



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Telecommunication services in regional NSW
Date of request:	16 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	To eliminate some of NSW's worst mobile phone black spots
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>		8,340	8,549	8,741	25,630	
Impact on GGS capital expenditure <sup>4</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party?

<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.

If yes, can you provide a copy of this costing and its assumptions?

<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>	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

<b>Administration of policy</b>	
Intended date of implementation:	April 2015
Intended duration of policy:	Forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	NSW Government Telecommunications Authority, NSW Trade and Investment
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

<b>If the policy is mainly an expenditure<sup>6</sup> commitment</b>	
Demand driven or a capped amount:	Capped
Eligibility criteria or thresholds:	Refer to Attachment B

<b>If the policy is mainly a revenue commitment</b>	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

<b>If the policy is mainly a capital costs<sup>7</sup> commitment</b>	
Type of work, size and capacity:	-
Proposed start and completion date of work:	-
Intended construction schedule/cashflow:	-
Offsetting expenditure savings:	-
Associated asset sell off (if any):	-
On-going maintenance, depreciation and operational expenses:	-
Third party funding involvement:	-

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
  - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
  - For example, will additional staff be needed in the agency responsible for the policy?
  - If you have assumptions on this, how many and at what approximate levels?
  - Are there other administrative resources required?
  - Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</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.

## A re-elected Baird Government will extend mobile phone coverage for regional communities



**The Baird Government is committed to providing improved services to our regional communities.**

The Baird Government recognises the social and economic importance of reliable mobile phone coverage in regional NSW.

Australia's three national mobile network operators collectively claim to provide mobile coverage to 99 per cent of the population. However, reflecting the country's highly urbanised population, this level of coverage equates to only around 25 per cent of the Australian landmass. Of the 6,200 unique mobile 'black spots' on the Commonwealth Department of Communications database, 1,822 are in NSW.

As part of its commitment to providing improved services and driving economic growth in regional communities, the NSW Liberals & Nationals Government will commit \$25 million over four years to eliminating some of the state's worst mobile phone black spots.

We will work with the Commonwealth Government, which has committed \$100 million over four years to the delivery of its Mobile Black Spot Programme. This programme will improve coverage along major transport routes, in small communities and in locations prone to experiencing natural disasters, as well as addressing unique mobile coverage problems.

### **A re-elected Baird Government will:**

- ✓ Commit \$25 million over four years to eliminating some of the State's worst mobile phone black spots



# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** Improving telecommunication services in regional areas of NSW

**Lead Agency:** NSW Government Telecommunications Authority, NSW Trade and Investment

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	8,340	8,549	8,741	25,630
Depreciation	0	0	0	0	0
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	-8,340	-8,549	-8,741	-25,630
Capital Expenditure	0	0	0	0	0
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	0	0	0	0
<b>Net Lending/Borrowing:</b>	0	-8,340	-8,549	-8,741	-25,630
<b>Net Financial Liabilities:</b>	0	8,340	16,889	25,630	

### Total State Sector Impacts

<b>Net Financial Liabilities:</b>	0	8,340	16,889	25,630
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### Notes and costing assumptions used:

The proposal is to participate in the Commonwealth Government's \$100 million Mobile Blackspot Programme (the Programme) that encourages telecommunication providers to invest in regional areas where there are mobile communication blackspots. State and local governments are asked to identify cash or in-kind co-contributions to support proposals by telecommunication businesses.

It is assumed that program expenditure will be contributions to telecommunications providers (the Programme's principal participants) which is categorised as recurrent grants and subsidies.

The Programme is a four year program commencing in 2014-15 and finishing in 2017-18. The costing assumes the timing of NSW Government expenditure will align with the last three years of the Commonwealth's planned expenditure.

NSW Government co-contributions may take the form of 'in-kind' contributions like rental subsidies or access rights to existing NSW radio infrastructure, which would change the costing and could have different budget impacts.