



National Rail Manufacturing Plan	
Party:	Australian Labor Party
Summary of proposal: The proposal would provide funding for the National Rail Manufacturing Plan. The plan has 3 components. <ul style="list-style-type: none">• Component 1: Establish an Office of National Rail Industry Coordination within the Department of Industry.• Component 2: Establish a Rail Industry Innovation Council.• Component 3: Appoint a Rail Supplier Advocate, based on the previous Rail Supplier Advocate. The proposal would start from 1 July 2022.	

Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by \$14.5 million over the 2022-23 Budget forward estimates period. This impact entirely reflects an increase in departmental expenses.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate a PDI table) over the period to 2032-33 is provided at Attachment A.

The estimated financial implications of Component 1 are sensitive to changes in wage indexation parameters. The estimated financial implications of Components 2 and 3 are sensitive to the actual size and scope of the proposed Rail Industry Innovation Council and Rail Supplier Advocate.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-2.3	-4.0	-4.1	-4.1	-14.5
Underlying cash balance	-2.3	-4.0	-4.1	-4.1	-14.5

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Methodology

The estimated cost of establishing an Office of National Rail Industry Coordination was calculated by multiplying the average staffing cost by the number of employees at each staffing level.

The estimated cost of establishing a Rail Industry Innovation Council was based on the annual cost of the former Steel Industry Innovation Council, indexed by the relevant wage indexation parameters.

The estimated cost of appointing a Rail Supplier Advocate was based on the annual cost of the former Rail Supplier Advocate, indexed by the relevant wage indexation parameters.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.¹

Data sources

The Department of Finance provided indexation parameters as at the 2022-23 Budget.

The Department of Industry, Innovation and Science provided historical annual expenses for the Steel Industry Innovation Council and the Rail Supplier Advocate.

¹ https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information

Attachment A – National Rail Manufacturing Plan – financial implications

Table A1: National Rail Manufacturing Plan – Fiscal and underlying cash balances (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Expenses													
Departmental													
<i>Office of National Rail Industry Coordination</i>	-1.6	-3.3	-3.3	-3.3	-3.4	-3.4	-3.4	-3.4	-3.4	-3.4	-3.5	-11.5	-35.4
<i>Rail Supplier Advocate</i>	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.6	-4.4
<i>Rail Industry Innovation Council</i>	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.4	-4.2
Total – expenses	-2.3	-4.0	-4.1	-4.1	-4.2	-4.2	-4.2	-4.2	-4.2	-4.2	-4.3	-14.5	-44.0
Total (excluding PDI)	-2.3	-4.0	-4.1	-4.1	-4.2	-4.2	-4.2	-4.2	-4.2	-4.2	-4.3	-14.5	-44.0

(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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: National Rail Manufacturing Plan – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	..	-0.1	-0.2	-0.3	-0.4	-0.5	-0.6	-0.8	-0.9	-1.1	-1.3	-0.6	-6.2
Underlying cash balance	..	-0.1	-0.2	-0.3	-0.4	-0.5	-0.6	-0.8	-0.9	-1.1	-1.3	-0.6	-6.2

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) 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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- .. Not zero but rounded to zero.

² [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)