



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: A015

Date Referred: 12/10/2018

Date Published: 18/03/2019

Proposal Title: Do not proceed with the Western Harbour Tunnel

Cluster: Transport

## General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-2022 \$'000	4 year total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	-	-	-	-

Capital Expenditure	-	(48,000)	(52,200)	-	(100,200)
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	<b>(48,000)</b>	<b>(52,200)</b>	-	<b>(100,200)</b>

<b>Net Lending/(Borrowing):</b>	-	<b>48,000</b>	<b>52,200</b>	-	<b>100,200</b>
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## Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	<b>48,000</b>	<b>52,200</b>	-	<b>100,200</b>
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## Notes and costing assumptions

The policy proposes not to build the Western Harbour Tunnel and Beaches Link project. The estimated savings are \$100 million from 2019-20. Savings exclude any finalisation and break costs for existing contracts and activities (including utility relocations and noise abatement early works).

### Key assumptions

Savings shown include removing the allocation of \$30 million for private residential properties. In July 2018, the owners of these properties were offered the option to commence the acquisition process now or at a time that suited them. The \$30 million is based on an estimate of properties that are not expected to have commenced the acquisition process before end FY18-19. A future government could withdraw this option for properties that have not yet commenced the acquisition process. Any properties that have or will have been acquired by the proposed implementation date have not been included in the costing; there is a possibility of revenue from the sale of these properties but this is not able to be estimated reliably.

Savings shown exclude funding for enabling works for Western Harbour Tunnel proposed to be delivered as part of the M4-M5 Link Rozelle Interchange project. The contract was awarded for the M4-M5 Link Rozelle Interchange project on 14 December 2018.

Savings exclude a 2018-19 capital expenditure allocation of \$130 million, which is fully committed.

Also excluded is the remainder of the \$477 million Rebuilding NSW reservation for the Western Harbour Tunnel (refer 2018-19 Budget Paper 2, page 3-8).

Operation and maintenance costs for the Western Harbour Tunnel and Beaches Link projects have not been included as they are assumed to be met by toll revenues.