



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: | Labor's Plan to make the Hunter a national hub for renewable energy |
| Date of request: | 14 March 2015 |

| Description of policy | |
|--|---|
| Summary of policy (please attach copies of relevant policy documents): | Provide \$10 million over five years to the Institute for Energy and Resources at the University of Newcastle, \$2 million over three years to set up a Hunter Clean Tech Innovation Taskforce, and \$2 million over four years to build Hunter TAFE's clean tech capacity. |
| What is the purpose or intention of the policy? | Ensure that Newcastle and the Hunter are well positioned as the global economy shifts to a low carbon future. |
| 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 | | 3,000 | 3,250 | 3,250 | 9,500 | 4,500 |
| 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 expense.

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? | Yes – outlined in the policy document <i>Labor's Plan to make the Hunter a national hub for renewable energy</i> . |
| What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist) | The funding will be fixed at the capped allocations outlined in <u>Attachment 1</u> . The funding to the Institute for Energy and Resources will be provided as annual grants to the University of Newcastle. The scope of the activities funded under the policy will be scalable to the capped allocations. |
| 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: | To 2019-20. |
| Who will administer the policy (e.g. Government entity, non-government organisation, etc.)? | Various agencies. |
| Are there any specific administrative arrangements for the policy that need to be taken into account? | No. |
| Are there transitional arrangements associated with policy implementation? | .. |

| 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

Labor's Plan to make the Hunter a national hub for renewable energy – funding ('000)

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | Total |
|---|--------------|--------------|--------------|--------------|--------------|---------------|
| Newcastle Institute for Energy and Resources (NIER) | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 |
| Hunter Clean Tech Innovation Taskforce | 500 | 750 | 750 | - | - | 2,000 |
| Hunter TAFE to build its clean tech training capacity | 500 | 500 | 500 | 500 | - | 2,000 |
| Total | 3,000 | 3,250 | 3,250 | 2,500 | 2,000 | 14,000 |