



## Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 14/02/2019

Proposal No: Y043  
Date Published: 18/03/2019

Proposal Title: Opal Park and Ride Expansion

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)	-	422	1,397	1,432	3,251
Depreciation	-	-	1,003	1,809	2,812
Less: Offsets	-	422	1,397	1,432	3,251
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	-	<b>(1,003)</b>	<b>(1,809)</b>	<b>(2,812)</b>

Capital Expenditure	-	10,031	8,055	-	18,086
Capital Offsets	-	10,031	8,055	-	18,086
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Notes and costing assumptions

This policy proposes to extend the Opal Park and Ride Program to ten new stations. The policy will be funded from the existing Transport Cluster budget so there is no impact on net lending. The only impact on the forward estimates is an increase in depreciation associated with capital expenditure. The PBO considers the assumption that costs can be offset elsewhere in the Transport for NSW budget feasible.

The program intends to upgrade certain NSW train station carparks to provide public transport users with access to free parking. Treasury has indicated that, based on data from Transport for NSW, the project can be completed between 2019-20 and 2020-21 with installations at five car parks each year.

#### Cost of the policy

The estimated cost to be absorbed by the Transport Cluster budget would be \$24.1 million over the forward estimates. **Table 1** summarises the estimated costs:

**Table 1**

Cost (\$)	2019-20 '000s	2020-21 '000s	2021-22 '000s	Total
Operating expenses	422	1,397	1,432	3,252
Depreciation expense	-	1,003	1,809	2,812
Capital costs	10,031	8,055	-	18,086
<b>Total cost</b>	<b>10,453</b>	<b>10,455</b>	<b>3,241</b>	<b>24,149</b>

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**Notes and costing assumptions continued:**

Treasury also estimates that revenue of \$2.2 million may be raised during the forward estimates, as a parking fee is collected from customers exceeding the 18-hour free timeframe or not having an Opal card used on public transport (a \$30 flat rate for weekdays and a \$10 flat rate for weekends and public holidays, charged in 24 hour increments). The policy does not predict significant revenue to be raised, and does not specify if any revenue will be used to directly offset the policy cost. As such, the potential revenue has been excluded from the table above.

The PBO considers it feasible for the Transport Cluster to meet the costs of this policy, considering the Cluster has been allocated \$26.6 billion for public transport capital works over the four years to 2021-22, but note that it will require a reprioritisation of projects to meet the cost.

**Key assumptions:**

- Ten stations will be upgraded over two years to provide free parking to public transport users.
- The capital costs are for installation of equipment, major civil works and integration with contactless payment technology.
- Operating costs include a new employee at \$120,000 per annum, escalated at 2.5%, their employee on-costs, and other expenses such as emergency maintenance and general repairs.
- Potential revenue is based on October 2018 actual Park and Ride data, which indicates that each car space will raise approximately \$144 per year. The PBO notes that the actual revenue may vary based on future travel patterns, and that the intention of the policy is not to raise revenue.

The ten stations to be upgraded are:

- Kiama
- Sutherland
- Penrith
- Holsworthy
- Gosford
- Campbelltown
- Hornsby
- Warwick Farm
- Revesby, and
- Jannali.