



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals and Nationals
Name of Policy:	Parramatta River – More ferries and services
Date of request:	8 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Provide more ferries and ferry services along Parramatta River
Has the policy been publicly released yet?	

Your estimated costing of the policy <sup>1</sup>						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years <sup>2</sup> \$'000
Impact on General Government Sector (GGS) net operating result <sup>3</sup>				7,554	7,554	
Impact on GGS capital expenditure <sup>4</sup>	1,000	2,000	11,000	9,750	23,750	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

**Note:** Has the policy been costed by a third party? NSW Treasury

<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.

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

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

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

If yes, can you provide a copy of this costing and its assumptions?

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

<b>Administration of policy</b>	
Intended date of implementation:	1 April 2015
Intended duration of policy:	Over the forward estimates
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Transport
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

<b>If the policy is mainly an expenditure<sup>6</sup> commitment</b>	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

<b>If the policy is mainly a revenue commitment</b>	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

<b>If the policy is mainly a capital costs<sup>7</sup> commitment</b>	
Type of work, size and capacity:	See attachments A&B
Proposed start and completion date of work:	See attachments A&B
Intended construction schedule/cashflow:	See attachments A&B
Offsetting expenditure savings:	See attachments A&B
Associated asset sell off (if any):	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
  - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
  - For example, will additional staff be needed in the agency responsible for the policy?
  - If you have assumptions on this, how many and at what approximate levels?
  - Are there other administrative resources required?
  - Alternatively, are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

## A re-elected Baird Government will deliver a \$100 million ferry boost for the Parramatta River



### The Baird Government is committed to improving ferry services on the Parramatta River.

Ferry patronage has grown considerably since March 2011, particularly on the Parramatta River services and on weekends.

While in Government, Labor slashed hundreds of ferry services, reducing frequency and driving people away from the Harbour.

In Labor's ten year transport plan they forecast a decline in ferry patronage and did not seek to invest in new ferries or wharves. Most ferries are more than 20 years old.

Since March 2011, the Baird Liberal Government has franchised Sydney Ferries to the private sector, which has improved customer service and achieved record patronage. We have:

- delivered 220 additional weekly ferry services,
- upgraded wharves across the harbour; and
- called for tenders to deliver six new Inner Harbour ferries.

Building on this achievement, a re-elected Baird Government will provide \$100 million for a Parramatta River ferries package that will deliver new ferries, more services, a new wharf at Rhodes, upgrades to existing wharves and new commuter car parking at Cabarita Wharf.

### A re-elected Baird Government will:

- ✓ Deliver four new state-of-the-art Rivercat ferries for the Parramatta River - providing 80 extra weekly services up river, including targeted extra peak services
- ✓ Deliver a brand new wharf at Rhodes to be serviced by these new ferries and services
- ✓ Undertake major upgrades to ferry wharves at Abbotsford, Cabarita, Chiswick, Parramatta, Meadowbank, Rydalmere, Birchgrove and Cockatoo Island
- ✓ Provide new commuter car parking at Cabarita Wharf



# Back The Baird Plan and keep NSW working.

## 2015 Election Policy Costing

**Proposal Title:** New Ferries and More Ferry Services  
**Lead Agency:** Transport for NSW

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	0	0	6,304	6,304
Depreciation	0	0	0	1,250	1,250
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	0	0	-7,554	-7,554

Capital Expenditure	1,000	2,000	11,000	11,000	25,000
Less: Depreciation	0	0	0	1,250	1,250
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	1,000	2,000	11,000	9,750	23,750

<b>Net Lending/Borrowing:</b>	-1,000	-2,000	-11,000	-17,304	-31,304
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<b>Net Financial Liabilities:</b>	1,000	3,000	14,000	31,304	
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### Notes and costing assumptions used:

The gross operating costs (incl. depreciation) of the proposal are \$7.6 m between 2014-15 and 2017-18. The gross capital costs are \$25m between 2014-15 and 2017-18.

The costing is for funding additional to the current Transport Capital Plan (TCP). The TCP currently includes 6 new inner harbour ferries which are being delivered under the Sydney's Ferry Future program. However, the 4 new Rivercat ferries are not in the current TAM and require additional consolidated fund support.

The costing assumes \$5m for vessel concept design / development / procurement / management costs and \$5m per vessel for construction. The cost estimate for the new Rivercat vessels are informed by design work undertaken for new Inner Harbour vessels. The \$25m capital cost will be depreciated over 20 years from 2017-18 on a straight line basis.

TfNSW advise that the total commitment of this policy (including TCP funding) equates to over \$100 million from 2014 to 2019.