



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party

Proposal No: C1651

Date Referred: 13/03/2023

Date Published: 20/03/2023

Proposal Title: Reopen Elliot St Wharf

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)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	-	1,000	7,150	8,150
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	1,000	7,150	8,150

Net Lending/(Borrowing):	-	-	(1,000)	(7,150)	(8,150)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	(1,000)	(7,150)	(8,150)
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Notes and costing assumptions:

The policy proposes to reopen and restore services to the Elliot St Wharf (the wharf) in Balmain.

The policy is intended to be implemented on 1 July 2024. The cost of the policy over the forward estimates is \$8.2 million.

The total cost of the project is \$28.9 million, including \$27.8 million capital expenses and \$1.1 million operating expenses. Of the \$27.8 million capital expenses, \$21.8 million is for building the wharf infrastructure and \$6.0 million is for purchasing a new vessel.

After the ferry services are restored in 2026-27, additional funding would be required to operate and maintain the vessels and the wharf.

Key assumptions for the wharf costing:

- Transport has advised that the costing is based on recent similar wharf projects (pontoon size of 18m x 9m x 2m) using the existing procurement and construction model.
- The costing assumes that the existing wharf will be demolished, and the new wharf built is compliant with the requirements in the *Disability Discrimination Act 1992*.

Notes and costing assumptions continued:

- The costing includes \$1.0 million concept development costs, \$4.0 million project planning/development costs, and \$16.8 million project delivery costs. The project delivery costs have been escalated by 5 per cent from the current rates.
- The costing assumes no land acquisition costs and no emergency maintenance costs.
- The costing includes a 42.5 per cent contingency based on recent tenders and the known risk profile.
- The Parliamentary Budget Office (PBO) estimates the annual operating expense for the wharf when the project is delivered in 2026-27 to be \$169,634. This estimate is based on Transport's advice of the average wharf maintenance cost in 2022-23, escalated using the Sydney Consumer Price Index.

Key assumptions for the ferry costing:

- The costing assumes no weekend services.
- Transport has considered the availability of fleet, overnight berthing facilities and shore services required to restore the services to the wharf and advised that one additional vessel needs to be purchased. Transport assumes the new vessel to be River Class in their current configuration (i.e., diesel propulsion). No provision has been made for electric propulsion or the infrastructure to support electric ferries.
- Transport has advised that additional overnight berthing costs and associated costs may be required depending on the broader network and fleet plans.
- The costing excludes any capital or operating costs to provide additional bus services to and from the wharf.
- The annual operating expense for the vessel is estimated to be \$924,129 in 2026-27. This estimate is based on Transport's advice and escalated using the Sydney Consumer Price Index.

Implementation risks:

- Transport has advised that wharf upgrades are complex because of the site environment, ageing infrastructure, safety, heritage, accessibility, assurance, procurement, and other detailed requirements. As such, costs provided are only high-level estimates and subject to change once detailed design and site investigation have been done.
- Additional maintenance costs of the wharf would be required if there are changes required to the wharf design.
- Additional funding would be required if land acquisition is required.
- Transport has advised that ferry services are managed by private operators. The costing uses current rates and base assumptions, which may change after commercial negotiations.