



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 21/11/2018

Proposal No: A133
Date Published: 18/03/2019

Proposal Title: Review the classifications of roads in NSW

Cluster: Transport

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	416	639	470	491	2,015
Depreciation	-	-	-	-	-
Less: Offsets	416	639	470	491	2,015
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	-	-	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
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Notes and costing assumptions

The policy proposes a review of the classification of public roads in NSW, which assists in the allocation of State resources to roads funding. The review will be similar in scope to a 2003 review, which involved a panel of experts and extensive stakeholder engagement. The policy proposes for the review to commence on 1 July 2019 and be completed by 30 June 2022.

The cost of the review is expected to be able to be absorbed within Transport for NSW's existing budget allocation, and therefore will have no impact on the total state sector operating result.

Key assumptions

The review cost is based on the cost of a 2006 Audit Office of NSW review, with costs escalated to reflect the additional components and complexity of the proposed review, as well as the additional cost of stakeholder consultation and creation of a review panel. A contingency of 30% has been applied to the project cost due to uncertainty over the travel costs to assess roads: this cost has been split over four years. Standard Transport for NSW indexation rates of 2.25% (to years 2 and 3) and 2.5% (to year 4) have also been applied.

Advice from Transport for NSW is that, in addition to the three years required for this review, internal preparation will be necessary before the review can begin. This internal preparation would include an internal review of existing policies/processes, engagement of staff (labour hire), consultation and planning. The bulk of the expense is expected to occur in 2018-19.