

## Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Toll cap –\$60 per week per account from 1 January 2024
Date of request:	13 March 2023

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	<p>This policy would see a limit on tolls paid on the Sydney motorway network within a one week period.</p> <p>Tolls paid per account above \$60 in any one week period will be refunded to those who lodge bank details with Service NSW, on a quarterly basis.</p>
Has the policy been publicly released yet?	No.

Your estimated costing of the policy <sup>1</sup>						
	2022/23 \$M	2023/24 \$M*	2024/25 \$M	2025/26 \$M	2026/27 and later years <sup>2</sup> \$M	Total \$M
Impact on GGS expenses						
Impact on GGS revenue						
Impact on General Government Sector (GGS) net operating result <sup>3</sup>						
Impact on GGS capital expenditure <sup>4</sup>						
Impact on GGS net lending/borrowing						

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Not costed by a third party.

Parameters used are based on previous PBO methods – see [ALP Proposal A006](#) from 2019.

<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 or will assist in public understanding of the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	Yes: <a href="https://www.chrisminns.com.au/tollcaps">https://www.chrisminns.com.au/tollcaps</a>
What assumptions have been made in deriving the financial impacts in your estimated costing?	<p>It would be set at a weekly limit – modelled here is \$60 per week (or \$3132 per year).</p> <p>The policy would apply to private toll accounts only (not business).</p> <p>The cap would commence at the beginning of 2024 at \$60 and be indexed annually at 4% (consistent with most underlying tolls). Sydney CPI is forecast by NSW Treasury to 3.25% by FY24 and after (FY23 NSW Budget BP1 p2-1), so 4% is likely to apply to most tollroads.</p> <p>Drivers would pay the toll and have overcap tolls refunded to a nominated account on a quarterly basis as is currently done for M5 Cashback and the new toll relief scheme. It is assumed that 74% of eligible account holders will claim the refund.</p> <p>Additional administrative measures would likely be required. See below.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Yes.

Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses?  
If yes, please provide details.

Yes.

M5W Cashback would remain in place.

The Government's new 40% toll relief policy recently announced would remain as per budget and the previous toll relief scheme that provided half price or free registration both of which end 30 June 2024.

Neither of these programmes are impacted by this policy.

<b>Administration of policy</b>	
Intended date of implementation:	1 January 2024
Intended duration of policy:	Policy is temporary and will be in place for two and half years until end 2025-26.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Transport for NSW, Service NSW
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	<p>Administrative measures would be likely with this policy as it would have a strong incentive effect to aggregate vehicles under one account (there is currently no limit to tags per account). This could include:</p> <ul style="list-style-type: none"> <li>• A short cap period (a week is proposed in this policy)</li> <li>• Limiting cars per account (not applied in this costing).</li> </ul> <p>GST will be collected by operators and passed on to the Federal Government. The State Government will refund to drivers the full toll, including the GST component.</p>
Are there transitional arrangements associated with policy implementation?	<p>Currently, the Government's new toll scheme will end on June 30, 2024.</p> <p>This cap will sit alongside a process for developing a fairer toll system, which could take effect in a later year.</p> <p>This will mean that drivers in 2024 are eligible to receive \$750 from the government toll relief scheme as well as any refunds from the \$60 cap.</p>

<b>If the policy is mainly an expenditure<sup>5</sup> commitment</b>	
Demand driven or a capped amount:	Demand driven.
Eligibility criteria or thresholds:	Yes, private registered vehicles and toll cap level. Cap is applied at account level.