



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	WestConnex
Date of request:	19 February 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Deliver WestConnex within the \$5.3 billion existing funding allocation.
What is the purpose or intention of the policy?	Deliver WestConnex within existing budget funding while ensuring its implementation is informed by a rigorous business case and full cost benefit analysis.
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>	-	-	-	-	-	-
Impact on GGS capital expenditure <sup>4</sup>	-	-	-	-	-	-
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>	-	-	-	-	-	-

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>NSW Labor will maintain funding of \$5.3 billion for the delivery of the WestConnex program, consistent with existing funding arrangements (see <a href="#">Attachment 1</a>).</p> <p>The M4 widening project will be delivered on its existing timeline. A Labor Government commits not proceed with the St Peter's interchange and will halt all associated compulsory acquisitions.</p> <p>The government will finalise the route subject to expert advice from Infrastructure NSW with priority being given to connections to the city, port and airport. This will form part of a comprehensive business case to be developed by Infrastructure NSW with oversight by the Auditor General, including a rigorous cost-benefit analysis. The final route selected will be subject to a decision of government.</p> <p>It is the intention of the election commitment to deliver the project within the existing budget allocation of \$5.3 billion. The project parameters may be scaled to funds available (including through financing arrangements with the private sector) in order to deliver on this commitment.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
Are there associated savings, offsets or expenses? If yes, please provide details.	Business case, cost benefit analysis and community consultation to be undertaken within existing agency resources.

<b>Administration of policy</b>	
Intended date of implementation:	Consistent with the existing schedule.
Intended duration of policy:	..
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	NSW Roads and Maritime, Infrastructure NSW, Transport for NSW.

Are there any specific administrative arrangements for the policy that need to be taken into account?	Finalisation of the route will be subject to a decision of government. This will be subsequent to the release of the business case and comprehensive Environmental Impact Statement along with ongoing community consultation on all components of this project.
Are there transitional arrangements associated with policy implementation?	No.

<b>If the policy is mainly a capital costs<sup>6</sup> commitment</b>	
Type of work, size and capacity:	See <u>Assumptions</u> .
Proposed start and completion date of work:	Consistent with existing arrangements.
Intended construction schedule/cashflow:	..
Offsetting expenditure savings:	N/a.
Associated asset sell off (if any):	No. NSW Labor's infrastructure investments will be fully funded without privatising the state's electricity network assets.
On-going maintenance, depreciation and operational expenses:	Consistent with existing arrangements.
Third party funding involvement:	..

---

<sup>6</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

## **Attachment 1 – Existing NSW Government funding arrangements**

Total funding currently available for the Westconnex project is \$5.3 billion. Private sector capital raised against toll revenue will be used to fund further stages of the project. Tolling is necessary to fund WestConnex.

Current funding for the Westconnex includes:

- The NSW Government is investing \$1.8 billion;
- The Australian Government has committed \$1.5 billion over the next four years;
- The Australian Government is also providing a \$2 billion concessional loan to the NSW Government

Current funding allows construction work on the first stage (M4 Widening) to get under way in 2015. The concessional loan provided by the Commonwealth brings forward the M5 East section of WestConnex.