

BUILDING OUR WAY FORWARD

Infrastructure update _____ June 2022





This is our vision to keep
building our way forward

Dominic Perrottet

Contents

Message from the Premier 4

Message from Minister Stokes 5

Building for the future..... 6

What we’ve built 10

Health 11

Education 12

Transport 14

Roads 16

Precincts 18

Justice 21

Arts and culture 22

What we’re building 24

Investment will continue well into the future 25

City-changing projects..... 26

Six-cities vision..... 28

Investing in the west 30

Regional investment 32

What we’ll build 34

How we’ll approach the future 36

Message from the Premier



Dominic Perrottet
Premier of NSW

When you look around NSW today, cranes dot the skyline as massive projects take shape before our eyes.

This is a period of rare transformation. In 10 short years a wave of megaprojects are already complete: metros and motorways, state-of-the-art hospitals, stadiums, museums, schools, bridges and more, changing people's lives for the better. And there are more underway and ready to go.

Today's transformation is the product of yesterday's vision. Ten years ago, the NSW Government looked to the future and made a choice: to tackle the projects that had been set aside for too long, and find ways to overcome the long-standing obstacles. And then we got to work.

As we continue to deliver this historic pipeline, our government remains focused on the future. Because we know that to deliver the NSW we all want ten years from now, we must act today. And it starts with vision.

These pages set out our vision for the next wave of infrastructure that will secure a brighter future for another generation of NSW families.

Ten years ago, there were challenges to overcome, but we had no idea of the scale of the crises on the way: drought, catastrophic fires, pandemic and devastating floods.

But because we were prepared, we were able to keep going. Our infrastructure pipeline has energised our economy for a decade, a source of resilience through difficult times.

Now we face new challenges, some affecting the global construction sector, others affecting all of us, and none of them unique to NSW. There is uncertainty on the horizon, and the quality of our future depends on what we do next.

Our commitment is to once again tackle the complex issues head on, to deliver the next phase in our state's growth. We'll use our experience to keep building megaprojects, ramp up the local projects that make great communities, and adapt where necessary to ensure the best value and the best outcomes.

This is our vision to keep building our way forward, transforming a state to power the nation, and leave NSW a better place for generations to come.

Message from Minister Stokes



Rob Stokes
Minister for Infrastructure,
Cities and Active Transport

By building infrastructure we build opportunity. Our infrastructure pipeline provides jobs, skills development for young people and First Nations peoples, and allows more opportunity for women to access employment opportunities previously denied to them. The dividend of our work in providing new and renewed infrastructure is new public transport, safer roads, better school buildings, and enhanced access to health care. Building infrastructure is building our civilisation – museums, stadiums, galleries, theatres and libraries. And building infrastructure is building a freer and fairer society through more parks and public spaces.

The past decade has involved hard and disciplined work in catching up on a generational gap in infrastructure provision. Motorway projects like NorthConnex, WestConnex, and now Western Harbour Tunnel and beyond. Public transport projects like the South West rail link, Sydney Light Rail, Parramatta Light Rail and many Sydney Metro lines are all projects we are building where others failed.

This transformational work continues with enormous projects currently underway like Sydney Metro West,

Western Sydney Airport Metro, the M6, Coffs Harbour Bypass and John Hunter Health and Innovation Precinct.

Delivering so many transformative projects over the past 11 years has given us world-class experience in project selection, procurement and delivery. We continue to build on this expertise to develop even better skills in identifying the best projects across NSW and how to ensure they are procured at the best time to deliver value to the taxpayer and future generations.

Our government was not elected to transact business as usual. We were elected to transform NSW. Our infrastructure priorities and pipeline are our engine to propel the state forward by developing new skills, supporting new industries, and creating new opportunities for our citizens.

We are currently delivering the biggest infrastructure investment in Australia – a \$110 billion task that is only just beginning. As the engine room of the Australian economy and the crucible of Australian society, our nation relies on NSW to lead the infrastructure agenda. It is a challenge we relish.

Building for the future

Executive summary

Over the past decade the NSW Government's unprecedented investment in infrastructure has set in motion a once-in-a-generation transformation across our state.

From local schools to life-saving hospitals, massive motorways to modern metros, this decade of delivery has connected communities like never before, and brought world-class frontline services within local reach.

We have rolled out the biggest infrastructure program in Australian history, including the first stages of WestConnex – the largest single infrastructure project in the nation.

Since 2011 the government has invested over \$178 billion in transformative projects. Since just 2016, around 260 projects with a combined total value of more than \$64 billion have been completed, transforming both metropolitan and regional areas of the state.

Delivering an infrastructure program of this scale has been made possible by the state's strong economic and fiscal credentials, together with a ground-breaking asset recycling strategy.

This wave of infrastructure construction has supercharged our economy, creating many thousands of jobs and providing a secure pipeline of work for local businesses.

Infrastructure highlights since 2011:

- More than \$178 billion invested in transformative infrastructure projects in the past decade.
- More than \$110 billion infrastructure program over next four years.
- WestInvest – \$5 billion for community projects in Western Sydney.
- 170 hospitals and health facilities with 110 underway.

- 176 new and upgraded schools.
- Upgrades to 63 regional courthouses and two new maximum security prisons.
- Growing our regions with \$4.2 billion Snowy Hydro Legacy Fund for critical infrastructure.
- \$900 million committed to rural health capital works in 2021/2022.
- Four major metro projects completed or in delivery.
- Three CBD light rail networks completed or in delivery.
- \$3 billion invested in arts and culture.



WestInvest

A \$5 billion fund for infrastructure and facilities in Western Sydney to improve quality of life



Overcoming new challenges

While NSW has had a decade of delivery, now other states and nations around the world are also ramping up their project pipelines in the aftermath of the COVID-19 pandemic, and a range of challenges in project delivery have begun to emerge.

These challenges include constrained market capacity, particularly for large, complex projects, where a limited field of contractors may put pressure on timing and cost.

Construction programs are also being affected by disruptions to supply chains caused by the pandemic, with persistent backlogs contributing to rising costs of building materials, delayed shipping and equipment orders and material shortages.

In a broader environment of rising labour costs, skills shortages in the construction industry are expected to place increased pressure on pricing. Infrastructure Australia has collated data from the states (including NSW) to support this.

Harnessing our experience

These new challenges are not unique to NSW, cost escalation is a worldwide issue. Mitigating the impact will require us to adapt our program where necessary to ensure best value for our state.

However, the NSW Government is seasoned in delivering major projects and with strong assurance disciplines and exceptional working relationships with industry participants, our state is uniquely placed to minimise the impact of these emerging global challenges.

Given NSW is home to more manufacturing than any other state, we will also explore opportunities to leverage our state's local manufacturing smarts to ensure a competitive local construction industry.

Investing in our community

We are maintaining an adaptable approach as we continue to invest in communities, to ensure the right projects are delivered at the appropriate time and at the best value to taxpayers.

The government will continue to deliver transformational megaprojects, in addition to a wide range of smaller-scale projects which are simpler and repeatable and can be delivered more easily by mid and smaller-scale construction sector firms. These projects include regional roads, pinch points and school upgrades.

Programs like the \$5 billion WestInvest fund are also focused on delivering smaller-scale infrastructure and facilities in Western Sydney to improve quality of life at the local level.

Building our way forward

Despite difficult conditions, and regardless of any potential need to adapt, it is clear that NSW is set to remain the megaproject capital of Australia, as we power forward with a record infrastructure pipeline. In doing so, we will carefully navigate the challenges emerging in the sector both nationally and globally, harnessing our long-standing experience to ensure the best possible outcomes for the people of NSW.



What we've built

The NSW Government has invested \$178.3 billion in new and upgraded infrastructure in the last decade.

Landmark megaprojects have connected our communities like never before, including new and upgraded metro, train and light rail lines, major motorway projects, and extraordinary feats of engineering from the 9 kilometre NorthConnex tunnel to the 425 metre Batemans Bay Bridge.

Hundreds of social infrastructure projects have improved access to world-class services, including 170 hospitals and health facilities, 176 new and upgraded schools, and show-stopping cultural and entertainment venues and precincts like the new International Convention Centre.

Health



We are committed to delivering a world-class health system to protect and improve the health and wellbeing of the people of NSW.

The NSW Government has invested in hospitals and health services so that our health system can provide for our rapidly growing and ageing population, while taking advantage of innovative ways to deliver health care priorities.

This has included metropolitan and regional hospital redevelopments and greenfield projects, integrated care facilities through the Multipurpose Service and HealthOne programs, and purpose-built ambulance infrastructure across the state.

Since 2011, the government has delivered more than 170 hospitals and health facilities across NSW, with more than 110 currently underway

Recently completed projects include:

- \$1.127 billion redevelopment of the Royal North Shore Hospital.
- \$700 million developments of the Blacktown and Mount Druitt Hospitals.
- \$470 million new Maitland Hospital.
- \$73 million Macksville Hospital Redevelopment.
- \$95 million Stage 1 of the Children's Hospital at Westmead.
- \$25 million Bankstown-Lidcombe Hospital Emergency Department Redevelopment.
- \$431.4 million Wagga Wagga Base Hospital Redevelopment Stage 1 to 3.

Education



The NSW Government is committed to giving our kids the best start in life. That means delivering the very best school infrastructure to meet the needs of a growing population, and to support modern, flexible teaching and learning.

Since 2011, the NSW Government has completed 176 new and upgraded schools, (including 44 new or relocated schools and 132 major school upgrades), delivered approximately 2,930 new classrooms and created more than 50,650 additional student places. This is in addition to ongoing investment in our existing portfolio of over 2,200 schools around the state, ensuring they are fit for the changing needs of our students.

Since 2011 the NSW Government has completed 176 new and upgraded schools

- Completed projects and initiatives include:**
- Inner Sydney High School.
 - Parramatta Public School redevelopment.
 - Arthur Phillip High School.
 - Cooler Classrooms Program.
 - TAFE Connected Learning Centres.
 - Six new schools in growing parts of Western Sydney, including Barramurra Public School in Catherine Field and Galungara Public School in Schofields.
 - Two new regional schools including Estella Public School in Wagga Wagga.
 - The \$121 million upgrade of Armidale Secondary College.
 - Upgrades at Braidwood Central School, Murrumbidgee Regional High School and Ashtonfield Public School.
 - Upgrades across Metropolitan Sydney include Parramatta West Public School and Kingswood High School.

Transport

21 major transport infrastructure projects opened in 2020–21, including eight in regional NSW



We're committed to delivering better transport to improve quality of life for the people of NSW. Our current projects are cutting travel time for commuters so they can spend more time with friends and family, and helping to shape our cities and communities for generations to come.

We're delivering the largest transport infrastructure program in Australia's history. This program has provided better connections between roads, rail and buses and improved access for those with mobility constraints. Our world-class public transport system better connects the community, helping people move more efficiently between work, schools and communities.

Transport projects not only add critical infrastructure to make NSW a better connected state but create jobs and deliver economic benefits to local communities.

Completed projects include:

- North West Metro.
- South West Rail Link.
- Inner West Light Rail Extension.
- Batemans Bay Bridge.
- Newcastle Light Rail.

Roads



NSW is in the midst of a historic investment in roads infrastructure. We are preparing for a Greater Sydney Region where people can access the jobs, education and services they need within 30 minutes by vehicle, public and active transport.

Our priority is completing, and getting more capacity and efficiency out of the Sydney Motorway Network, while ensuring seamless integration with the arterial network. We're working to close critical gaps, making it possible for motorists, public transport and freight to cross Sydney, bypassing the CBD, avoiding dozens of traffic lights and reducing travel times.

We have delivered city-changing projects to create a faster, safer and more reliable network which

facilitates connections to public transport hubs and returns local roads to local communities.

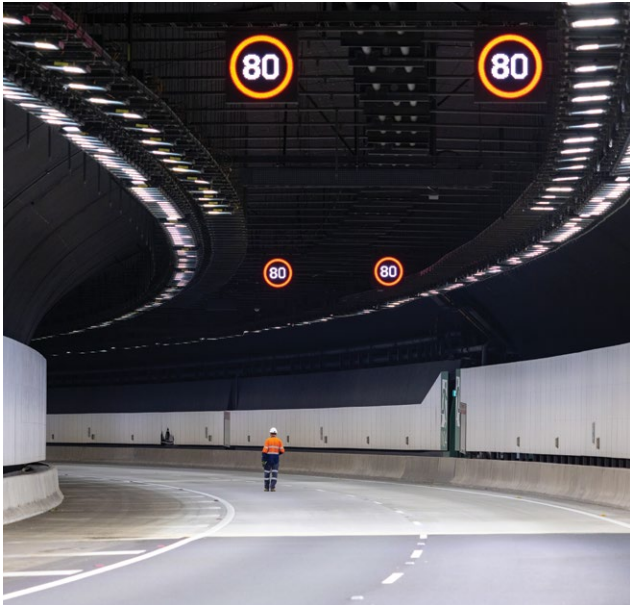
NorthConnex, a 9 kilometre twin tunnel linking the M1 Pacific Motorway at Wahroonga to the Hills M2 Motorway at West Pennant Hills in Sydney's north was the missing link in the National Transport Network, improving freight access, connectivity and reliability across Greater Sydney.

WestConnex is Australia's largest road infrastructure project and is a critical part of a broader plan to get Sydney, and Australia, moving again. With New M4 (Stage 1) and M8 (Stage 2) now open, motorists are reaping the benefits of traffic-light-free motorways which are easing congestion on Sydney's roads.

Completed projects include:

- NorthConnex.
- WestConnex M4 East Tunnel.
- WestConnex M8.
- Woolgoolga to Ballina Pacific Highway Upgrade.

We're preparing for a Greater Sydney Region where people can access the jobs, education and services they need within 30 minutes



Precincts



We have delivered projects to transform urban spaces into thriving places with better transport options, more active spaces, and employment and education options closer to home. Place-based precincts are all part of our plan to ensure NSW is well positioned to accommodate growth and change in our society and economy.

Precinct planning is centered around people, places, public spaces and the environment, based on careful collaboration with councils and the local communities they represent.



Recent projects include:

- The \$3.4 billion transformation of Darling Harbour, with the world-class Sydney International Convention Centre, 3,000 square metres of green space, a stunning new amphitheatre and a new city neighbourhood.
- Barangaroo, a globally renowned urban renewal project on the western waterfront of Sydney's CBD has transformed a disused container terminal into a spectacular 22-hectare waterfront precinct.
- The NSW Government has invested over \$650 million to transform Newcastle's city centre by strengthening connections between the city and waterfront, creating job opportunities, providing new housing and delivering attractive public spaces connected to better transport.

63 regional courthouses – from Bega to Broken Hill and Wagga Wagga to Wilcannia – are undergoing improvements, with upgrades to fire safety and security, as well as structural repairs and general maintenance



Justice

The NSW Government is ensuring our state's justice infrastructure supports safer communities, easier access to our justice system, and more efficient and effective justice outcomes for everyone in NSW.

Our emergency response services, police stations, courthouses and correctional centres are interconnected, and all play a vital part in making NSW one of the safest and most prosperous places to live.

Significant investment in the state's correctional facilities has ensured that the needs of the future prisoner population are met. This not only means delivering correctional centres with long-term capacity but also quality supporting and ancillary services.

Completed projects include:

- Clarence Correctional Centre.
- Two new 'rapid build' maximum-security prisons at Cessnock and Wellington.
- A new maximum-security centre for women at Lidcombe.
- Major expansions at Junee, Mid North Coast, Parklea and South Coast correctional centres, the New Queanbeyan Police Station and upgraded Gosford Police Station.

Arts and culture

Supporting a culture of creativity in NSW brings life, colour, movement and fun to the Premier State. But for arts and culture to truly flourish in our communities, it needs a home – places where it can be created, shared and enjoyed. Cultural infrastructure brings people together, creating strong social connections at the local level, and attracting tourism to boost our vibrant visitor economy.

In NSW, we have delivered contemporary, world-class cultural facilities to strengthen, deepen and enrich the quality of our cultural sector, while also delivering digital infrastructure and technology that enables all forms of culture to reach wider audiences, benefiting audiences and creators alike.

Among the highlights of our cultural investment is the Walsh Bay Arts Precinct – once a hidden and unused pocket of our harbour now transformed into a premium 21st century space for making, performing and experiencing theatre, dance and music.

The \$60 million Creative Capital fund was established for the delivery of new and improved cultural infrastructure across NSW. So far, 60 museums, theatres, performance spaces and galleries have attracted funding, with more to come.



Creative Capital Fund

60 projects funded including:

- Broken Hill Regional Art Gallery building upgrades.
- Lighting upgrades at Cessnock Performing Arts Centre.
- Coffs Harbour Regional Conservatorium extension.
- Slim Dusty Centre Arts and Culture refurbishment.
- New England Regional Art Museum upgrade of loading dock.



What we're building

The next wave of megaprojects is already on the way, including the Aerotropolis surrounding the new Western Sydney Airport, more major metros, and NSW's biggest museum, the new Powerhouse, all set to transform Western Sydney.

The big build continues to connect our regions, improve access to health and other services, and drive economic opportunity, through Special Activation Precincts, freight links, rail and road passenger transport, water security and digital connectivity.

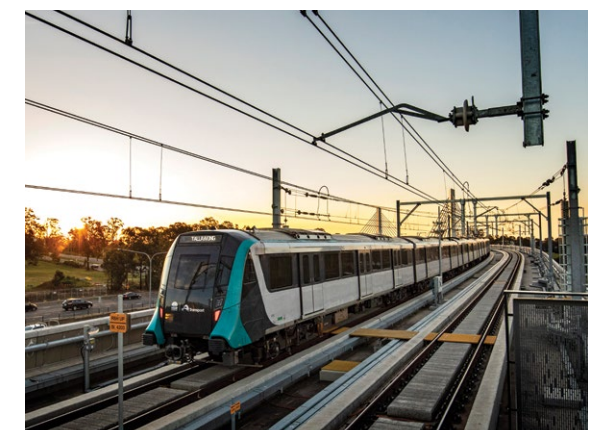
There will be an increased emphasis on local community projects that make neighbourhoods better places to live, with initiatives like the \$5 billion WestInvest fund to create more liveable, loveable localities.



Investment will continue well into the future

While the pace of delivery over the past decade has been unprecedented, a similarly robust pace of investment is likely to continue in the two decades ahead. This will be done in a sustainable way, targeting productive projects, using insights gained to continually refine our assurance processes, and leveraging investment from the private sector.

In addition to securing the next phase of our state's growth, sustaining high levels of infrastructure funding will support robust economic growth across our economy and provide better services for a growing NSW population.



City-changing projects



The largest cultural investment since the Sydney Opera House, the new Powerhouse Museum will be the first state cultural institution located in Parramatta. There will be 18,000 square metres of exhibition and public space, providing increased access to the museum's extraordinary collection and it's expected to attract 2 million visitors annually.

The NSW Government recently awarded a \$2.16 billion contract to deliver the next stage of tunnelling on the mega Sydney Metro West project. By 2024, Sydney will have 31 metro railway stations and a 66 kilometre standalone metro railway system, revolutionising the way our city travels. The Sydney Metro West project alone will help double rail capacity between Greater Parramatta and the Sydney CBD, transforming Sydney for generations to come.

The new Sydney Fish Market, once complete, will play a vital role in attracting local and international visitors to bolster tourism in Sydney and stimulate the economy. Visitor numbers to the new Sydney Fish Market are set to more than double, cementing the market as one of Australia's leading

tourist attractions, and also as a driver of job creation and reinvigoration of the Pyrmont area.

Three world-class universities, a world-leading research hospital, over 100 research institutes and centres of excellence, innovators and community collide and collaborate to spark ideas that will change the world at Tech Central. With the NSW Government enabling affordable spaces for researchers, innovators, early-stage companies and entrepreneurs to incubate, test and scale their ideas – and Atlassian's future Australian HQ as a key anchor for the area – Tech Central will become the recognised home of breaking new ground.

Projects include:

- Sydney Fish Market.
- Sydney Metro West.
- New Powerhouse Museum.
- Sydney Modern.
- Tech Central.

Six-cities vision



Our three-cities strategy has grown to a six-cities vision. We're working to create good jobs where people live, attracting world-class industry and talent, and delivering the infrastructure to connect the cities together.

The six cities represent a unique national opportunity to attract global investment, talent and tourism on an unprecedented scale.

The city-region stretches across the Lower Hunter and Greater Newcastle; the Central Coast; Illawarra-Shoalhaven; the Western Parkland City stretching from the Blue Mountains to Fairfield and the Hawkesbury to Wollondilly; the Central River City stretching from The Hills to the Sutherland Shire and from Blacktown to Canterbury-Bankstown; and the Eastern Harbour City stretching from Northern Beaches to Bayside and Strathfield to Waverley.

The six-city region includes some of the world's finest universities. Identifying, expanding and connecting each city will result in better education, employment and community outcomes.

Six-cities vision, to create good jobs where people live, attracting world-class industry and talent and delivering the infrastructure to connect the cities together.



Investing in the west



Improving liveability

The new \$5 billion WestInvest program will help fund and deliver transformational projects that will enhance communities and help create jobs throughout Western Sydney. These projects will improve the liveability of communities and support economic recovery, making a real difference to the quality of life in 15 eligible Local Government Areas.

The NSW Government has committed \$3 billion to be made available to NSW Government agencies to deliver transformational projects that are ready to go and will benefit local communities. In addition, a total of \$2 billion has been committed to Community Project Grants to improve green space, support community infrastructure, school modernisation, arts and cultural facilities, high street activation and local traffic programs.

State-of-the-art gateway

The new Western Sydney Airport will be a state-of-the-art gateway to the world, designed with 21st century thinking and built to service 10 million passengers a year from the day it opens in 2026.

Surrounding the airport we are building Australia's next industrial powerhouse – the Bradfield City Centre. The Aerotropolis will turbocharge our state's productive capacity, nurturing future-focused sectors like advanced manufacturing, aerospace, defence and agribusiness, and attracting world-leading research, to create the next generation of jobs for the people of our state.

Connecting communities

The Sydney Metro Western Sydney Airport Line will connect communities and travellers with the new Western Sydney Airport and the growing region. In addition, the M12 Motorway will deliver significant travel time reductions and increased travel time reliability to road users and freight operators. This will give motorists and freight operators a faster journey to the new airport while keeping heavy traffic off the local road network, freeing it up for local residents and businesses.

Stage 1 of the Parramatta Light Rail will connect Westmead to Carlingford via the Parramatta CBD and Camellia and is expected to open in 2023. The route will link some of the Central River City's most important residential, commercial, educational, medical and entertainment precincts.

Projects include:

- WestInvest.
- Western Sydney Metro.
- Sydney Metro-Western Sydney.
- Parramatta Light Rail.
- Advanced Manufacturing Research Facility.

Regional investment



In regional NSW, primary and secondary industries and the visitor economy remain dominant, accounting for half of total regional NSW economic output.

The NSW Government's 20-Year Economic Vision for Regional NSW (Regional Economic Vision) outlines the state's overarching plan for driving sustainable, long-term economic growth in regional NSW.

To support the Regional Economic Vision, the government has established the \$4.2 billion Snowy Hydro Legacy Fund aimed at delivering critical infrastructure and priority initiatives in regional NSW.

The Fund focuses on initiatives in the following five domains:

- Special Activation Precincts (SAPs)
- freight link enhancements
- rail and road passenger transport connectivity
- water security
- digital connectivity.

The NSW Government's ongoing commitment to rural and regional health has been demonstrated by record investment, with \$900 million committed to capital works in the 2021-22 financial year.

This was followed by a \$500 million funding boost in November 2021 to enhance services and infrastructure for rural communities and attract workers to the regions.

The NSW Government is building the Greater Western Highway (East and West Sections) to make it safer and more reliable.



What we'll build

We are carefully planning ahead and maintaining an adaptable approach for the next wave of projects.

We remain committed to delivering our longer-term forward pipeline of road, rail, health, precinct renewal and other projects.

We will ensure the right projects are delivered at the appropriate time and at the best value to taxpayers, having regard to ongoing market constraints.



The record \$110 billion infrastructure program currently underway will continue to support our state's economic growth and provide an ongoing pipeline of jobs and work for construction-sector participants of all sizes for several years to come, as projects move through the stages of delivery in the context of a constrained market.

Looking further ahead, the NSW Government remains committed to its future project pipeline, subject to the usual rigorous due diligence and investment decision processes. In addition to a wide range of smaller-scale projects, the pipeline includes the next wave of transformational megaprojects.

Transformational megaprojects include:

- Advanced Manufacturing Research Facility (AMRF).
- Bathurst Hospital.
- Beaches Link.
- Grafton Hospital.
- Greater Western Highway Central section.
- M6 Motorway Stage 2.
- New Dungowan Dam.
- Parramatta Light Rail Stage 2.

With a range of global challenges impacting infrastructure delivery, the NSW Government will ensure investment decisions in future projects are fiscally responsible and appropriately staged. While we strive to deliver infrastructure projects as quickly as possible, we will always be responsible when investing taxpayer's money.



How we'll approach the future

Our decade of delivery has seen some of the biggest and most complex infrastructure projects in the nation's history come to life.

This has given the NSW Government invaluable experience that only comes through the process of planning, procurement and delivery.

While our current way of doing things has served us well, we must review and reform our focus to put NSW on the best footing to build our way forward.



The NSW Government will focus on:

1. Selecting the best projects for the long-term. The government will review and reform options analysis, business case analysis and discount rates to identify projects with the best long-term benefits.
2. Better communication through the life of a project. Providing clear and transparent information about project identification, approval, investment decision and procurement.
3. Environmentally responsible project delivery. Spearheading investment in local and sustainable industries by using green concrete, zero emissions vehicles and recycled, low carbon materials, as well as constantly reviewing design parameters to minimise unnecessary resource use.
4. Matching the pipeline to industry capacity. Delivering the right projects at the right time, giving taxpayers the best possible return on investment.
5. Evolving Infrastructure NSW. Building on its expertise in project identification and project assurance, INSW will expand its role to ensure the efficient procurement and delivery of projects across government.



By building infrastructure
we build opportunity

Rob Stokes



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