



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1585
Date Referred: 9/03/2023 **Date Published:** 20/03/2023
Proposal Title: Building for Growth
Cluster: Transport

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	17,000	6,500	3,000	26,500
Depreciation					-
Less: Offsets					-
Revenue					-
Net Operating Balance:	-	(17,000)	(6,500)	(3,000)	(26,500)

Capital Expenditure	-	34,200	29,000	33,000	96,200
Capital Offsets					
Net Capital Expenditure:	-	34,200	29,000	33,000	96,200

Net Lending/(Borrowing):	-	(51,200)	(35,500)	(36,000)	(122,700)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(51,200)	(35,500)	(36,000)	(122,700)
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Notes and costing assumptions:

This policy proposes to provide specific funding contributions to a range of local, transport and active transport projects across New South Wales.

Table 1. List of proposed projects

Picton Bypass
 Traffic Lights at Hambledon Rd and Burdekin Rd
 Nepean River Crossing at Silverdale - business case
 Right turn Bundock and Avoca St - community consultation
 Coal Road Upgrade Muswellbrook
 Scone Heavy Vehicle Overpass
 Mitchell Highway - overtaking lanes
 Reschs Creek Bridge upgrade
 Cumbalum interchange on Pacific Highway - traffic study
 Coffs Harbour noise wall
 Victoria Road Widening - business case
 Sandy Point to Liverpool - Masterplan
 Oatley to Como Pathway
 Factory Road Shared Pathway
 Chatswood Bus Interchange - Strategic Business Case
 Wollondilly area bus service
 Buses on demand service for Manly and Wakehurst

Notes and costing assumptions continued:

These specified funding commitments total \$122.7 million over the forward estimates, with a further \$28 million in 2026-27, totalling \$150.7 million over a 5 year period.

Assumptions

In costing this policy, the PBO has used the following assumptions:

- Grants will be provided to local councils to fund the local road upgrades
- Upgrades to NSW Government roads including planning, design and business cases, will be capital expenditure.
- Funding for Active Transport projects will be reallocated from the Get NSW Active Fund, administered by Transport for NSW.
- Traffic studies and community consultation will be undertaken using existing Transport for NSW budget allocations.

Roads - capital projects

The policy proposes to provide specific funding to five capital roads projects (Table 2).

Table 2 - Funding specified for capital expenditure roads projects

	2022-23	2023-24	2024-25	2025-26	4 year Total	2026-27	5 year total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Picton Bypass	-	-	-	25,000	25,000	25,000	50,000
Nepean River Crossing, Silverdale [#]	-	4,000	-	-	4,000	-	4,000
Mitchell Highway overtaking lanes	-	8,000	16,000	8,000	32,000	-	32,000
Coffs Harbour noise wall	-	5,000	5,000	-	10,000	-	10,000
Victoria Road widening [#]	-	4,000	4,000	-	8,000	-	8,000
Subtotal	-	21,000	25,000	33,000	79,000	25,000	104,000

[#] Proposal is to fund a business case

The PBO has consulted with Transport for NSW, who have advised, regarding the Picton Bypass project, \$50 million could go towards finalising the business case, and initial land acquisitions and site works.

Roads – other projects

The policy proposes to provide specific operational expenditure to the following projects (Table 3).

Table 3. Funding specified for other roads projects

	2022-23	2023-24	2024-25	2025-26	4 year Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Traffic Lights at Hambledon Rd and Burdekin Rd	-	5,000	-	-	5,000
Right turn Bundock and Avoca St - consultation	-	-	-	-	-
Coal Road Upgrade Muswellbrook	-	3,500	3,500	-	7,000
Scone Heavy Vehicle Overpass	-	4,000	-	-	4,000
Reschs Creek Bridge upgrade	-	4,500	-	-	4,500
Cumbalum interchange, Pacific Hwy – traffic study	-	-	-	-	-
Subtotal	-	17,000	3,500	-	20,500

The PBO has consulted with Transport for NSW, who have advised:

- There is no current federal commitment to the Scone Heavy Vehicle Overpass, a business case would typically cost between \$3.5 and 5 million for a project of this scale.
- To determine the cost of the Coal Road Upgrade Muswellbrook, a business case would be required. The funding nominated would be sufficient for a business case.
- Costs for the traffic study (Cumbalum interchange) and right turn at Bundock St and Avoca St (consultation) can be plausibly absorbed by the department.

The PBO understands the Reschs Creek Bridge upgrade will constitute a grant to the council. The PBO has not been able to verify the scope or costs of the project, and Transport for NSW notes costs for bridge projects can be highly variable.

Notes and costing assumptions continued:

Active transport projects

The policy proposes to provide specific funding to the three active transport projects, and suggests funds should be re-allocated from the Get NSW Active Fund (Table 4). The Get NSW Active program, formerly known as the Walking and Cycling Program, provides grants to local councils for projects that 'create safe, easy, and enjoyable walking and cycling trips', and is administered by Transport for NSW. The 2022-23 program disbursed \$117 million across 282 projects, and that the 2023-24 program has \$50 million 'committed'.¹

Table 4. Specific funding drawn from the Get NSW Active fund for active transport projects

	4 year Total (\$'000)
Sandy Point to Liverpool	5,000
Oatley to Como Pathway	8,000
Factory Road Shared Pathway	1,500
Subtotal	14,500

The PBO understands these initiatives would be driven by local councils, who would select final designs and therefore determining final costs. As such the PBO is not able to assess these allocations in relation to the full total project costs.

As the policy stipulates these allowances would be re-allocated from the Get NSW Active Fund, the PBO assumes these funds have already been recognised in existing state budget estimates, and therefore will have nil impact on forecast net lending. The PBO has not been able to verify the balance of the Get NSW Active fund in the time available to produce this costing.

Public transport projects

The policy proposes to provide specific funding to the three public transport projects (Table 5).

Table 5. Funding specified for public transport projects

	2022- 23	2023- 24	2024- 25	2025- 26	4 year Total	2026- 27	5 year total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chatswood Bus Interchange - capex	-	4,000	4,000	-	8,000	-	8,000
Wollondilly area bus service - opex	-	-	3,000	3,000	6,000	3,000	9,000
Wollondilly area bus service - capex	-	9,200	-	-	9,200	-	9,200
On-demand buses: Manly and Wakehurst	-	-	-	-	-	-	-
Subtotal - capex	-	13,200	4,000	-	17,200	-	17,200
Subtotal - opex	-	-	3,000	3,000	6,000	3,000	9,000

The policy specifies that the operating costs to deliver on-demand buses in Manly and Wakehurst of (\$2 million per annum) should be absorbed by Transport for NSW. The PBO notes this will be in addition to setup costs, potentially on the order of \$300,000.

The PBO notes that NSW Transport has previously advised:

- that \$8 million for the Chatswood Bus Interchange is sufficient to produce an investment brief and strategic business case
- The Wollondilly area bus service will provide two routes, one between Wilton and Picton, and one between Wilton and Campbelltown, for a capital expenditure of \$9.2 million and annual operating and maintenance costs of \$3 million.

¹ Transport for NSW, *Get NSW Active*, Reviewed 2 Feb 2023, <https://www.transport.nsw.gov.au/projects/programs/walking-and-cycling-program>