



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1581
Date Referred: 8/03/2023 **Date Published:** 20/03/2023
Proposal Title: World-leading flood and fire detection technology
Cluster: Planning and Environment

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	58	155	213
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	(58)	(155)	(213)

Capital Expenditure	-	582	969	1,749	3,300
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	582	969	1,749	3,300

Net Lending/(Borrowing):	-	(582)	(969)	(1,749)	(3,300)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(582)	(969)	(1,749)	(3,300)
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Notes and costing assumptions:

This policy is to invest in a natural disaster detection system to better protect communities in high-risk areas of NSW. This will be based on a network of sensors designed and built in Australia through Attentis: Attentis® - Smart sensors, Intelligent wireless networks and real-time information (attentistechnology.com).

The policy will result in a \$3.3 million reduction in Net Lending across the forward estimates.

Key assumptions and caveats

The policy assumes:

1. once the sensors are installed, Attentis has advised there are no operating requirements or ongoing costs for the Government.
2. Information from Attentis suggests the average installed cost per unit is \$38,773;
3. The spending profile provided indicates 15 sensors will be purchased in 2023-24, 25 in 2024-25 and 45 in 2025-26.

Notes and costing assumptions continued:

The PBO was not able to find a price list on the Attentis website against which to verify these figures but has no reason to suggest they are incorrect. In any case, should prices be marginally higher or lower, the difference can be managed through varying the number of sensors to be purchased or the timing. Actual costs in NSW will also depend on the outcomes of procurement negotiations.

The unit cost of \$38,733 multiplied by the estimated number of units of 85 comes to \$3.3 million.

Depreciation expenses would add to these estimated costs. The PBO has calculated these based on an expected useful life for the sensors of 10 years and a standard straight line depreciation method. When the program reaches maturity, beyond the forward estimates period, the full year depreciation expense would be \$330,000. In the forward estimates depreciation will be around \$58,000 in 2024-25 and \$155,000 in 2025-26.

The depreciation estimate assumes the sensors are installed during the previous financial year and become operational by the end of the year in question; to the extent that sensors become operational earlier, depreciation expenses will be higher.