



Rail projects – increase and rephase									
Party:		The Coalition							
Summary of proposal:									
The proposal would reprofile Commonwealth funding for rail projects such that, over the forward estimates, \$364.0 million would be saved in 2025-26, \$651.2 million in 2026-27, \$850.0 million in 2027-28 and \$516.2 million in 2028-29.									
The proposal would start on 1 July 2025.									
Additional information (based on further advice provided):									
The proposal would:									
<ul style="list-style-type: none">• Increase and reprofile Commonwealth funding for the Melbourne Airport Rail Link, with the following funding changes^(a) by year:									
2025-26 (\$m)	2026-27 (\$m)	2027-28 (\$m)	2028-29 (\$m)	2029-30 (\$m)	2030-31 (\$m)	2031-32 (\$m)	2032-33 (\$m)	2033-34 (\$m)	2034-35 (\$m)
364.0	631.2	700.0	341.2	200.0	-1,380.0	-750.0	-683.6	-50.0	-16.4
<p>(a) A positive number reflects a decrease in expenses/payments. A negative number reflects an increase in expenses/payments.</p> <ul style="list-style-type: none">• Reprofile Commonwealth funding for the Outer Metropolitan Ring Rail South, with the following funding changes^(a) by year:									
2025-26 (\$m)	2026-27 (\$m)	2027-28 (\$m)	2028-29 (\$m)	2029-30 (\$m)	2030-31 (\$m)	2031-32 (\$m)	2032-33 (\$m)	2033-34 (\$m)	2034-35 (\$m)
0	20.0	150.0	175.0	95.0	65.0	85.0	330.0	0	-920.0
<p>(a) A positive number reflects a decrease in expenses/payments. A negative number reflects an increase in expenses/payments.</p>									

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$2.4 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a reprofile of funding for the Melbourne Airport Rail Link and Outer Metropolitan Ring Rail South which is offset by increased funding over the medium term.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

There would be a net increase of around \$640 million in Commonwealth funding for the Melbourne Airport Rail Link over the medium term as a result of the proposal. The net funding amount for the Outer Metropolitan Ring Rail South would be unchanged.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal, or of timing changes for delivery of the projects as a result of the reprofiling.

Table 1: Rail projects – increase and rephase – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	364.0	651.2	850.0	516.2	2,381.4
Underlying cash balance	364.0	651.2	850.0	516.2	2,381.4

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions and methodology

Administered savings and expenses are as specified in the proposal. We assume that no funds allocated to a given year are left unspent. The proposal is not expected to impact departmental costs.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Rail projects – increase and rephase – Financial implications

Table A1: Rail projects – increase and rephase – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Melbourne Airport Rail Link</i>	364.0	631.2	700.0	341.2	200.0	-1,380.0	-750.0	-683.6	-50.0	-16.4	-	2,036.4	-643.6
<i>Outer Metropolitan Ring Rail South</i>	-	20.0	150.0	175.0	95.0	65.0	85.0	330.0	-	-920.0	-	345.0	-
Total (excluding PDI)	364.0	651.2	850.0	516.2	295.0	-1,315.0	-665.0	-353.6	-50.0	-936.4	-	2,381.4	-643.6

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Rail projects – increase and rephase – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	8.0	31.0	65.0	99.0	121.0	104.0	64.0	44.0	37.0	16.0	-4.0	203.0	585.0
Underlying cash balance	6.0	25.0	57.0	90.0	115.0	108.0	74.0	49.0	39.0	21.0	1.0	178.0	585.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)