



## Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 9/10/2018

Proposal No: A013  
Date Published: 18/03/2019

Proposal Title: Do not proceed with the Sydenham to Bankstown line conversion

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	(26,773)	(239,474)	(511,467)	(325,757)	(1,103,471)
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	<b>(26,773)</b>	<b>(239,474)</b>	<b>(511,467)</b>	<b>(325,757)</b>	<b>(1,103,471)</b>

<b>Net Lending/(Borrowing):</b>	<b>26,773</b>	<b>239,474</b>	<b>511,467</b>	<b>325,757</b>	<b>1,103,471</b>
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### Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	<b>26,773</b>	<b>239,474</b>	<b>511,467</b>	<b>325,757</b>	<b>1,103,471</b>
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### Notes and costing assumptions

The policy proposes not to continue with the Sydney to Bankstown line conversion. The Project proposed to upgrade and convert all 11 stations between Sydenham and Bankstown to metro standards. Not proceeding with the project would create a saving of \$1.6 billion, of which \$1.1 billion is within the forward estimates.

#### Key assumptions

The savings in capital expenditure are from:

- Not converting the train line and the stations between Sydenham and Bankstown to metro standards.
- A reduction in the number of trains required (14).
- Not providing alternate transport options during construction.
- Final conversion works and modifications to Sydney Trains assets.
- Reduction in Sydney Metro Implementation Group costs.

The costing assumes operational expenditure savings and revenue are net neutral as the reduced Sydney Metro OPEX costs and revenue will be offset by increased Sydney Trains costs for maintaining the existing Sydney Trains service along the Sydenham to Bankstown line and corresponding revenue.

The costing assumes the existing stations between Sydenham and Bankstown will still require some works, for example installation of lifts.

**Notes and costing assumptions continued:**

Not proceeding with the project will also require changes to the broader Trains System Operations and Maintenance (TSOM) program of works. For example, new stabling facilities that were proposed to be delivered as part of the project will still be required and have not been included as savings in the costing.

Any costs associated with cancelling the contracts have not been included in the costing. Government contracts will generally include penalties for breaking contracts.