



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 12/03/2019

Proposal No: B427
Date Published: 18/03/2019

Proposal Title: Great Koala National Park - Funding to Support Establishment

Cluster: Planning and Environment

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	1,250	10,681	14,457	26,388
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(1,250)	(10,681)	(14,457)	(26,388)

Capital Expenditure	-	1,250	6,391	6,550	14,191
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	1,250	6,391	6,550	14,191

Net Lending/(Borrowing):	-	(2,500)	(17,072)	(21,008)	(40,579)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(2,500)	(17,072)	(21,008)	(40,579)
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Notes and costing assumptions

From 1 July 2019 the policy proposes to establish a koala national park in the Port Macquarie and Coffs Harbour-Grafton regions. The total cost of this policy is capped at \$80.6 million over five years and costs \$40.6 million over the forward estimates.

Key assumptions

- The policy specifies the profile of capital and recurrent expenditure as detailed in Table 1 overleaf.
- The capital expenditure and operating expenses are indexed according to the Sydney Consumer Price Index (CPI) forecasts/projections in the Pre-Election Budget Update: 2% in 2019-20, 2.25% in 2020-21 and 2.5% in 2021-22 and beyond.
- Employee related expenses have been escalated by 2.5% p.a. (consistent with the NSW Public Sector Wages Policy).
- The PBO notes that this policy would likely require changes to legislation. The PBO considers reviews of legislative changes to be part of core agency activities and therefore no cost for this element of the proposed policy has been included in the costing.
- The costing does not include any property acquisition costs as the exact park location has not been identified yet. The PBO notes that costs for acquisition may be significant.

Notes and costing assumptions continued:

Table 1								
	2018-19 (\$'000)	2019-20 (\$'000)	2020-21 (\$'000)	2021-22 (\$'000)	4 Year Total (\$'000)	2022-23 (\$'000)	2023-24 (\$'000)	Project Total (\$'000)
Capex								
National Park tourism facilities	\$ -	\$ 1,250	\$ 1,278	\$ 1,310	\$ 3,838	\$ -	\$ -	\$ 3,838
Koala Hospital	\$ -	\$ -	\$ 5,113	\$ 5,240	\$ 10,353	\$ -	\$ -	\$ 10,353
Capex Total	\$ -	\$ 1,250	\$ 6,391	\$ 6,550	\$ 14,191	\$ -	\$ -	\$ 14,191
Opex								
Assessment of forests	\$ -	\$ 1,250	\$ 1,278	\$ -	\$ 2,528	\$ -	\$ -	\$ 2,528
Employee related costs	\$ -	\$ -	\$ 9,403	\$ 14,457	\$ 23,860	\$19,758	\$ 20,252	\$ 63,871
Opex Total	\$ -	\$ 1,250	\$ 10,681	\$ 14,457	\$ 26,388	\$19,758	\$ 20,252	\$ 66,399
Capital expenditure								
The policy provides a capital expense allocation of \$14 million for establishing a koala hospital and national park tourism facilities.								
Recurrent expenditure								
<ul style="list-style-type: none"> The policy assumes that a total of 100 additional staff will be hired progressively from 2020-21 to 2022-23 to support the koala national park. The estimated cost is \$23.9 million over forward estimates and will be ongoing beyond the forward estimates. The cost of assessment of forests would be \$2.5 million over the forward estimates and no further allocation beyond the forward estimates. 								