



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1571
Date Referred: 7/03/2023 **Date Published:** 20/03/2023
Proposal Title: Labor's Western Sydney Flood Plan
Cluster: Cross Cluster

General Government Sector Impacts

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

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

Net Lending/(Borrowing):	-	-	-	-	-
---------------------------------	---	---	---	---	---

Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
---------------------------------	---	---	---	---	---

Notes and costing assumptions:

The policy proposes \$25 million for a Western Sydney Floods Resilience Plan to begin immediate work on projects including evacuation roads, levees and critical communications infrastructure.

The initiatives are:

- \$24 million to build new levees at Peachtree Creek, McGraths Hill and Pitt Town.
- \$1 million for four Cells on Wheels stations.

\$200 million will be committed through road packages to identify, plan and commence work on critical evacuation roads.

The policy proposes that the initiatives be funded from WestInvest. As this fund has previously been recognised in existing State Budget estimates, the Parliamentary Budget Office assumes the policy will have nil impact on forecast net lending results, provided the total number of other policies funded from Restart NSW and WestInvest do not exceed the balance available.

Notes and costing assumptions continued:

WestInvest

The policy assumes that the spending will be offset by funds from WestInvest. The PBO considers this a reasonable assumption given NSW Treasury's advice that the total of allocated funds that are not contractually committed in WestInvest is \$637 million as of 9 March 2023. Treasury notes that this is only an indicative amount and budget profiling is subject to the finalisation of relevant funding deeds.

The PBO notes that 'funding for WestInvest projects is provided through the Community Services and Facilities Fund, established under the *NSW Generations Fund Act 2018*.¹ The PBO observes that under the Act, the Fund is for 'facilities and services' that 'improve the wellbeing of communities and the lives of the people of New South Wales',² and that the relevant minister has the duty of approving 'all or any part of the cost of any project, program or initiative that the Minister is satisfied promotes the purpose of the Fund'.³

¹ NSW Budget Papers, Budget Paper No 3, Infrastructure Statement, 1-7

² *NSW Generations Fund Act 2018* s 12(1)

³ *NSW Generations Fund Act 2018* s 14(1)(a)