

Election Costing Request Form

Details of request	
Party:	Liberals and Nationals Government
Name of Policy:	Investing in Local Communities
Date of request:	16 March 2023

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	<p>The NSW Liberal and Nationals will invest in local communities by:</p> <ul style="list-style-type: none">• providing grants to councils and non-government organisations to support local upgrades to sporting infrastructure across NSW;• providing grants to councils and non-government organisations to deliver local projects and community engagement, including improvements to local amenity; and• expanding local infrastructure and tourism.
Has the policy been publicly released yet?	No

Your estimated costing of the policy ¹						
	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	Total \$'000
Impact on General Government Sector (GGS) net operating result ²	8,450	101,900	70,340	35,200	25,880	241,775
Impact on GGS capital expenditure ³	-	9,520	19,180	5,550	-	34,250
If different from above, impact on total State Sector net financial liabilities ⁴						

Note: Has the policy been costed by a third party? No
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	No
What assumptions have been made in deriving the financial impacts in your estimated costing? (See checklist)	<p>The costing assumes that Government will make grants to councils and non-government organisations to deliver on a range of projects. The total provided in grants are:</p> <ul style="list-style-type: none"> • Sporting infrastructure - \$160m • Local projects - \$95m <p>Funding to deliver these grants within the term is assumed to be:</p> <p>2022-23: 5%</p> <p>2023-24: 40%</p> <p>2024-25: 30%</p> <p>2025-26: 15%</p> <p>2026-27: 10%</p>

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Negative for a saving that reduces expenditure

³ Negative for a reduction in capital expenditure.

⁴ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

	<p>Final deliver of grants will be determined by milestones and may be subject to change.</p> <p>Administration of these grants will be absorbed from within existing resources.</p> <p>The net impact of the grants to upgrade sporting grounds and ovals is partially offset by reallocating underspends from certain Office of Sport programs. Note that the reallocation of these underspends will not impact the ability to deliver on existing contractual commitments.</p> <p>Funding for the Young Police Station will be capitalised. There are no operating costs required as the station is a replacement.</p> <p>Funding for the Office of Sport to undertake planning, investigative and noise mitigation work at Wakefield Park Raceway will be capped. Any further funding will be subject to Government decision.</p> <p>Funding for the expansion of the Metro carpark at Tallawong is capitalised. Funding will be capped at \$15m, with any additional funding to be absorbed.</p> <p>The Headliner Act Regional Touring Fund is a competitive grant allocation and will be capped at \$6m over two years.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Not applicable
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	Not applicable
Are there significant costs or savings outside the forward estimates period which should be considered in costing this policy? ⁵	Not applicable

Administration of policy	
Intended date of implementation:	1 April 2023
Intended duration of policy:	Five years
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Various

⁵ Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.

Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	Grants will be dispersed in accordance with the grant guidelines and milestone payments.
Are there transitional arrangements associated with policy implementation?	Not applicable

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	Not applicable

If the policy is mainly a revenue commitment	
Transaction based or capped:	Not applicable
Thresholds and/or exemptions:	Not applicable
Collection method:	Not applicable
Additional expenditure associated with collection:	Not applicable

If the policy is mainly a capital costs⁷ commitment	
Nature of Capital Spending	
Type of work, size and capacity:	Not applicable
Proposed start and completion date of work:	Not applicable
Intended construction schedule/cashflow:	Not applicable
Associated asset sell off (if any):	Not applicable
Recurrent Impacts	
Offsetting expenditure savings:	Not applicable
On-going maintenance, depreciation and operational expenses:	Not applicable
Third party funding involvement:	Not applicable
Delivery model ⁸	Not applicable

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

⁷ Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance.

⁸ There is a range of possible delivery models, e.g. built, owned and operated by a NSW government agency; built and transferred to a private operator; privately built for public operation; privately built and operated with government assuming risk or providing a guarantee in relation to future income (often applicable to public/private partnership arrangements), and so on. The policy should provide assumptions about the proposed delivery model.