



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

**Referred by:** Australian Labor Party

**Proposal No:** C1697

**Date Referred:** 17/03/2023

**Date Published:** 20/03/2023

**Proposal Title:** Business cases

**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	-	-	-	-	-
<b>Net Operating Balance:</b>	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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### Notes and costing assumptions:

This policy proposes to provide funding for final business cases for two projects extending the Sydney Metro Western Sydney Airport line:

- from Bradfield to Macarthur via Oran Park and Narellan
- from St Mary's to Tallawong via Marsden Park and Schofields.

Each Final Business Case (FBC) will provide the detailed design, economic assessment, and cost estimation to inform an investment decision for the construction of the extension.

Assuming that the work on the business cases can be staged to make most effective use of Departmental resources, the PBO estimates these two business cases can be produced for \$80 million with optimal scheduling. (See *Timing*). The PBO has also assumed the costs for the business cases match the current project scopes under preparation, does not include heavy rail connections.

The policy also states the funding would be drawn from Restart NSW (see *Restart NSW*).

## Notes and costing assumptions continued:

### Timing

In consultation with Transport for NSW, the PBO estimates:

- the business case for the Bradfield to Macarthur extension could be completed for \$40, assuming it was completed concurrently to the in-flight business case work for the Glenfield extension (i.e. in 2023-24). If it were done simultaneously to the below, it would cost \$60 million.
- the business case for the from St Mary's to Tallawong extension could be completed for \$40 million, assuming it was completed immediately subsequent to the conclusion of work on the Macarthur and Glenfield business cases (i.e. in 2024-25). If it was to be done simultaneously to the above, it would cost \$60 million.

### Final business case for extending Western Sydney Airport Metro from Bradfield to Macarthur

Sydney Metro has advised that work can start on the proposed FBC from October 2023 concurrently with the Glenfield Extension FBC. This is dependent on a government decision to be made in April 2023 to proceed with the completion of this proposed FBC which would allow resources to be used for both FBC.

#### Assumptions

- This costing assumes the FBC is for the extension of extension of the Sydney Metro Western Sydney Airport line. The extension would be up to 23km in length and include 6 to 7 stations.
- The FBC can rely on previous strategic assessments for assurance purposes, noting the extension has been identified in the Future Transport Strategy.
- Potentially efficiencies can be achieved from the current Glenfield Extension work, including using the mobilised team at Sydney Metro, with synergies and economies of scale from the concurrent activities where possible to complete the business case for the Bradfield to Macarthur extension.
- The costing assumes budget being made available ahead of the FBC start date of October 2023. This is to allow staff to work on both business cases.
- An update of land use and transport data sets may be required in completing the FBC.
- 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.

### Final business case for extending Western Sydney Airport Metro from St Mary's to Tallawong

#### Assumptions

Transport for NSW and Sydney Metro have advised a final business case (FBC) could be completed for \$40 million, assuming that:

- The FBC is undertaken immediately subsequent to the conclusion of work on the Macarthur and Glenfield business cases (i.e. in 2024-25)
- Transport for NSW / Sydney Metro will be able to leverage the currently mobilised business case team currently working on another extension.
- the FBC would take 18 months

**Notes and costing assumptions continued:**

- the FBC would be prepared with reliance on previously completed strategic assessments
- the extension of the Sydney Metro Western Sydney Airport and Northwest lines would connect St Marys to Tallawong via Schofields.
- the extension would be up to 20km in length and include 6-7 potential station locations along the alignment.

**Restart NSW Fund**

Restart NSW Fund (the Fund) was established by the NSW Government under the [Restart NSW Fund Act 2011](#) for the purpose of setting aside funding for and securing the delivery of major infrastructure projects and other necessary infrastructure. The purpose of the Fund is to improve economic growth and productivity in NSW through funding infrastructure projects, such as roads, public transport, health facilities and workplaces for providing public services, among others.

Under the Act, Infrastructure NSW is responsible for assessing and recommending Restart NSW projects, and the Treasurer is responsible for approving funding for all or part of any projects.

The policy assumes that funding will come from surplus Restart NSW Funds, which have previously been recognised in existing State Budget estimates. Therefore, the policy will have a nil impact on forecast net lending results. The PBO notes this should be considered in light of the cumulative total across all policies seeking to spend from Restart NSW.