



## Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: B467

Date Referred: 15/03/2019

Date Published: 18/03/2019

Proposal Title: Support for Co-ops

Cluster: Industry

### General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	1,513	1,551	3,064
Depreciation	-	-	-	-	-
Less: Offsets	-	-	756	775	1,532
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	-	<b>(756)</b>	<b>(775)</b>	<b>(1,532)</b>

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

<b>Net Lending/(Borrowing):</b>	-	-	<b>(756)</b>	<b>(775)</b>	<b>(1,532)</b>
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	-	<b>(756)</b>	<b>(775)</b>	<b>(1,532)</b>
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### Notes and costing assumptions

The policy proposes to establish a unit within the Department of Primary Industries (DPI), from July 2020, to assist co-operatives and provide advice about co-operatives in NSW. The policy specifies DPI will absorb half of the costs through their existing budget. The PBO estimates the total cost of the policy will be \$1.5 million.

#### Key assumptions

- The policy specifies ten staff would be hired at an average remuneration of \$120,000 per employee, excluding employee benefits on-costs. The PBO assumes that this cost rate is in 2018-19 dollars.
- Employee costs are escalated by 2.5% per year over the forward estimates in line with the NSW Public Sector Wage Policy.
- The PBO has added 20% for on-costs such as superannuation, payroll tax, workers compensation etc.
- The policy specifies that DPI will absorb half of the cost of the policy within their existing budget. The PBO notes this is feasible as DPI is within the Department of Industry, which has budgeted recurrent expenditure of \$1.9 billion for 2018-19. This indicates scope to reprioritise existing resources to fund the policy.