



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

| Details of request | |
|--------------------|--|
| Party: | Liberals / Nationals |
| Name of Policy: | Treasurer’s Advance – use to fund changes in the Victims Compensation Scheme expenses in 2014-15 |
| Date of request: | 16 March |

| Description of policy | |
|--|--|
| Summary of policy (please attach copies of relevant policy documents): | This policy uses the Treasurer’s Advance to fund the \$4,764,000 expenses cost of the Victims Compensation Scheme in 2014-15 |
| What is the purpose or intention of the policy? | Savings measure |
| Has the policy been publicly released yet? | No |

| 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 | | | | | | |
| 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.

Note: Has the policy been costed by a third party?
If yes, can you provide a copy of this costing and its assumptions?

| 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> | Funds in the Treasurer's Advance as at 13 March 2015 |
| Is there a range for the costing or any sensitivity analysis that you have undertaken? | - |
| Are there associated savings, offsets or expenses? If yes, please provide details. | - |

| Administration of policy | |
|---|------------|
| Intended date of implementation: | April 2015 |
| Intended duration of policy: | NA |
| Who will administer the policy (e.g. Government entity, non-government organisation, etc.)? | Treasury |
| Are there any specific administrative arrangements for the policy that need to be taken into account? | NA |
| Are there transitional arrangements associated with policy implementation? | NA |

| If the policy is mainly an expenditure⁶ commitment | |
|--|----|
| Demand driven or a capped amount: | NA |
| Eligibility criteria or thresholds: | NA |

| If the policy is mainly a revenue commitment | |
|---|----|
| Transaction based or capped: | NA |
| Thresholds and/or exemptions: | NA |
| Collection method: | NA |
| Additional expenditure associated with collection: | NA |

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

| If the policy is mainly a capital costs⁷ commitment | |
|---|----|
| Type of work, size and capacity: | NA |
| Proposed start and completion date of work: | NA |
| Intended construction schedule/cashflow: | NA |
| Offsetting expenditure savings: | NA |
| Associated asset sell off (if any): | NA |
| On-going maintenance, depreciation and operational expenses: | NA |
| Third party funding involvement: | NA |

Checklist for key assumptions (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
 - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
 - For example, will additional staff be needed in the agency responsible for the policy?
 - If you have assumptions on this, how many and at what approximate levels?
 - Are there other administrative resources required?
 - Alternatively, are you assuming administrative costs will be absorbed within the agency?

Please note that:

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

⁷ Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.