



Australian Government

Nation Building

**ECONOMIC
STIMULUS
PLAN**

Delivering the Nation Building Economic Stimulus Plan in NSW

August 2009

Six Month Report from the NSW Nation Building and Jobs Plan Taskforce



The Australian Government's \$42 billion Nation Building Economic Stimulus Plan, passed through the Federal Parliament in February, is designed to stimulate local economies and create confidence by sustaining building and construction jobs in local communities. The aim is to ensure that the Australian economy is robust in the face of the global financial crisis.

NSW must deliver many thousands of social housing, education and road projects, valued at over \$7 billion before mid 2011.

The Nation Building Economic Stimulus Plan is expected to support 24,000 jobs in NSW each year. When combined with the NSW Government's own \$58 billion commitment, 160,000 jobs will be supported.

The NSW Government looks forward to maintaining our partnership with industry as we continue to roll out the Nation Building Economic Stimulus Plan in NSW.

The NSW Premier has chosen to establish the NSW Nation Building and Jobs Plan Taskforce to facilitate the rapid, efficient and coordinated implementation of the Nation Building funded program in NSW.

Investing in a better future



The Task

It is now six months since the announcement of the Nation Building Economic Stimulus Plan. This represents 25 percent of the overall 24 month program. It is pleasing to report that NSW is progressing well in relation to projects delivered in Housing and Education.



Australia's first Nation Building funded social housing dwelling was completed in just 13 weeks and the family, including their disabled child, moved in during May.



The program has now moved from the Establishment Phase into the Delivery Phase. This report outlines the achievements of the Establishment Phase of the program in NSW against the deliverables outlined below.

Intent of the Australian Government

- stimulate the economy
- create education outcomes
- create social housing outcomes

NSW Response to the Australian Government:

- ensure our response is coordinated at both Government and industry levels
- establish a Taskforce
- use the best resources from the public and private sectors
- streamline the planning approvals process
- ensure that existing NSW expenditure programs are not compromised
- ensure delivery program achieved
- extensive program of stakeholder engagement
- ensure quality of outcomes
- follow strict probity and governance guidelines

Scope of Work

- deliver 6,500 new dwellings for social housing with a \$2 billion investment
- upgrade 31,500 existing social housing dwellings
- build new facilities in NSW Government primary schools to a value of over \$1.9 billion
- carry out \$287 million worth of maintenance work in NSW Government schools
- develop science and language centres in selected NSW Government secondary schools to an estimated value of more than \$150 million
- coordinate with Catholic and Independent school systems who are between them investing over \$1.5 billion in their schools
- report on NSW's implementation of the road and rail black spots program to the Australian Government
- complete 75 percent of new housing by December 2010 and all work by mid 2011

Current Status as at 31 July 2009

Housing Program Scope

Program	Description	Approved by Australian Government	Status
Repairs and Maintenance	Under the repairs and maintenance program NSW will spend \$130 million to undertake repairs and maintenance for 31,500 homes in 2008/09 and 2009/10.	31,500	20,989 dwellings were commenced, which is 21 more than anticipated 18,527 dwellings have been completed, which is 1,157 more than anticipated.
2008/2009		15,750	2008/09 maintenance targets met.
2009/2010		15,750	All projects approved.
New social housing dwellings	NSW is responding to the challenge of constructing 6,500 new dwellings in the limited time available with a combination of the redevelopment of existing Housing NSW properties (with NSW bearing the cost of land involved) and land and multi-unit development projects.	6,505	All projects approved.
Stage 1	NSW will spend \$226 million to build 856 homes under Stage 1	856	On schedule with 770 dwellings currently under construction, 8 dwellings have been completed.
Stage 2	NSW will spend \$1.7 billion to build 5,649 homes under Stage 2	5,649	All submissions lodged ahead of schedule with the first submission being 10 weeks ahead and the final one 3 weeks ahead. Construction of stage 2 has commenced.

- To date an estimated 940 jobs have been secured on social housing projects at a local level, including approximately 94 jobs for apprentices.
- There has been a massive enhancement to Housing NSW's list of pre-qualified builders from 51 to 241. Ten external companies have been appointed as Development Project Managers to work with Housing NSW to manage all aspects of the construction of new social housing dwellings.
- 2,639 people have already been employed on Housing maintenance projects. This includes 42 tenants, 88 Aboriginal people and 133 apprentices.





The start of works on a \$2 million hall and covered outdoor learning area being built at Minto Public School was celebrated by Prime Minister Kevin Rudd, NSW Premier Nathan Rees, NSW Minister for Education and Training Verity Firth, Federal Parliamentary Secretary for Employment Jason Clare and local State MP Graham West.

Education Program Scope

Program	Description	Approved by Australian Government	Status
National School Pride	Provides funding to undertake maintenance and minor capital works in all schools.	2,181	100% of schools across the state have financially commenced. All onsite works are expected to meet completion deadlines.
Primary Schools for the 21st Century	Provides funding to construct new libraries, halls, classrooms and undertake other capital works in primary schools.	1,245	All approved projects in Rounds 1 and 2 have commenced as defined by the Australian Government's Guidelines. Round 3 is pending approval from the Australian Government. This is expected to occur in late August/early September.
Science and Language Centres	Provides funding for new and refurbished existing science and language centres in secondary schools.	118	The procurement phase of the approved science and language centre program is progressing well. A further 26 applications are being considered for inclusion in a possible supplementary round of funding by the Australian Government.

- Seven Managing Contractor firms have been engaged to assist in managing delivery of the Primary Schools for the 21st Century projects across the State.
- The NSW Government estimates that 7,640 people will work daily on the sites of the projects already commenced.



The use of innovation to achieve delivery goals

The Taskforce is chaired by Bob Leece and includes the Directors General of the Departments of Education, Housing, Treasury and Premier and Cabinet. Its Chairman reports directly to the Premier. A small team of expert industry advisers forms the Taskforce office. It has now been operational for six months.

The Taskforce Chairman is also the Infrastructure Coordinator General of the program in NSW, reporting on progress to the Commonwealth Coordinator General and the Premier.

The Taskforce can report there has been a concentrated effort during the establishment phase by all concerned with the Nation Building program in NSW to overcome the challenges faced by the program. Key innovations include:

Taskforce/Agency collaborative model

The decision has been made for the existing government agencies to be the delivery arms of the Nation Building Program. In this respect they work in collaboration with the Taskforce, which has the reporting role to both the Premier and the Australian Government.

Stakeholder communications

Extensive and transparent consultation with all stakeholder groups is essential to the successful delivery of the program. This includes local as well as state wide industry, school principals and school communities, community members affected by school infrastructure work and social housing development, local government, social housing tenants, planning partners and members of Parliament at both State and Federal levels.

25 local employment forums hosted by the education Managing Contractors and coordinated by the State government, were held at regional centres around the State in June and July with nearly 2,000 attendees.

Over 20 Taskforce Updates have been distributed weekly to over 1,600 industry members. Monthly Updates are distributed to key planning organisations including Directors of Planning in all NSW Councils.

Each agency, including the Taskforce has committed to unprecedented transparency of information and has developed websites which contain all available details from both an industry and client point of view.

Integrated Program Delivery Office model

Integrated Program Offices have been created within the Education and Housing Government Agencies. They have been rapidly staffed by a combination of public and private sector employees to deliver a swift and efficient program using the combined knowledge and experience.

Implementation of the Managing Contractor model

In consideration of the scale, scope and geographical challenge of the education task, experienced resources skilled in contract management and administration on a massive scale are needed. These skills exist in large contractor groups who would not normally work on individual school projects. To attract these large contractors, the school capital works projects were divided into regions to a value of around \$400 million. Seven Managing Contractors have been appointed to the 10 regions.

Fast track planning approvals

The Nation Building and Jobs Plan (State Infrastructure Delivery) Act 2009, passed through the NSW Parliament in March, established the Infrastructure Coordinator General (ICG) position with the power to streamline the approval process by exempting infrastructure projects from development control legislation where there is a demonstrated risk that a project will not meet deadlines imposed by the Australian Government for delivery.



The Next Six Months

The establishment phase of the implementation of the Nation Building Economic Stimulus Plan has concluded successfully in NSW.

Delivery goal	Current Status
Establish a Taskforce	✓
Coordinated response	Systems established
All projects scoped and applications delivered to the Commonwealth	✓
Coordination of industry and suppliers	Systems established
Use of the best public and private sector resources	✓
Streamline the approvals process	✓
Extensive and transparent stakeholder engagement	✓
Quality of outcomes	Systems established
Probity and governance protocols	Systems established
Maintain integrity of current NSW expenditure programs	Systems established

Message from the Premier



NATHAN REES
Premier of NSW

“NSW is now entering the more difficult delivery phase of the program. We are heading towards the peak of our capital works program in the next six to 12 months. We need to make sure that industry is ready to supply the thousands of building sites we are creating across NSW. We need to make sure our school communities and principals and our social housing tenants understand the massive effort that is required to deliver this once in a lifetime opportunity for upgrading our assets, whilst stimulating our economy.

“At the same time, the Government needs to ensure that we do not sacrifice quality of outcomes in either the social housing or education projects. Despite seeking innovative solutions to procurement and planning issues, we need to follow all probity requirements. And we need to ensure that NSW’s own commitment to \$58 billion of infrastructure expenditure is not compromised.

“But most importantly we need to continue to measure the impact these programs are having on local jobs and on business confidence in the NSW economy. NSW will emerge from this massive expenditure program with a stronger asset base, greater ability to deliver, a strong employment base and more confidence generally so businesses will reinvest.”



For further information

Email taskforceinfo@dpc.nsw.gov.au

To view information about the NSW Nation Building and Jobs Plan Taskforce visit www.nsw.gov.au/nationbuildingtaskforce

Visit the Commonwealth Nation Building and Economic Stimulus Plan website www.economicstimulusplan.gov.au