



Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral	
Party:	Australian Labor Party
Summary of proposal: The proposal would defer the Hells Gates Dam project by one year.	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$450 million over the 2022-23 Budget forward estimates period. This is entirely due to a decrease in administered expenses over the forward estimates period from deferring the Hells Gates Dam project by one year.

The proposal would have a financial impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

There is uncertainty around the funding profile of the Hells Gates project. While the total funding allocated is consistent with the 2022-23 Budget, the funding profiles for each year are only determined on the signing of agreements. As such, the funding in each year to 2032-33 is an estimate only.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	50	50	350	450
Underlying cash balance	-	50	50	350	450

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- All existing contractual commitments would be honoured and would not be recoverable.
- Departmental funding is minimal and not included in this costing

Methodology

The PBO estimated the funding profile of the *Hells Gates Dam* over the medium term to 2032-33 in consultation with the Department of Infrastructure, Transport, Regional Development and Communications.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.¹

Data sources

Australian Government (2022) *Budget 2022-23*, Australian Government.

¹ https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral – financial implications

Table A1: Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral – Fiscal and underlying cash balances (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
<i>Administered</i>	-	50	50	350	250	25	-	25	-	-100	-150	450	500
Total – expenses	-	50	50	350	250	25	-	25	-	-100	-150	450	500
Total (excluding PDI)	-	50	50	350	250	25	-	25	-	-100	-150	450	500

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Ensure Proper Consultation on Hells Gates Dam proposal – one year deferral – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-	0.6	1.7	6.3	13.5	17.3	18.1	19.0	20.0	19.0	15.2	8.6	130.7
Underlying cash balance	-	0.5	1.6	5.7	12.6	16.8	18.0	18.9	19.9	19.1	15.7	7.8	128.8

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

² [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)