



Our ref : 00611067

Hon Mark McGowan MLA
Leader of the Australian Labor Party
(Western Australian Branch)
PO Box 5324
ROCKINGHAM BEACH WA 6969

Dear Mr McGowan

2021 STATE ELECTION POLICY COSTING – IMPACT OF AUSTRALIAN LABOR PARTY COMMITMENTS ON STATE FINANCES

The Caretaker Conventions applying to the 2021 State Election allow the major parties to request costing advice for their party's election commitments, including the impact of these commitments on the Pre-election Financial Projections Statement (PFPS, released on 8 February 2021).

On 12 February 2021, the Department of Treasury (Treasury) received your request to verify costings for a number of election commitments announced by the Australian Labor Party to 11 February 2021 and listed at **Attachment A**.

Relative to the PFPS, the impact on the State's finances of these commitments is outlined in the table below. As indicated, the costed commitments are estimated to increase net debt by \$1.051 billion over the current forward estimates period (i.e. to 30 June 2024). This comprises a direct cost of \$1.028 billion (as detailed in Attachment A), and a flow-on impact of \$23 million on interest costs.

Table 1				
IMPACT ON STATE FINANCES ^(a)				
Australian Labor Party Commitments to 11 February 2021				
	2020-21	2021-22	2022-23	2023-24
	\$m	\$m	\$m	\$m
Estimated Impact of Commitments ^(b)				
GENERAL GOVERNMENT SECTOR				
Net Operating Balance	-94	-197	-162	-155
Revenue	-	-	-	-
Expenses	94	197	162	155
TOTAL PUBLIC SECTOR				
Net Debt at 30 June	94	350	698	1,051
Asset Investment Program	- ^(c)	59	186	197
Revised PFPS Aggregates				
GENERAL GOVERNMENT SECTOR				
Net Operating Balance	3,030	2,034	1,321	1,756
Revenue	36,622	34,252	32,919	33,986
Expenses	33,592	32,218	31,598	32,230
TOTAL PUBLIC SECTOR				
Net Debt at 30 June	36,741	39,575	41,051	41,271
Asset Investment Program	7,596	8,545	6,918	6,274

(a) Based on information made available by the Australian Labor Party and analysis by Treasury with input from State government agencies.

(b) Includes the impact of indirect costs such as changes to interest.

(c) Amounts less than \$500,000.

The Australian Labor Party's cost estimates are considered reliable, with a difference of only \$0.5 million identified in relation to one commitment (as outlined in **Attachment A**).

For the purposes of this costing exercise, Treasury has accepted the project timelines (and associated cashflows) submitted by the Australian Labor Party. Overall, these are considered reasonable. However, given the already very large Asset Investment Program reflected in the PFPS, there is a risk that some of the infrastructure projects may not be delivered within the specified timeframes.

It is also noted that some election commitments are subject to financial contributions from third parties, including the Commonwealth Government. These contributions are subject to finalisation of negotiations with the relevant third party. Treasury's costings in these instances assume the proposed third party contributions as detailed in your costing request.

Consistent with the Caretaker Conventions, this advice has been published on the Treasury website.

Yours sincerely



Michael Barnes
UNDER TREASURER

17 February 2021

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ELECTION COMMITMENTS SUBMITTED FOR COSTING

The following table lists the election commitments submitted by the Australian Labor Party on 12 February 2021 for costing by the Under Treasurer under the Caretaker Conventions. The table shows the estimated impact on net debt to 30 June 2024 for both the Australian Labor Party costing and Treasury's costing.

ELECTION COMMITMENT COSTINGS				Table 2
Commitment Title	Labor Party Costing Impact on Net Debt to 30 Jun 2024	Treasury Costing Impact on Net Debt to 30 Jun 2024	Net Debt Variance	\$m
1	Chung Wah Association Community Centre	5.0	5.0	-
2	Local Council Homelessness Fund	4.5	4.5	-
3	Aboriginal Short Stay Accommodation in the CBD	36.2	36.2	-
4	Street Doctor Program: Fremantle	1.4	1.4	-
5	Street Doctor Program: Perth	1.4	1.4	-
6	Beeliar Wetlands	3.0	3.0	-
7	Maida Vale Reserve Pavillion	2.4	2.4	-
8	Police Infrastructure ^(a)	44.0	44.5	0.5
9	Youth Package	44.4	44.4	-
10	Firefighters Support Package	26.1	26.1	-
11	Byford Skate Park	0.8	0.8	-
12	Extension of Police Station Operating Hours ^(b)	-	-	-
13	Regional Roads Package	55.8	55.8	-
14	Regional Road Blackspot Program	14.8	14.8	-
15	Support for Grandparent Carers	4.6	4.6	-
16	Safety and Security for Seniors	12.0	12.0	-
17	Removed / not submitted for costing	-	-	-
18	Geraldton Hospital Co-location Project	2.0	2.0	-
19	Geraldton Basketball Stadium	2.0	2.0	-
20	Geraldton STEM Schools	3.0	3.0	-
21	Drummond Cove Coastal Protection Project	3.0	3.0	-
22	Renal Dialysis Centre in Halls Creek	18.1	18.1	-
23	Broome Aboriginal-led Specialist Family Violence Court	4.2	4.2	-
24	Olabud Doogethu Halls Creek Justice Reinvestment Project	1.5	1.5	-
25	Better Beginnings Program expanded to Kimberley and Pilbara	0.4	0.4	-
26	Broome Boat Launching Facility - Entrance Point	35.6	35.6	-
27	2-Zone Regional Airfares Cap	13.2	13.2	-
28	Dampier Peninsula and Buccaneer Archipelago Visitor Plan	0.4	0.4	-
29	Yawuru Conservation Park	3.0	3.0	-
30	Geike Gorge	1.8	1.8	-
31	Kimberley Wilderness Walk, Wunaamin Miliwundi Ranges	0.9	0.9	-
32	School Infrastructure Kimberley	12.5	12.5	-
33	STEM Classroom at Broome Senior High	1.9	1.9	-
34	Women's Community Health Services: Kimberley Women's Health Program	2.0	2.0	-
35	Kimberley Sport and Community Infrastructure	16.2	16.2	-
36	Expansion of Pilbara Health Initiative	7.5	7.5	-

(a) The Australian Labor Party's commitment includes \$3 million to deliver a Mobile State Operations Command Centre, with the same capability as the current centre in Maylands. Advice from Western Australia Police Force indicates that three vehicles will be required to implement this initiative, increasing the cost to \$3.5 million to 2023-24.

(b) This commitment is assumed to be funded from within existing agency resources, resulting in no impact on the State's net debt.

ELECTION COMMITMENT COSTINGS

Commitment Title	Labor Party	Treasury	Net Debt
	Costing	Costing	Variance
	Impact on	Impact on	
	Net Debt	Net Debt	
	to 30 Jun 2024	to 30 Jun 2024	
	\$m	\$m	\$m
37 Paid Paramedics for the Regions	22.7	22.7	-
38 Patient Assisted Travel Scheme (PATS): Accommodation Subsidy with Annual Indexation	13.3	13.3	-
39 Patient Assisted Travel Scheme (PATS): Escort Eligibility for People from Vulnerable and Disadvantaged Groups	0.8	0.8	-
40 Magnetic Resonance Imaging (MRI) Unit for South Hedland	7.5	7.5	-
41 Staff Housing for Puntukurnu Aboriginal Medical Service (PAMS) in Jigalong	3.5	3.5	-
42 Karratha Women's Health Care Place Inc. Women's Community Health Service	0.8	0.8	-
43 Western Desert Justice Program	1.5	1.5	-
44 South Hedland Step Up / Step Down	11.0	11.0	-
45 Karijini National Park Upgrades	10.0	10.0	-
46 Murujuga National Park	5.0	5.0	-
47 School Infrastructure Pilbara	12.4	12.4	-
48 Port Hedland Sporting and Community Hub	10.0	10.0	-
49 New Car Park for Albany Health Campus	1.8	1.8	-
50 Double the Capacity of the Albany Dental Clinic	9.1	9.1	-
51 Regional Arts Funding	2.0	2.0	-
52 Banned Drinkers Register- Kalgoorlie	2.5	2.5	-
53 The Gap, Torndirrup National Park	0.8	0.8	-
54 Albany Walk and Mountain Bike Trails	0.2	0.2	-
55 Albany STEM Schools	2.5	2.5	-
56 Albany Surf Life Saving Club	1.6	1.6	-
57 Kalgoorlie-Boulder Basketball Court	5.0	5.0	-
58 Full Circle Therapy Centre	2.8	2.8	-
59 Goldfields Women's Clinic	1.3	1.3	-
60 STEM classroom at Kalgoorlie-Boulder Community College	1.0	1.0	-
61 Goldfields Sport and Community Infrastructure	3.2	3.2	-
62 Contemporary Music Fund	2.3	2.3	-
63 East Fremantle Oval	20.0	20.0	-
64 SmartRider 2.0	23.6	23.6	-
65 Capping Transperth Fares at 2 Zones	42.6	42.6	-
66 New Multistory Car Park at Greenwood Station	28.0	28.0	-
67 Peel Women's Health Program	1.6	1.6	-
68 Peel Agrifood Activation Fund - Food Technology Facility Project	8.5	8.5	-
69 Bunbury Regional Prison Alcohol and Other Drug Facility	9.2	9.2	-
70 Orton Road	4.1	4.1	-
71 Kargotich Road	9.3	9.3	-
72 Soldiers Road	4.6	4.6	-
73 Bunbury School Infrastructure	3.0	3.0	-
74 STEM Infrastructure: Bunbury, Vasse & Warren-Blackwood	6.6	6.6	-
75 Bunbury, Vasse & Warren-Blackwood Sport And Community Infrastructure	9.0	9.0	-

ELECTION COMMITMENT COSTINGS

Commitment Title	Labor Party	Treasury	Net Debt
	Costing	Costing	Variance
	Impact on	Impact on	
	Net Debt	Net Debt	
	to 30 Jun 2024	to 30 Jun 2024	
	\$m	\$m	\$m
76 Busselton Jetty - Discovery Centre ^(b)	-	-	-
77 Trial of the Caring Dads Program	0.1	0.1	-
78 Harvey Trail Precinct	0.1	0.1	-
79 Peel Regional Trails	2.0	2.0	-
80 Dwellingup Trails Gap Project	2.7	2.7	-
81 STEM Schools - Murray Wellington	6.0	6.0	-
82 Murray-Wellington, Mandurah & Dawesville Sport And Community Infrastructure	7.4	7.4	-
83 South West Manufacturing Hub	2.0	2.0	-
84 Collie Industry Attraction Fund	15.0	15.0	-
85 Cycling Package	15.1	15.1	-
86 Collie Preston School Infrastructure	8.0	8.0	-
87 Collie Recreation Ground lighting	0.4	0.4	-
88 Yellagonga Regional Park	8.4	8.4	-
89 Animal Welfare Package (1)	6.8	6.8	-
90 Animal Welfare Package (2) Grants	1.5	1.5	-
91 Rickman Delawney Reserve	0.5	0.5	-
92 Meekatharra Hospital	5.0	5.0	-
93 Mount Augustus Tourism Infrastructure	4.0	4.0	-
94 STEM Schools - North West Central	1.6	1.6	-
95 Carnarvon One Mile Jetty Repairs	4.5	4.5	-
96 Increased Support for Mature Age Apprentices	5.0	5.0	-
97 Additional Training Places For School-Aged Students	17.8	17.8	-
98 Leach Highway and Fifth Avenue Intersection in Rossmoyne	5.0	5.0	-
99 Green Street and Scarborough Beach Road Intersection	5.5	5.5	-
100 Metro Intersection/Black Spot Program	17.8	17.8	-
101 Flynn Drive Dual Carriageway Upgrades	20.0	20.0	-
102 STEM Schools - Agricultural Region	5.0	5.0	-
103 DHHS Schools List - Agricultural Region	2.8	2.8	-
104 Expanding the Respectful Relationships Program (School Support Package)	1.0	1.0	-
105 Increase in School Psychologists (School Support Package)	25.5	25.5	-
106 Expanding School Chaplaincy Services (Student Support Package)	12.9	12.9	-
107 Violence in Schools - Alternative Learning Settings (Student Support Package)	27.0	27.0	-
108 Safe Home Safe Family (Additional Metro One-stop Family and Domestic Violence Hub)	6.2	6.2	-
109 Safe Home Safe Family (Additional Regional One-stop Family and Domestic Violence Hub)	7.0	7.0	-
110 Law Reform and Justice Services (Expand Restraining Orders Conferencing Pilot)	5.8	5.8	-
111 Law Reform and Justice Services (Trial Establishment of Family and Domestic Violence Forensic Services)	2.5	2.5	-
112 Safe Home Safe Family (Boost to Safe at Home Packages)	3.1	3.1	-

(b) This commitment is assumed to be funded from within existing agency resources, resulting in no impact on the State's net debt.

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Commitment Title	Labor Party	Treasury	Net Debt
	Costing	Costing	Variance
	Impact on	Impact on	
	Net Debt	Net Debt	
	to 30 Jun 2024	to 30 Jun 2024	
	\$m	\$m	\$m
113 Prevention of Family and Domestic Violence (Boost to Family and Domestic Violence Prevention Services)	3.1	3.1	-
114 Supporting Survivors (Establish Domestic Violence Counselling Program for Young People)	1.8	1.8	-
115 Safe Home Safe Family (Rapid Rehousing for Aboriginal Women and Children Leaving Refuge)	1.6	1.6	-
116 Safe Home Safe Family (Rapid Rehousing for Women and Children Leaving Refuge)	1.6	1.6	-
117 Law Reform and Justice services (Family and Domestic Violence Focused Program for Women in Prison)	1.5	1.5	-
118 Prevention of Family Violence (Expand Sector-Recognised Training to Other First Responders)	1.5	1.5	-
119 Safe Home Safe Family (Extension of the Safe Pathways Pilot)	1.2	1.2	-
120 Safe Home Safe Family (Expand Pets in Crisis)	1.0	1.0	-
121 Supporting Survivors (Subsidised Dental Treatment)	0.7	0.7	-
122 Supporting Survivors (Subsidised Driving Lessons for Women Exiting Refuge)	0.4	0.4	-
123 Prevention of Family Violence (Expand Respectful Relationship Approaches)	0.8	0.8	-
124 North East Rapid Transit - Feasibility Study	5.0	5.0	-
125 Wanneroo Activity Corridor	1.0	1.0	-
126 Estuary Bridge	55.0	55.0	-
TOTAL	1,027.1	1,027.6	0.5