



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 27/02/2019

Proposal No: Y079
Date Published: 18/03/2019

Proposal Title: Goulburn Residential Rehabilitation with step-up, step-down support

Cluster: Health

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	1,167	1,676	2,843
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	(1,167)	(1,676)	(2,843)

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	(1,167)	(1,676)	(2,843)
---------------------------------	---	---	----------------	----------------	----------------

Total State Sector Impacts

Net Lending/(Borrowing):	-	-	(1,167)	(1,676)	(2,843)
---------------------------------	---	---	----------------	----------------	----------------

Notes and costing assumptions

This policy proposes providing funding to run a ten bed mixed gender drug and alcohol residential rehabilitation service with "step-up" and "step-down" day program support in Mandala House at Goulburn. The project would start from 2020-21 and will be ongoing.

Based on the information provided by NSW Treasury, the total cost of the policy over the forward estimates is \$2.8 million, with an additional \$1.7 million per year in 2022-23 and 2023-24, for a net total of \$6.2 million by 30 June 2024.

Costs include:

- One-off service establishment and refurbishment costs of \$350,000 in the policy's first year (2020-21) to upgrade existing facilities in Mandala House to make it fit for purpose.
- The policy allocates \$1.6 million per year for staffing service delivery, administrative and service running costs. 50% of funding would be allocated for service delivery in the first year (2020-21).

Further costing information is overleaf.

Notes and costing assumptions

Assumptions

- The costs for staffing, administrative and service running are indexed according to the Sydney Consumer Price Index forecasts/projections in the NSW Treasury Pre-Election Budget Update (2.25% in 2020-21 and 2.5% in 2021-22).
- Refurbishment of Mandala House is necessary to use the facilities. The PBO has assumed that refurbishment would be carried out in the first half of 2020-21 and the service would operate from the second half of the year. Therefore, half of the full staffing, administrative and service running costs has been used in 2020-21.
- The policy assumes that the funding would be paid as a grant to a non-government organisation to deliver the service, therefore all costs are classified as recurrent expenditure.