



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 5/03/2019

Proposal No: Y086
Date Published: 18/03/2019

Proposal Title: Great Artesian Basin Infrastructure Investment (GABII) Program

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)	-	1,500	2,500	4,500	8,500
Depreciation	-	-	-	-	-
Less: Offsets	13,000	-	-	-	13,000
Revenue	-	-	-	-	-
Net Operating Balance:	13,000	(1,500)	(2,500)	(4,500)	4,500

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

Net Lending/(Borrowing):	13,000	(1,500)	(2,500)	(4,500)	4,500
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Total State Sector Impacts

Net Lending/(Borrowing):	13,000	(1,500)	(2,500)	(4,500)	4,500
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Notes and costing assumptions

The policy proposes to spend \$13 million from 2019-20 to 2022-23 on water infrastructure in the Great Artesian Basin to enhance water supply.

The policy proposes to source the \$13 million from existing government drought support allocated to 2018-19. Table 1 shows the policy impact by financial year.

Table 1	2018-19	2019-20	2020-21	2021-22	2022-23
Policy impact (\$m)	(13,000)	1,500	2,500	4,500	4,500

The policy in aggregate produces a \$4.5 million saving over the forward estimates because \$4.5 million of expenditure occurs in 2022-23 (outside the forward estimates).

Information provided by NSW Treasury indicates \$190 million has been allocated in the current budget to the end of 2018-19 for the Drought Transport Subsidy program. The program provides up to \$40,000 over 18 months from 1 January 2018 to 30 June 2019 to eligible farm businesses to assist in transporting fodder, water and stock. The program is currently forecast to spend \$118 million to the end of 2018-19, an estimated underspend of \$72 million. NSW Treasury has advised that some of this forecast underspend could be reallocated to fund the \$13 million policy.

The government may need to seek additional funding if it proposes to continue providing the drought transport subsidy in 2019-20, or if demand for the subsidy in the final months of 2018-19 is significantly higher than forecast.