



Legislative Council

General Purpose Standing Committee No. 3

INQUIRY INTO RAIL INFRASTRUCTURE PROJECT COSTING IN NEW SOUTH WALES

The cost of building new rail infrastructure in NSW is only slightly more expensive in NSW compared to other States, according to a report released by the General Purpose Standing Committee No 3 today.

Committee Chair Hon Natasha Maclaren-Jones MLC said: “Whilst there was a strong perception among some Inquiry participants that the cost of rail projects in NSW is significantly higher than other jurisdictions in Australia, this view is not supported by the available data. The Committee found that it costs slightly more to build new rail infrastructure in NSW compared to elsewhere.”

Mrs Maclaren-Jones continued, “Nevertheless, building rail infrastructure is an expensive exercise and governments should strive to contain costs where possible. For instance, it is clear to the Committee that a highly defined project scope and objectives are essential before a project is put to tender. The Committee received some evidence that this is an area where Transport for NSW should focus on in the future.”

“In relation to tendering of infrastructure projects, some Inquiry participants expressed concern about the level of competition in the industry. Accordingly, the Committee has recommended that Transport for NSW review its tendering strategies to ensure that infrastructure projects are broken down into appropriate sized packages to increase competition between tenderers and lower barriers to provide opportunities for local businesses. This will lead to a competitive tendering process, which will ensure value for money to NSW taxpayers,” said Mrs Maclaren-Jones.

Mrs Maclaren-Jones noted that estimating the cost of transport infrastructure is a complex task. The time frame to plan and build major transport infrastructure can span ten years or more, and projected budgets can sometimes amount to billions of dollars. Mrs Maclaren-Jones added: “Worldwide, infrastructure proponents are grappling with the issue of how to reliably estimate the cost of major projects. However, Transport for NSW is implementing best practice in its cost estimation of major infrastructure.”

The Report contains one finding and nine recommendations which are listed over page. The Report may be downloaded from: www.parliament.nsw.gov.au/gpsc3, or by calling 9230 3504.

*For comment please contact Mrs Maclaren-Jones, MLC,
Committee Chair, on (02) 9230 2836*