects from the NSW Government.</p> <p>In addition, it is expected that the authority would receive funding from other sources, consistent with its previous arrangements.</p> <p>The authority's activities would be scalable to funding available.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
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.)?	Office of Environment and Heritage.
Are there any specific administrative arrangements for the policy that need to be taken into account?	Negotiations would need to take place with councils and other relevant stakeholders. Legislation would be enacted to establish the Lake Illawarra Authority as an independent statutory body.
Are there transitional arrangements associated with policy implementation?	No.

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	Capped.
Eligibility criteria or thresholds:	N/a.

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

Attachment 1 – Re-establish the Lake Illawarra Authority

Lake Illawarra is one of the largest saltwater lakes in NSW, located on the south coast of NSW, within the Wollongong and Shellharbour Local Government areas. It is a magnet for visitors and local residents alike, with its 36km² surface providing excellent fishing, boating and water sports, with beautiful walking tracks and picnic areas surrounding the lake.

Since 1987 Lake Illawarra has been managed by the Lake Illawarra Authority (LIA), which was set up to repair environmental degradation of the lake. At the time, the local community was concerned about black sludge, odours, sewage and effluent, and unhealthy sea life. The lake's poor condition was most noticeable from the odours rising from the lake and spreading to nearby suburbs.

Thanks in large part to the LIA, these issues have been addressed and the lake is in better condition than it has been for many years. Funded and steered jointly by the State Government and two local councils, Wollongong and Shellharbour, the LIA successfully restored health the lake and surrounding environment.

However, in 2013 the Coalition reviewed the LIA and announced the body would be abolished and replaced with an estuary management committee.

Labor believes the LIA represents a successful model for the management of the lake and should be retained as the managing body.

A Labor Government will re-establish the Lake Illawarra Authority as an independent statutory authority to monitor water quality, environmental improvements, foreshore access and infrastructure enhancements, and provide a strategic and clear focus for tourism and recreational use for Lake Illawarra.