



Kristina Keneally MP

Monday, 21st March 2011

Mr Tony Harris *21/3 Harris*
Acting Parliamentary Budget Officer
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

Dear Mr Harris

I am writing to you to formally request, under Part 4 (Election policy costings) of the Parliamentary Budget Officer Act 2010, an official costing for the following announced policies under Section 18(2) of the Act:

- *Shell Cove Marina*
- *Lily Street Bridge, Allawah*
- *Newcastle University Relocation*
- *Blue Mountains National Park Walking Track and Safety Beacons*
- *Labor's Coal and Coal Seam Gas Plan (Ombudsman)*

Please find attached a copy of this policy outlining the purpose of the policy and relevant details required to complete the costing as per the requirements of the Act.

A copy of the NSW Treasury costing and budget impact statement for the policy has also been included for your reference.

Should you require any further information on this request, please contact my office on (02) 9228-5239

Yours sincerely

Kristina Keneally
Premier of NSW
Leader of NSW Labor Party





MATT BROWN MP
Member for Kiama



Embargoed Tuesday 15 February 5.00 am

SHELL COVE MARINA

Member for Kiama Matt Brown was pleased to announce that a re-elected Labor Government would provide \$20M to Shellharbour City Council to start construction of the Shell Cove Boat Harbour and Marina under a no interest loan.

Mr Brown said that the Shell Cove vision was approved and supported by the Labor Government in the 1980's as an important development to provide homes, jobs and an economic stimulus.

"The Shell Cove vision is as relevant today as it was then. It will provide a vibrant new tourism precinct and a marine business precinct that together will add quality jobs to the Illawarra economy.

"I remain committed to seeing the commencement of the Marina, and have been looking at all options to get things moving.

"Shellharbour City Council, the developer, has informed me that a low interest \$20M loan from the State Government would see work commence on the Marina.

"To date, many meetings have occurred between myself, Council, Treasury, the Treasurer, and the Premier," said Mr Brown.

"The Treasurer has today agreed that the Government will commit to the \$20M advance if re-elected and has asked Treasury to advise if this advance can be made even earlier.

"This is great news - there are major employment generation and economic benefits that will flow through to the whole Illawarra Region.

"Shellharbour City Council has assured me the project is at a shovel-ready stage, with planning and pre-construction activities already completed. This means the economic benefits will start to flow very rapidly.

"I will be maintaining my efforts to see the Marina built," Mr Brown said.

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Shellharbour City Council Administrator, David Jesson, said he welcomed the promise of a no interest \$20M loan from the State Government saying the Boat Harbour/Marina project would create more than 2,300 jobs for Illawarra residents.

"The Shell Cove Boat Harbour and Marina will have enormous long-term benefits for the economy of the City of Shellharbour," said Mr Jesson.

"All the necessary approvals are in place. The promise of the no interest loan is what Council has always wanted, allowing work to begin on the project in months instead of years.

"I would like to thank Matt Brown for all his hard work in bringing this funding promise about and for his many representations to the Premier and Ministers on our behalf," Mr Jesson said.

Media Contact: Matt Brown 4232 1082

15 February 2011

Media invited – Tuesday 15 February – 11.00 am – onsite location - drive along Boolwaroo Road, Shellharbour, which turns into Bass Point Tourist Drive – just over the bridge on the left side there is a grassed area to park.

Title/Subject:	Interest free advance of \$20m to Shellharbour Council for the construction of a boat harbour and marina
Pink/Physical ID:	EA1640223
Proposal by:	Government
Agency:	Crown Finance Entity
Cluster:	Treasury
Detailed description:	The Crown Finance Entity is to provide an interest free advance of \$20m repayable over 8 years to Shellharbour Council for the construction of a boat harbour and marina.
FIS No: 105	
Classification: GGB	

General Government Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Expenses (incl. depreciation)						
Less Agency Offsets (1)						
Less Agency Revenue						
Less Crown Provisions						
Budget Result Impact	0	0	0	0	0	0
	Residual					
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	0	0	0	0	0

Public Trading Enterprises Sector Financial Impact

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	Ongoing \$'000
Revenues						
Expenses						
Operating Result	0	0	0	0	0	0
	Residual					
Capital Expenditure						
Less Capital Offsets (1)						
Net Capital Cost	0	0	0	0	0	0
Depreciation						
Net Lending (2)	0	0	0	0	0	0

Accumulated Net Financial Liabilities as at 30 June (3)

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
General Government Sector	0	0	0	0	0
Total State Sector	0	0	0	0	0

(1) Includes items such as available funding within existing estimates, expenditure offsets, recurrent savings associated with capital projects, linked assets sales.

(2) Equal to Budget Result or Operating Result Impact plus Net Capital Cost.

(3) Equals cumulative Net Lending Impact. Total State Sector equals sum of General Government and PTE (and PFE) sectors.

Key costing assumptions

Interest free loan is advanced in two tranches of \$10m each on 1 January 2014 and 1 January 2015. Principal repayable over 8 years at six monthly intervals. First repayment due 31 December 2015. Repayments are low in the first three years and increase over the remaining term.

Key data

Loan repayments are as follows: 31 Dec 2015 - \$0.75m, 30 June 2016 - \$0.75m, 31 Dec 2016 - \$0.75m, 30 June 2017 - \$0.75m, 31 Dec 2017 - \$0.75m, 30 June 2018 - \$0.75m, 31 Dec 2018 - \$1.55m, 30 June 2019 - \$1.55m, 31 Dec 2019 - \$1.55m, 30 June 2020 - \$1.55m, 31 Dec 2020 - \$1.55m, 30 June 2021 - \$1.55m, 31 Dec 2021 - \$1.55m, 30 June 2022 - \$1.55m, 31 Dec 2022 - \$1.55m, 30 June 2023 - \$1.55m.

Caveats or qualifications


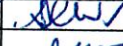
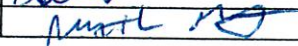
Nil

Implementation issues (including how Treasury can assist in speedy implementation and any potential difficulties and how these might be overcome)

The loan is to be secured by way of a mortgage over property Council assets. A loan agreement will need to be negotiated. However, a suitable document might be that used for loans under the Local Infrastructure Fund.

Other comments (including explanation where Treasury costing differs from agency or PBO estimates)

Under Government Finance Statistics, only the cashflows are recorded. Under accounting standards, the interest subsidy provided is recorded as a lump sum expense in the year the advance is made.

Position	Name and extension	Signature	Date
Analyst(s)	S Power		
in consultation with	Colin Broad		23.2.11
Director	Sue Power		23.2.11
Deputy Secretary	Stephen Brady STEPHEN BRADY MATT ROBERTS		23/2/11