



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

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| Name of policy: | Fast-tracking High Speed Rail |
| Person requesting costing: | Senator Milne |
| Date of request to cost the policy: | 14 August 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) | Senator Milne and Adam Bandt MP, 5 August 2013. http://greensmps.org.au/content/media-releases/getting-moving-high-speed-rail-0 |
| Description of policy: | |
| Summary of policy (as applicable, please attach copies of relevant policy documents): | <p>Announced Policy Document: http://greens.org.au/sites/greens.org.au/files/High_Speed_Rail_Initiative.pdf</p> <p>The policy is to commence the development of the high speed rail project on the east coast of Australia by implementing the ‘accelerated’ timetable outlined in items 3-17 and 23 in Figure 12.1 on page 500 of the ‘<i>High Speed Rail Phase 2 Report</i>’ released on 11 April 2003.</p> <p>From 1 October 2013 to 30 June 2017, based on the terminology within the report, this would involve immediately establishing the High Speed Rail Development Authority from direct budget funding (under the same organisational structure as outlined in Figure 10.3 on page 474) who would be responsible for:</p> <ul style="list-style-type: none"> - Preparation and corridor protection (Ch 10.3.1 p467ff) - Detailed planning and procurement ; - Examination and recommendation of preferred funding mechanisms for the project. <p>This is intended to correspond to the work set out in 12.2 – <i>Establishing governance arrangements</i> of Chapter 12 ‘<i>Implementation plan</i>’.</p> <p>We also seek the total cost of preparing all necessary environmental assessment submissions as this would be fast-tracked, however this would be unlikely to be completed by the end of the forward-estimates period.</p> |

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| What is the purpose or intention of the policy? | Commencing all the preliminary requirements necessary to allow construction to begin on the High Speed Rail project. |
| What are the key assumptions that have been made in the policy, including: | |
| Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies. | No |
| 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? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | Intergovernmental agreements will be necessary to the planning of the project and use of the land. It is intended that the Commonwealth will be wholly responsible for all the funding in the preliminary stage and the costs of its own departmental administration. Victoria, NSW, ACT and Queensland are all expected to meet their own costs for the departmental activities necessary to develop the intergovernmental agreement. |
| Are there associated savings, offsets or expenses? If yes, please provide details. | No |
| Does the policy relate to a previous budget measure? If yes, which measure? | No |
| 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? 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? | |
| Estimated financial implications (outturn prices) ^(a) | |

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| | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
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| Underlying cash balance (\$m) | -135 | -149 | -157 | -223 |
| Fiscal balance (\$m) | -135 | -149 | -157 | -223 |
| <p>(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.</p> | | | | |
| 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)? | <p>See PBO costing In addition costs include up to \$570 million to complete the Environmental Impact statement.</p> | | | |
| Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions? | <p>PBO costing 19 July 2013</p> | | | |
| What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions? | <p>Increased transport on east-coast in accordance with the projections made in the report, less air travel.</p> <p>Cities and regions that benefit from the project are Sydney, Melbourne, Canberra, Brisbane, Gold Coast, NSW Central Coast, Albury-Wodonga, Wagga Wagga and Coffs Harbour.</p> | | | |
| Administration of policy: | | | | |
| Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)? | <p>The High Speed Rail Authority as a statutory entity of the Australian Government.</p> | | | |
| Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? 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). | <p>Yes – incorporated into estimate of costs.</p> | | | |
| Intended date of implementation. | <p>1 October 2013.</p> | | | |

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| Intended duration of policy. | Until completion of construction, however for the purposes of this PBO costing, it is intended to cover all the work that can be completed by 30 June 2017. |
| Are there transitional arrangements associated with policy implementation? | No |
| List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0). | HSR Phase 2 report: http://infrastructure.gov.au/hsr |
| Are there any other assumptions that need to be considered? | No |
| <p><i>Please note that:</i></p> <ul style="list-style-type: none"> • <i>The costing will be on the basis of information provided in this costing request.</i> • <i>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</i> | |