



# Election policy costing

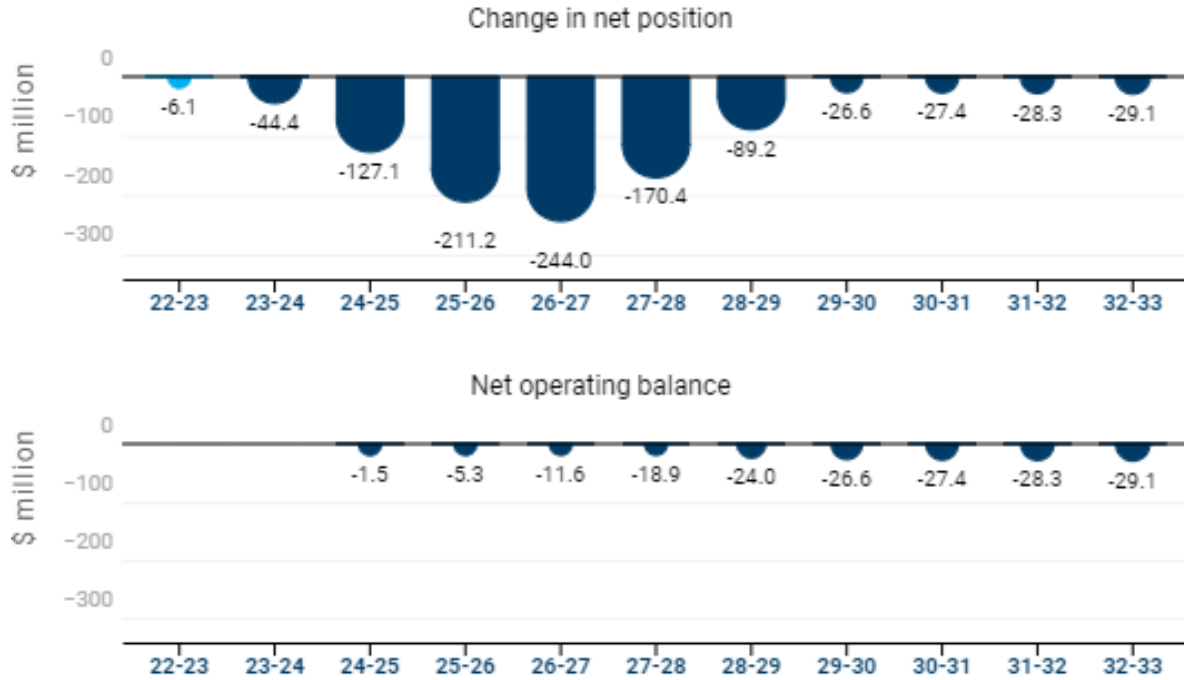
## Accessible tram stops (September 2022)

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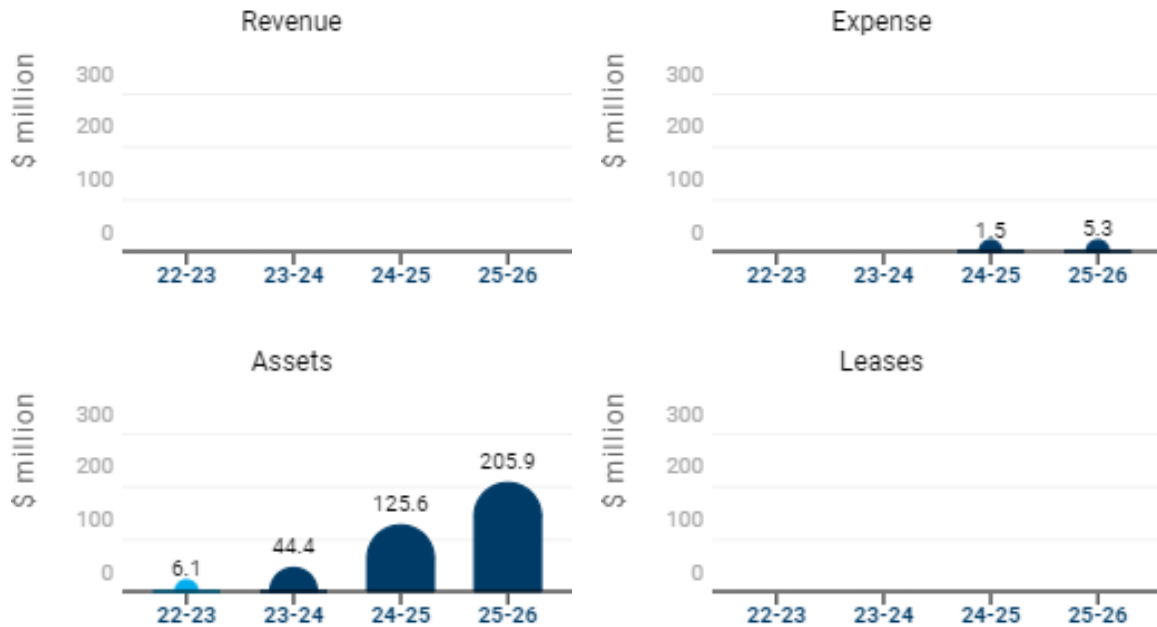
<b>Political party</b>	The Australian Greens - Victoria
<b>Requestor</b>	Dr Samantha Ratnam MP
<b>Request date</b>	15 September 2022
<b>Response date</b>	30 September 2022
<b>Policy commencement</b>	1 January 2023
<b>Policy conclusion</b>	Ongoing
<b>Policy summary</b>	<p>This policy would upgrade tram infrastructure by making all stops of entire routes raised platform level-access tram stops. Upgrades would occur for:</p> <ul style="list-style-type: none"> <li>▪ Route 6</li> <li>▪ Route 19</li> <li>▪ Route 57</li> <li>▪ Route 58</li> <li>▪ Route 59</li> <li>▪ Route 78</li> <li>▪ Route 86.</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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For wheelchair users, accessible tram services require a combination of raised platform level-access tram stops and low-floor trams. The *Disability Discrimination Act 1992* (Cth) requires that all tram infrastructure, including stops, must be fully compliant with the *Disability Standards for Accessible Public Transport 2002* (the standards) by 31 December 2022. All trams must be compliant with the standards by 31 December 2032.

Route 58 is currently being upgraded to handle low-floor E-Class trams. The Route 58 Upgrade project will make safety upgrades to most of that route's stops. The project will also permanently remove some tram stops, while making 2 stop locations compliant with the standards. However, most stops on Route 58 will remain non-compliant with the standards.

This policy would subsequently upgrade tram infrastructure along selected routes, including Route 58, to make all stops compliant with the standards. Upgrades would occur for:

- Route 6 – Moreland to Glen Iris
- Route 19 – North Coburg to Flinders Street Station
- Route 57 – West Maribyrnong to Flinders Street Station
- Route 58 – West Coburg to Toorak
- Route 59 – Airport West to Flinders Street Station
- Route 78 – North Richmond to Balaclava
- Route 86 – Bundoora RMIT to Waterfront City Docklands.

At the start of 2022, these routes included 475 non-compliant tram stops with the standards. The Route 58 Upgrade project and other funded infrastructure works will permanently remove some of these tram stops before the commencement of this policy.

## Costing overview

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

- \$388.8 million across 2022–23 to 2025–26, this reflects:
  - an increase in assets of \$382.0 million due to upgrading tram stop infrastructure
  - an increase in operating expenses of \$6.8 million due to ongoing asset maintenance.
- \$1,003.9 million across 2022–23 to 2032–33, this reflects:
  - an increase in assets of \$831.2 million due to upgrading tram stop infrastructure
  - an increase in operating expenses of \$172.7 million due to ongoing asset maintenance.

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 \$831.2 million from the commencement of asset works in 2022–23 to completion in 2028–29.

This cost estimate is sensitive to the final design of each tram stop upgrade and changes in cost escalation rates.

## Our approach

### Assumptions

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When costing this policy, we made the following assumptions:

1. Existing level-access tram stops are compliant with the standards and do not require further upgrades.
2. Victorian Government plans to deliver 6 level-access tram stops along La Trobe Street will not affect the routes included in this policy.
3. Some tram stops would be removed instead of being upgraded, where it would be impractical to build a stop that is compliant with the standards.
4. Yarra Trams will permanently remove:
  - a. Route 6 Stop 119 Park St & Lygon St
  - b. Route 19 Stop 18 Princes Park & Royal Pde
  - c. Route 57 Stop 18 Erskine St & Abbotsford St
  - d. Route 57 Stop 34 Burrowes St & Union Rd.
5. Tram stops that serve multiple routes, and those near major intersections, require double-length platforms when upgraded, which would incur additional costs.
6. Tram route termini are more complex than non-terminus stops, so upgrading them would incur additional costs.
7. Following the receipt of funding, each level-access tram stop upgrade would take at least 18 months to complete.
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:

- determined which tram stops the policy would affect
- estimated the amount of tram stops the policy would remove
- estimated the amount of tram stops the policy would upgrade
- determined the maximum amount of tram stops the Victorian Government could upgrade in a single year
- estimated the design and construction profile of the policy

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- estimated the capital costs of the tram stop removals
- estimated the capital costs of the accessibility upgrades
- estimated the ongoing maintenance costs associated with the upgraded tram stops.

We applied a part year impact to the first year of this policy to reflect a proposed 1 January 2023 commencement date.

## Data sources

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# 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	-	-	1.5	5.3	11.6	18.9	24.0	26.6	27.4	28.3	29.1
Net operating balance	-	-	-1.5	-5.3	-11.6	-18.9	-24.0	-26.6	-27.4	-28.3	-29.1
Assets	6.1	44.4	125.6	205.9	232.4	151.5	65.2	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-6.1	-44.4	-127.1	-211.2	-244.0	-170.4	-89.2	-26.6	-27.4	-28.3	-29.1

## 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	-	-	1.5	6.8	18.4	37.3	61.3	87.9	115.4	143.6	172.7
Net operating balance	-	-	-1.5	-6.8	-18.4	-37.3	-61.3	-87.9	-115.4	-143.6	-172.7
Assets	6.1	50.5	176.1	382.0	614.5	765.9	831.2	831.2	831.2	831.2	831.2
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-6.1	-50.5	-177.6	-388.8	-632.9	-803.2	-892.4	-919.1	-946.5	-974.8	-1,003.9

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.