



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1609
Date Referred: 10/03/2023 **Date Published:** 20/03/2023
Proposal Title: Building for Growth – Schools
Cluster: Education

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	343	1,750	2,093
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	(343)	(1,750)	(2,093)

Capital Expenditure	-	58,170	272,550	525,600	856,320
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	58,170	272,550	525,600	856,320

Net Lending/(Borrowing):	-	(58,170)	(272,550)	(525,600)	(856,320)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(58,170)	(272,550)	(525,600)	(856,320)
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Notes and costing assumptions:

This policy proposes to invest \$1.2 billion over four years for new and upgraded schools across the state. This policy builds upon the existing schools infrastructure pipeline and costs are over four years from 2023-24.

Of the \$1.2 billion, \$112 million already allocated to school infrastructure is already funded via WestInvest. The remaining \$1.088 billion in funding will be used to fund a variety of school infrastructure projects and will be provided as capital expenditure. The total impact over the forward estimates is estimated to be \$856.3 million.

Assumptions

The policy assumes that the maintenance and depreciation costs associated with the increased infrastructure will be absorbed within the existing Department of Education (DoE) budget. DoE notes that there would be negligible impact of maintenance cost within the forward estimates as almost all the projects are cash flowed to FY 2026/27 with maintenance to occur from following year (outside forwards).

Notes and costing assumptions continued:

DoE further noted that the depreciation schedule of infrastructure pipeline will be \$2.1 million over the forward estimates and \$7.2 million in total. These expenses are not provided for in the current budget meaning they will need to be absorbed as part of the total funding package. The PBO assumes that any additional maintenance or depreciation expenses would also have to be met from the new funding provided by the policy.