



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 7/01/2019

Proposal No: A225  
Date Published: 18/03/2019

Proposal Title: Toll relief - maintain existing arrangements

Cluster: Transport

## General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	68,500	101,800	173,600	343,900
<b>Net Operating Balance:</b>	-	<b>68,500</b>	<b>101,800</b>	<b>173,600</b>	<b>343,900</b>

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	<b>68,500</b>	<b>101,800</b>	<b>173,600</b>	<b>343,900</b>
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## Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	<b>68,500</b>	<b>101,800</b>	<b>173,600</b>	<b>343,900</b>
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## Notes and costing assumptions

The policy proposes not to proceed with the scheduled 1 July 2019 changes to the Toll Relief Program (announced by the NSW Government on 10 December 2018) which extended the pool of customers eligible for Toll Relief. Not implementing this extension will generate a saving of \$344 million over the forward estimates.

### Key assumptions:

- The initial Toll Relief Program commenced 1 July 2018 and offered free registration to drivers who spend \$25 or more per week (\$1,300 or more per year), on one tag or tagless account (privately owned vehicles only).
- The current budget allocation over the forward estimates for the Toll Relief Scheme is:

2019-20 \$000	2020-21 \$000	2021-22 \$000	4 year Total \$000
37,000	43,000	48,000	128,000

- The extension of the Toll Relief Program announced on 10 December 2018 offers half price vehicle registration to drivers who spend at least \$650 a year or \$15 per week in tolls.

**Notes and costing assumptions continued:**

- The savings from not implementing the extension of the program have been calculated based on the number of E-Tag accounts that incur between \$780 and \$1,300 in toll charges per year per account. Data provided by Roads and Maritime Services (RMS) below shows the estimated total number of people who may make a claim:

<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
411,208	420,622	628,870

- The costing in the years 2020 and beyond includes a percentage of drivers using newly opened motorways. This has been calculated by RMS by analysing trip share patterns in E-Tag data across the M7, M5, Lane Cove Tunnel, Cross-City Tunnel, Sydney Harbor Bridge, WestConnex, the Eastern Distributor and the M2.
- The costing assumes an average annual vehicle registration cost of \$424, based on the current rebate scheme actuals.
- RMS has advised that the forward estimates assume an increase of six percent of drivers in 2019-20 and three percent for the following years.
- Transport for NSW (TfNSW) has provided advice that includes an appropriate escalation rate to account for changes in the price of the \$424 registration cost over the forward estimates.
- If toll relief claimants are lower than expected, the forward estimates will likely be adjusted in future years.
- As this costing is based on the current estimates, the policy option will lead to savings against the forward estimates regardless of actual take up.