



# Election policy costing

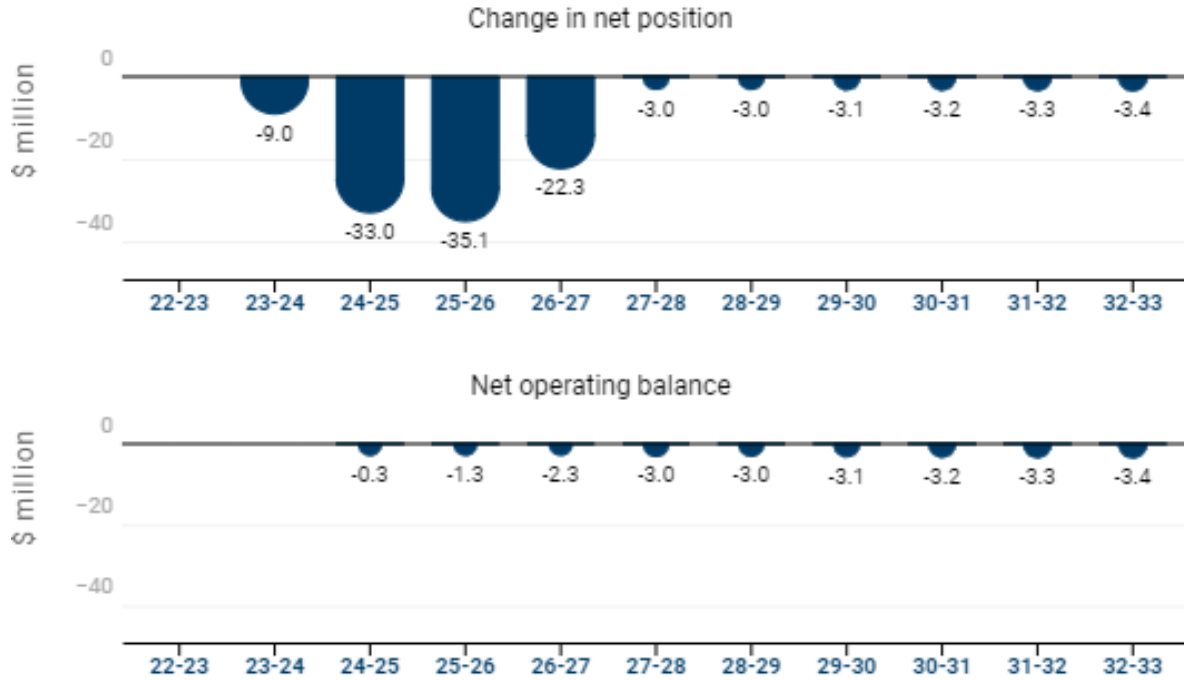
## Further upgrades to South Yarra Station

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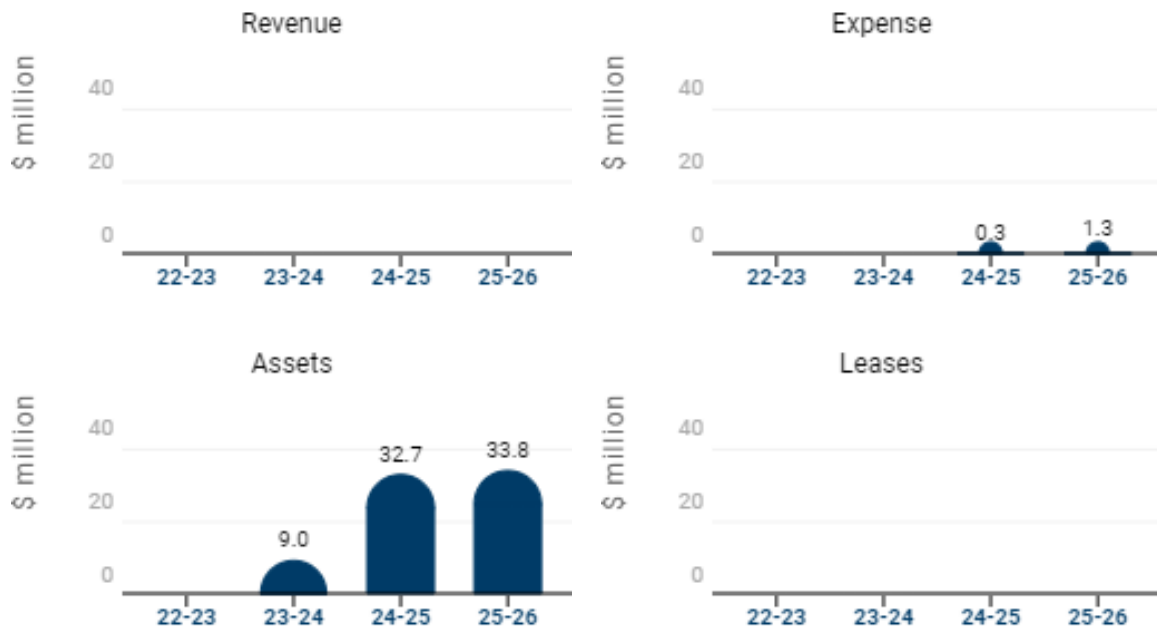
<b>Political party</b>	The Australian Greens - Victoria
<b>Requestor</b>	Dr Samantha Ratnam MP
<b>Request date</b>	30 August 2022
<b>Response date</b>	31 August 2022
<b>Policy commencement</b>	1 July 2023
<b>Policy conclusion</b>	Ongoing
<b>Policy summary</b>	<p>This policy would upgrade metropolitan railway infrastructure at South Yarra Station by:</p> <ul style="list-style-type: none"> <li>▪ building a pedestrian overpass that connects all platforms at the northern end of the station</li> <li>▪ adding a new station entrance on Yarra Street</li> <li>▪ adding a new station entrance on Station Street.</li> </ul>
<b>Budget baseline</b>	May 2022 budget
<b>Expiry date of this response</b>	At the release date of the next Victorian Government budget or budget update.

# Our response

## Budget impact



## Costing components



Source: Parliamentary Budget Office.

## Context

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In 2021, the Victorian Government upgraded South Yarra Station to reduce passenger overcrowding and improve accessibility. Improvements included a refurbished concourse area, additional ticketing gates, and a wider station entrance on Toorak Road.

## Costing overview

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We expect this policy to decrease the state's budgeted net position by:

- \$77.1 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of \$75.6 million due to upgrading railway station infrastructure
  - an increase in operating expenses of \$1.5 million due to ongoing maintenance costs
- \$118.3 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of \$95.5 million due to upgrading railway station infrastructure
  - an increase in operating expenses of \$22.7 million due to ongoing maintenance costs

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of \$95.5 million from the commencement of asset works in 2023–24 to completion in 2026–27.

This cost estimate is sensitive to the final design of the railway station upgrade.

## Our approach

### Assumptions

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When costing this policy, we made the following assumptions:

1. Acquisition of properties or land adjacent to the station would not be necessary.
2. The station precinct does not have contaminated land or material that would require removal.
3. Relocation of public utilities would not be necessary.
4. All asset works would be compliant with the *Disability Standards for Accessible Public Transport 2002*.
5. The existing railway station platforms are of sufficient length and would not need to be extended.
6. Other infrastructure projects, particularly the Metro Tunnel, would not affect the timeframe and expense of this policy.
7. Construction profiles would be consistent with similar rail infrastructure upgrade projects.
8. The Victorian Government would incur no cost for the loss of on-street parking revenue.

### Method

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When costing this policy, we:

- assessed where the new pedestrian overpass and station entrances would be located
- estimated the capital costs and construction profile of the upgrade, based on past and planned upgrades to other metropolitan railway stations
- estimated the ongoing maintenance costs associated with the upgraded railway station.

### Data sources

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- Department of Transport. 2022. South Yarra Station Precinct Master Plan. [ONLINE] Available at: <https://transport.vic.gov.au/getting-around/public-transport/south-yarra-station-precinct-masterplan> [Accessed 31 August 2022]
- Engage Victoria. 2022. Changes to vehicle access: Yarra St and Toorak Rd intersection trial. [ONLINE] Available at: <https://engage.vic.gov.au/yarra-street-trial> [Accessed 31 August 2022]

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- Public Transport Victoria. 2022. South Yarra Station Upgrade. [ONLINE] Available at: <https://www.ptv.vic.gov.au/footer/about-ptv/improvements-and-projects/train-stations/south-yarra-station-upgrade/> [Accessed 31 August 2022]
- Rail Projects Victoria. 2018. South Yarra (Eastern Portal) Precinct | Community Reference Group. [ONLINE] Available at: [https://bigbuild.vic.gov.au/\\_data/assets/pdf\\_file/0003/339096/MT-South-Yarra-CRG-PRESENTATION-Meeting-7-20181016-.pdf](https://bigbuild.vic.gov.au/_data/assets/pdf_file/0003/339096/MT-South-Yarra-CRG-PRESENTATION-Meeting-7-20181016-.pdf) [Accessed 31 August 2022]
- Rail Projects Victoria. 2022. Disruptions | Metro Tunnel. [ONLINE] Available at: <https://metrotunnel.vic.gov.au/disruptions> [Accessed 31 August 2022]
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- Victorian Budget 2013–14, Budget Paper No. 3 Service Delivery 2013–14
- Victorian Budget 2014–15, Budget Paper No. 4 State Capital Program 2014–15
- Victorian Budget 2015–16, Budget Paper No. 4 State Capital Program 2015–16
- Victorian Budget 2016–17, Budget Paper No. 4 State Capital Program 2016–17

# Attachment A – Detailed budget impacts

## Year-on-year impacts

(\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	0.3	1.3	2.3	3.0	3.0	3.1	3.2	3.3	3.4
Net operating balance	-	-	-0.3	-1.3	-2.3	-3.0	-3.0	-3.1	-3.2	-3.3	-3.4
Assets	-	9.0	32.7	33.8	19.9	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-9.0	-33.0	-35.1	-22.3	-3.0	-3.0	-3.1	-3.2	-3.3	-3.4

## Cumulative impacts

(\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	0.3	1.5	3.8	6.8	9.8	12.9	16.1	19.4	22.7
Net operating balance	-	-	-0.3	-1.5	-3.8	-6.8	-9.8	-12.9	-16.1	-19.4	-22.7
Assets	-	9.0	41.8	75.6	95.5	95.5	95.5	95.5	95.5	95.5	95.5
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-9.0	-42.0	-77.1	-99.3	-102.3	-105.3	-108.4	-111.6	-114.9	-118.3

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.