



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

Details of request	
Party:	Liberals / Nationals
Name of Policy:	Trial car sharing services in government
Date of request:	10 March

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Refer to Attachment A
What is the purpose or intention of the policy?	Require public servants to use cost effective transport services with a view to reducing the size and cost of the government fleet
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>		-2,115	-2,115	-2,115	-6,345	
Impact on GGS capital expenditure <sup>4</sup>		-5,981	1,564	1,564	-2,853	
If different from above, impact on total State Sector net financial liabilities <sup>5</sup>						

<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.

**Note:** Has the policy been costed by a third party?  
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?	-
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	Refer to Attachment B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Refer to Attachment B
Are there associated savings, offsets or expenses? If yes, please provide details.	Refer to Attachment B

<b>Administration of policy</b>	
Intended date of implementation:	From April 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of Finance and Services
Are there any specific administrative arrangements for the policy that need to be taken into account?	Refer to Attachment B
Are there transitional arrangements associated with policy implementation?	Refer to Attachment B

<b>If the policy is mainly an expenditure<sup>6</sup> commitment</b>	
Demand driven or a capped amount:	Demand
Eligibility criteria or thresholds:	Refer to Attachment 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:	-

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<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:	Refer to Attachments A&B
Proposed start and completion date of work:	Refer to Attachments A&B
Intended construction schedule/cashflow:	Refer to Attachments A&B
Offsetting expenditure savings:	Refer to Attachments A&B
Associated asset sell off (if any):	Refer to Attachments A&B
On-going maintenance, depreciation and operational expenses:	Refer to Attachments A&B
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.

## THE NSW GOVERNMENT WILL TRIAL CAR SHARING SERVICES IN GOVERNMENT

The NSW Government is committed to reducing waste and inefficiency across the public sector. We recognise that there are new and innovative ways to achieve savings across Government which can then be redirected to boost frontline services.

### **If elected, the Baird Government will:**

- conduct a trial of car share services with a view to reducing the size and cost of the Government fleet
- require public servants to use cost-effective transport services, including car sharing services
- support and develop innovative and efficient car sharing businesses

Government agencies operate separate car pools and do not share car pool vehicles, resulting in underutilised vehicles across all agencies

A NSW Treasury review of Government fleet vehicles estimated that more than 12,000 Government vehicles were underutilised, and that the fleet could be reduced by 4,000 vehicles without affecting service delivery.

It is important that we reduce this waste and cost to tax payers of Government car pools. Every dollar saved can be used to fund improvements to frontline services.

At the same time we can promote growth and expansion of car share services in outer metropolitan and regional areas for the benefit of the community.

## 2015 Election Policy Costing

**Proposal Title:** Reduce to cost of Government Car Pools and re-direct the savings to front line services

**Lead Agency:** Office of Finance and Services

### General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	-551	-551	-551	-1,653
Depreciation	0	-1,564	-1,564	-1,564	-4,692
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	0	0	0	0
<b>Net Operating Result:</b>	0	2,115	2,115	2,115	6,345
Capital Expenditure	0	-7,545	0	0	-7,545
Less: depreciation	0	-1,564	-1,564	-1,564	-4,692
Capital Offsets	0	0	0	0	0
<b>Net Capital Expenditure:</b>	0	-5,981	1,564	1,564	-2,853
<b>Net Lending/Borrowing:</b>	0	8,096	551	551	9,198
<b>Net Financial Liabilities:</b>	0	-8,096	-8,647	-9,198	

### Notes and costing assumptions used:

The proposal is to reduce the size and cost of Government car pools by utilising car sharing services. OFS is undertaking a 3 month trial of car share arrangements commencing in early February, which should assist in substantiating the benefits from this proposal. A draft trial evaluation report is due mid May 2015.