



**POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A  
GENERAL ELECTION**

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| <b>Name of policy:</b>                                                                                                                                                | Transport                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Person requesting costing:                                                                                                                                            | Senator Milne                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Date of request to cost the policy:                                                                                                                                   | 3 September 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <i>Note: This policy costing request and the response to this request will be made publicly available.</i>                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (i.e. from the Treasury or the Department of Finance and Deregulation)? | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Details of the public release of this policy (Date, by whom and a reference to that release)                                                                          | New South Wales, 27 August 2013, Senator Rhiannon, <a href="http://lee-rhiannon.greensmps.org.au/content/news-stories/public-transport-sydney">http://lee-rhiannon.greensmps.org.au/content/news-stories/public-transport-sydney</a><br>Victoria, 30 August 2013, Adam Bandt MP, <a href="http://www.adambandt.com/greens_release_costed_transport_plan_for_melbourne">http://www.adambandt.com/greens_release_costed_transport_plan_for_melbourne</a><br>Hobart, 17 August, Anna Reynolds (Greens candidate for Denison), <a href="http://tas.greens.org.au/content/public-transport-2">http://tas.greens.org.au/content/public-transport-2</a><br>Western Australia, 1 September 2013, Senator Ludlam, <a href="http://scott-ludlam.greensmps.org.au/content/media-releases/bus-boost-suburbs-new-rail-freight-%E2%80%93-greens-launch-more-transport-solutions-w">http://scott-ludlam.greensmps.org.au/content/media-releases/bus-boost-suburbs-new-rail-freight-%E2%80%93-greens-launch-more-transport-solutions-w</a> |
| <b>Description of policy:</b>                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Summary of policy (as applicable, please attach copies of relevant policy documents):                                                                                 | Re-direction of uncontracted Nation Building funds totalling \$2.6 billion to prioritise public transport projects as described in the links above.<br><br>The following sub-programs are excluded funding to be re-directed: <ul style="list-style-type: none"><li>• Blackspots</li><li>• Roads to Recovery</li><li>• Heavy Vehicle safety and Productivity Program</li><li>• Planning, Research and Evaluation</li><li>• Maintenance</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| What is the purpose or intention of the policy?                                                                                                                       | Prioritising public transport projects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>What are the key assumptions that have been made in the policy, including:</b>                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Is the policy part of a package?<br>If yes, list and outline                                                                                                          | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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| components and interactions with proposed or existing policies.                                                                                                                                                                                                   |                                                             |
| Where relevant, is funding for the policy to be demand driven or a capped amount?                                                                                                                                                                                 | Capped                                                      |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?<br>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | State government will be involved in the projects.          |
| Are there associated savings, offsets or expenses?<br>If yes, please provide details.                                                                                                                                                                             | Funding is re-directed from within the Nation Building Fund |
| Does the policy relate to a previous budget measure?<br>If yes, which measure?                                                                                                                                                                                    | The Nation Building Fund.                                   |
| If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?                                                                                                                                   | No                                                          |
| Will the funding/program cost require indexation?<br>If yes, list factors to be used.                                                                                                                                                                             | No                                                          |

**Expected impacts of the proposal**

If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?

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| <b>Estimated financial implications (outturn prices) <sup>(a)</sup></b>                                                                                                                                                                                                                                  |                                                                                                |         |         |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------|---------|-------|
|                                                                                                                                                                                                                                                                                                          | 2013-14                                                                                        | 2014-15 | 2015-16 | 2016- |
| Underlying cash balance (\$m)                                                                                                                                                                                                                                                                            | -                                                                                              | -       | -       |       |
| Fiscal balance (\$m)                                                                                                                                                                                                                                                                                     | -                                                                                              | -       | -       |       |
| (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms. |                                                                                                |         |         |       |
| What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?                                                                                                                              | No budgetary impact as funds re-directed from within existing budget uncontracted allocations. |         |         |       |
| Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?                                                                                                                                                                                         | Yes, PBO 14 August 2013                                                                        |         |         |       |
| What is the expected community impact of the policy?<br>How many people will be affected by the policy?<br>What is the likely take up?<br>What is the basis for these impact assessments/assumptions?                                                                                                    | Better public transport options.                                                               |         |         |       |

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| <b>Administration of policy:</b>                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                            |
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| Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?                                                                                                                                                                                                                                                                                              | Department of Infrastructure.                                                                                              |
| Should departmental expenses associated with this policy be included in this costing?<br><br>If no, will the Department be expected to absorb expenses associated with this policy?<br><br>If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies). | No additional cost as re-directing already existing funds.                                                                 |
| Intended date of implementation.                                                                                                                                                                                                                                                                                                                                                                                        | 2014/15                                                                                                                    |
| Intended duration of policy.                                                                                                                                                                                                                                                                                                                                                                                            | Duration of the Nation Building fund 2014/15 to 2018/19.<br>Re-direction to occur on same profile as Nation building fund. |
| Are there transitional arrangements associated with policy implementation?                                                                                                                                                                                                                                                                                                                                              | No                                                                                                                         |
| List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).                                                                                                                                                                                                                                                                                                                                  |                                                                                                                            |
| Are there any other assumptions that need to be considered?                                                                                                                                                                                                                                                                                                                                                             | No                                                                                                                         |
| <b>NOTE:</b><br><i>Please note that:</i>                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                            |

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- *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 requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.*