



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Coalition **Proposal No:** C1264
Date Referred: 30/01/2023 **Date Published:** 20/03/2023
Proposal Title: Planning funding to complete the Metro in Western Sydney
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)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	60,000	90,000	90,000	240,000
Capital Offsets					
Net Capital Expenditure:	-	60,000	90,000	90,000	240,000

Net Lending/(Borrowing):	-	(60,000)	(90,000)	(90,000)	(240,000)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(60,000)	(90,000)	(90,000)	(240,000)
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Notes and costing assumptions:

The policy proposes to commit \$260 million over four years to deliver four new metro lines in Western Sydney by undertaking the final business cases (FBC) for the new routes, which include:

- Tallawong to St Marys
- Westmead to the Aerotropolis
- Bankstown to Glenfield via Liverpool; and
- Aerotropolis to Macarthur.

The total cost of the policy over the forward estimates is \$240 million, with the remaining balance of \$20 million to be allocated in 2026-27. Refer to **Table 1** below for cost breakdown of the proposed business cases.

Sydney Metro has advised that work can start with a strategic assessment on all these proposed FBCs from Q3 2023 concurrently with the Glenfield Extension FBC. However, this is dependent on a government decision to be made in April 2023 to proceed with the completion of these proposed FBCs. The completion of each FBC would be staggered with the first FBC completed by the 18 month timeframe and the final FBC being completed no later than Q4 2026.

Notes and costing assumptions continued:

Based on previous commitments and advice from Transport, the Parliamentary Budget Office considers it reasonable to assume 50% of the costs for the extension of the Western Sydney Airport line would be funded by the Commonwealth, however this cannot be guaranteed.

Key assumptions:

- Sydney Metro's advice is that an 18 month timeframe is required to complete a standalone FBC.
- The FBCs can rely on previous strategic assessments for assurance purposes, noting the potential extensions have been identified in the *Future Transport Strategy* except for Liverpool to Glenfield.
- Potentially efficiencies can be achieved from the current Glenfield Extension work, including utilising the mobilised team at Sydney Metro, with synergies and economies of scale from the concurrent activities where possible.
- However, this would require an upfront funding commitment in all FBC projects to allow for additional resources to supplement the current mobilised team to manage the work, and there would be complexities of pressure points to manage in the program e.g., assurance, market limitations which could require sequential analysis, and Government capacity to make decisions at key decision points to complete each FBC.
- A review by Government of the prioritisation and phasing of the FBCs would enable the sequencing of potential future investment decisions to ensure the best chances of success, consistent with recommendations of the State Infrastructure Strategy 2022. This prioritisation review could occur as part of the strategic assessment, led by Sydney Metro as part of the broader business case forward program and using the governance established for the Glenfield Extension FBC project. This could also be informed by expert advice from the Western Sydney Transport Infrastructure Panel recently established by the Australian Government.
- An update of land use and transport data sets would be required at least once during the period between FY2024 and FY2027.
- Advice from Sydney Metro is that based on previous commitments, there would be a reasonable expectation for the Commonwealth to 50:50 fund a future business case for an extension of the Western Sydney Airport line. For example, the Glenfield Extension FBC costs of \$60m are being funded on 50:50 basis by NSW and Australian Governments. However, the October 2022 Federal Budget deferred the profile of the Commonwealth's \$30 million funds to FY2025 and FY 2026. This is being administered under the National Partnership Agreement on Land Transport Infrastructure. Based on this agreement, there would be a reasonable expectation for the Commonwealth to 50:50 fund a future business case for an extension of the Western Sydney Airport line, however this cannot be guaranteed.

Notes and costing assumptions continued:

Table 1 Estimated costs of the extensions

Extensions	Notes	Estimated costs \$'m
Tallawong to St Marys	An extension of the Sydney Metro Western Sydney Airport and Northwest lines to connect St Marys to Tallawong via Schofields. Extension would be up to 20km in length and include 6 to 7 potential station locations along the alignment.	40
Westmead to the Aerotropolis	An extension of the Sydney Metro West line. Extension would be up to 37km in length and include 6 to 8 potential station locations along the alignment.	70
Bankstown to Liverpool	An extension of the Sydney Metro City & Southwest line. Extension would be up to 15km in length and include 4 to 5 potential station locations along the alignment.	60
Liverpool to Glenfield	A Metro extension from Glenfield to Liverpool has not been previously identified or considered by Future Transport Strategy. This extension is complex due to the brownfield nature of corridor, existing freight and passenger services. As it is not part of any existing strategic assessment, a new strategic assessment would need to be undertaken which would add to FBC costs. A refresh of investigations undertaken in 2022 is required. The challenge would be completing the necessary Gate 0 and Gate 1 assurance gates. If the strategic assessment is not supported by INSW assurance, further work would be required which would incur additional costs.	50
Aerotropolis to Macarthur region	An extension of the Sydney Metro Western Sydney Airport line. Extension would be up to 23km in length and include 6 to 7 stations.	40
Total		260