

## Election Costing Request Form

Details of request	
Party:	Liberals & Nationals Government
Name of Policy:	Rural and Regional Hub and Spoke Trials
Date of request:	12 February 2019

Description of policy	
<p>Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):</p>	<p>This policy will trial the roll-out of additional weekly transport services (initially on a 12 month trial basis) to 44 isolated communities across rural and regional NSW by providing 13 additional flexible transport routes to connect these communities with a regional centre, city, or a scheduled public transport service that enables them to make a day return trip to a regional centre or city.</p> <p>The 13 new routes are:</p> <ul style="list-style-type: none"> <li>• Moree – Walgett, via Collarenebri via a weekly day return NSW TrainLink coach service provided between Walgett and Dubbo.</li> <li>• Goodooga – Lightning Ridge via a weekly day return NSW TrainLink coach service provided between Lightning Ridge and Dubbo.</li> <li>• Trunkey Creek – Bathurst via a weekly day return bus / coach service to Bathurst.</li> <li>• Dubbo – Mudgee, via Ballimore, Spicers Creek, Goolma and Gulgong via a weekly day return bus / coach service to Mudgee.</li> <li>• Tambar Springs – Tamworth, via Premer, Spring Ridge, Caroon and Currabubula via a weekly day return bus / coach service to Tamworth.</li> <li>• Goondiwindi (QLD) – Inverell, via Boggabilla, Toomelah, North Star, Yetman and Ashford via a weekly day return bus / coach service to Inverell. Connecting with existing coach connections to Grafton and Armidale.</li> <li>• Ben Lomond – Guyra via a weekly day return NSW TrainLink rail service provided between Guyra and Armidale.</li> </ul>

	<ul style="list-style-type: none"> <li>• Tumut – Wagga Wagga, via Grahamstown, Tarcutta and Ladysmith via a weekly day return bus / coach service to Wagga Wagga. Connecting with an existing rail connections to Sydney/Melbourne.</li> <li>• Conargo – Echuca (VIC), via Deniliquin via a weekly day return bus / coach service to Echuca. Connectng with existing rail/coach connections to Melbourne.</li> <li>• Wyangala – Canberra, via Cowra, Murringo and Boorowa via a weekly day return bus / coach service to Cowra (for Wyangala community) and Canberra.</li> <li>• Cabramurra – Cooma, via Anglers Reach and Adaminaby via a weekly day return NSW TrainLink coach service provided between Cooma and Canberra.</li> <li>• Bigga – Goulburn, via Binda, Crookwell and Grabben Gullen via a weekly day return NSW TrainLink rail service provided between Goulburn and Canberra.</li> <li>• Delegate – Nimmitabel, via Bombala via a weekly day return NSW TrainLink coach service provided between Nimmitabel and Canberra.</li> </ul>
Has the policy been publicly released yet?	No

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	Total \$'000
Impact on GGS expenses					
Impact on GGS revenue					
Impact on General Government Sector (GGS) net operating result <sup>1</sup>					
Impact on GGS capital expenditure <sup>2</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?

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	No
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<ul style="list-style-type: none"> <li>• Duration of trial is minimum 12 months</li> <li>• Customers are assumed to be pensioners (\$2.50 fare)</li> <li>• Cost per hour over 8 hours is \$200</li> <li>• Revenue based on Tottenham to Dubbo trial already completed</li> <li>• Frequency is once per week</li> </ul>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	Revenue of \$10,140 for all services for 12 months.
Are there significant costs or savings <b>outside</b> the forward estimates period which should be considered in costing this policy? <sup>3</sup>	No

<sup>1</sup> Negative for a saving that reduces expenditure

<sup>2</sup> Negative for a reduction in capital expenditure.

<sup>3</sup> Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.

<b>Administration of policy</b>	
Intended date of implementation:	Second half of 2019
Intended duration of policy <sup>4</sup> :	Initial 12 month trial
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Transport for NSW and NSW TrainLink
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	Administration costs will be absorbed by Transport for NSW / NSW TrainLink
Are there transitional arrangements associated with policy implementation?	No

<b>If the policy is mainly an expenditure<sup>5</sup> commitment</b>	
Demand driven or a capped amount:	
Eligibility criteria or thresholds:	Nil

<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:	

<b>If the policy is mainly a capital costs<sup>6</sup> commitment</b>	
<b>Nature of Capital Spending</b>	
Type of work, size and capacity:	N/A
Proposed start and completion date of work:	N/A
Intended construction schedule/cashflow:	N/A
Associated asset sell off (if any):	N/A
<b>Recurrent Impacts</b>	
Offsetting expenditure savings:	
On-going maintenance, depreciation and operational expenses:	
Third party funding involvement:	

<sup>4</sup> Where a policy is intended to be ongoing, please indicate "ongoing" in the space to the right

<sup>5</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

<sup>6</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance.

Delivery model <sup>7</sup>	
-----------------------------	--

**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?
- Will additional staff be needed in the agency responsible for the policy?
  - How many and at what approximate levels?
- Are there other resources required?
- 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.

---

<sup>7</sup> There is a range of possible delivery models, e.g. built, owned and operated by a NSW government agency; built and transferred to a private operator; privately built for public operation; privately built and operated with government assuming risk or providing a guarantee in relation to future income (often applicable to public/private partnership arrangements), and so on. The policy should provide assumptions about the proposed delivery model.