



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C920
Date Referred: 12/12/2022 **Date Published:** 20/03/2023
Proposal Title: Gosford Waterfront and Central Coast Stadium Concept Plan
Cluster: Transport

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)		2,685	4,346	1,469	8,500
Depreciation					-
Less: Offsets	2,322	2,770			5,092
Revenue					-
Net Operating Balance:	2,322	85	(4,346)	(1,469)	(3,408)

Capital Expenditure	-	-	-	-	-
Capital Offsets					
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	2,322	85	(4,346)	(1,469)	(3,408)
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Total State Sector Impacts

Net Lending/(Borrowing):	2,322	85	(4,346)	(1,469)	(3,408)
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Notes and costing assumptions:

The policy proposes to commit \$8.5 million to do a comprehensive investigation into the feasibility of creating an iconic Gosford waterfront.

The policy assumes that the cost required to progress the Gosford waterfront from Infrastructure NSW Gateway 1 to Gateway 2¹ would be \$8.5 million, as estimated by Central Coast Council in their [Prospectus Key Enabling Projects](#) (October 2022). The Parliamentary Budget Office (PBO) notes that the Council's estimate is less than the estimates from the Greater Cities Commission (GCC) and Transport for NSW (Transport), which total \$18.9 million (see *Risks*). It is thus likely that the investigation funded through this policy may not be sufficient to satisfy the requirements to progress to Gateway 2.

The policy further assumes that funds would come from the existing \$23.3 million budgeted for various projects as part of the Central Coast Strategy. Based on PBO discussions with GCC, a total of \$16.7 million has already been contractually committed, with a further \$1.5 million expected to be contractually committed by the end of March 2023.

¹ A guide to NSW Gateway Reviews can be found on the Infrastructure NSW's [website](#).

Notes and costing assumptions continued:

The PBO estimates the policy to have \$3.4 million impact on the budget as the proposed funding of \$8.5 million can only be partially covered by the \$5.1 million uncommitted balance from the Strategy by March 2023. GCC advised the annual profile of the \$5.1 million, which was applied in the offset line on the costing table.

Based on information from GCC, the study would take three years. The costing therefore spreads the \$8.5 million expenditure across the forward years.

Background

The Gosford Waterfront Revitalisation Project proposes significant land use changes across the Gosford Central Business District to stimulate employment and economic activity for the entire region. The project aims to improve opportunities in the area for employment, education, local businesses and investment, among others.

Risks

GCC and Transport provided their own estimates of doing a comprehensive investigation into the feasibility of the Gosford Waterfront Revitalisation Project. The total of their estimates (\$18.9 million) is higher than that of Central Coast Council's (\$8.5 million).

GCC notes that the work completed to date by the Council is not sufficient to meet all the requirements for Gateway 1. GCC estimates that it would cost \$10.6 million over three years to complete any gaps for Gateway 1 and to progress to Gateway 2 (see further details in *Greater Cities Commission's cost estimate*).

In addition, Transport estimates that it would cost \$8.3 million (at a minimum) to do an integrated transport plan, strategic business case and final business case for the project (see further details in *Transport's cost estimate*).

Greater Cities Commission's cost estimate

The table below shows a breakdown of GCC's cost estimate per year.

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4-year Total \$'000
Employee related		1,030	1,226	1,255	3,511
Other (consultancy)		1,655	3,120	2,341	7,116
Total		2,685	4,346	3,596	10,627

Assumptions

- The costs include work required to fill any gaps in Gateway 1 and to progress the project to Gateway 2.
- The costs include a strategic and full business case.
- The costs include labour to manage the project and to facilitate all consultancies required.
- Costs are estimated based on other completed projects, adjusted to incorporate site-specific components.
- The costing assumes work is required across the full proposal identified by the Council. Options analysis will occur through this process.
- External costs include engaging experts in:
 - business case development, writing and production
 - economics, including retail, property and valuation
 - architecture, planning, landscaping and urban design

Notes and costing assumptions continued:

- recreational, entertainment and conference design
- infrastructure engineering, including environmental, maritime, services and survey
- archaeology and heritage (in particular First Nations)
- communications and stakeholder engagement (including First Nations)
- sustainability.

GCC notes that actual costs in some areas may vary significantly from the estimates provided. For example, geotechnical reports may be required for waterfront areas, and property acquisitions or transfers (including easements) may be needed.

Transport's cost estimate

Transport advised that the following would be required:

- an Integrated Transport Plan (ITP), which would identify and prioritise a range of transport initiatives across Gosford CBD to support the proposed land use in the area
- a strategic business case (SBC), which would be used to develop initiatives identified from the ITP to a strategic level that is suitable for assurance review by Infrastructure NSW
- a final business case (FBC), which would further develop initiatives into a concept level.

Scope of works

The scope of works would be developed through the ITP, but some initiatives have already been previously suggested by Central Coast Council (see table below).

The costs of the SBC and FBC would vary depending on which initiatives are progressed to a FBC.

Proposed Improvement	Potential Benefit
Bridge over Central Coast Highway	Connect Gosford CBD to waterfront. Part of Council's proposed waterfront upgrade.
Active transport path connecting Point Clare to Gosford	Connect Point Clare to Gosford CBD providing a full off-road connection to Woy Woy. Part of Council's Bike Plan 2019 and proposed waterfront upgrade.
Upgrade of Central Coast Highway/Dane Drive	Manage increased traffic because of multi-storey carpark. Improved active transport connections across Central Coast Highway.
Central Coast Highway Tunnel	Remove Central Coast Highway to directly connect Gosford CBD with the waterfront
Reconfigure Mann Street	Mode shift towards public transport and active transport
Ferry wharf	Provide ferry services between Gosford CBD and places such as Woy Woy, Davistown and Green Point

Cost of work

Transport presented three cost options.

Option 1 (simplest option) would only include a small number of proposals, such as the overhead bridge and the upgrade of Central Coast Highway/Dane Drive.

Option 2 (intermediate option) would include all of Option 1, and larger, more complex items like the active transport link between Point Clare and Gosford.

Option 3 (full assessment option) would include all of Option 2, and the largest and most complex proposals like the realignment of the Central Coast Highway.

The table on the next page provides a cost breakdown for each option and the estimated timeframe for completion.

Notes and costing assumptions continued:

STAGE	OPTION 1 \$'000	OPTION 2 \$'000	OPTION 3 \$'000	TIMEFRAME
INTEGRATED TRANSPORT PLAN	800	800	800	Up to 9 months
STRATEGIC BUSINESS CASE	2,500	3,000	5,000	Up to 18 months
FINAL BUSINESS CASE	5,000	6,000	9,000	Up to 24 months
TOTAL	8,300	9,800	14,800	Up to 51 months

Assumptions

- The costing advice provided to the PBO assumes internal Transport development management and review, and external advice.
- The scope of works of external advisors includes (but is not limited to):
 - business case writing and coordination
 - small-scale geotechnical and site investigations, including contamination assessments
 - various civil structure concept designs
 - cost estimates and quantity survey
 - transport modelling
 - economic and financial appraisal
 - procurement and delivery strategy.
- Costs are estimated based on other completed projects of a similar scale.
- The costing excludes any property acquisitions, waterside elements and significant geotechnical investigations for detailed design.