

## 2. RESTART NSW

- In 2011, the Government established the Restart NSW Fund (Restart NSW) to enable high priority infrastructure projects to be funded and delivered.
- Restart NSW has been significantly bolstered by the successful completion of the Ausgrid, Endeavour Energy, and Land and Property Information transactions since the 2016-17 Budget, with funds deposited into Restart NSW since 2011 totalling \$29.8 billion as at June 2017.
- A total of \$17.5 billion has now been committed, and budgeted, for infrastructure projects from Restart NSW, including \$11.9 billion for the Rebuilding NSW plan.
- By 30 June 2017, \$12.1 billion is forecast to be reserved in Restart NSW for identified projects and programs, which represents an increase of over 500 per cent on last year, providing a strong pipeline of infrastructure projects.
- The Government's asset recycling program has allowed critical infrastructure projects to be fast-tracked, including bringing forward project start dates, accelerating project timeframes, and funding projects that were previously unfunded.
- Restart NSW funding has supported around 400 infrastructure projects to date, including 80 local infrastructure projects that have already been delivered.

### 2.1 Introduction

In 2011, the Government established Restart NSW to improve the economic growth and productivity of the State by enabling high priority infrastructure projects to be funded and delivered. Restart NSW is supported by a record asset recycling program, which has allowed the Government to continue to commit to record levels of infrastructure investment while maintaining the State's triple-A credit rating.

Restart NSW is the vehicle for the delivery of the Rebuilding NSW plan, which is the Government's 10-year plan to invest \$20 billion in new infrastructure funded by the electricity network transactions, Commonwealth Government Asset Recycling Initiative payments, and investment earnings. These proceeds are first deposited into Restart NSW before being invested into Rebuilding NSW projects.

Table 2.1: Restart NSW Fund (expected position as at 30 June 2017)<sup>(a)</sup>

	Restart NSW (excl Rebuilding NSW)	Rebuilding NSW plan	Total	Table reference
<b>Total inflows</b>			<b>\$29.8 billion</b>	2.4
<b>Commitments</b>	\$5.7 billion	\$11.9 billion	\$17.5 billion	2.2 & 3.2
<b>Reservations</b>	\$3.9 billion	\$8.1 billion	\$12.1 billion	2.3 & 3.2
<b>Unallocated balance</b>	\$0.2 billion	...	\$0.2 billion	
<b>Total</b>	<b>\$9.8 billion</b>	<b>\$20.0 billion</b>		

(a) Reflects inflows forecast to be received into Restart NSW as at 30 June 2017 but not future inflows.

The forecast 30 June 2017 amount deposited into Restart NSW since its inception is estimated at \$29.8 billion, as further summarised in Table 2.4. This represents a record increase of \$13.2 billion since 30 June 2016.

The successful completion of the Ausgrid, Endeavour Energy, and Land and Property Information transactions in 2016-17 has significantly boosted inflows into Restart NSW.

A total of \$17.5 billion has been committed, and budgeted, to be spent on infrastructure projects from Restart NSW, including \$11.9 billion for the Rebuilding NSW plan. These commitments are summarised in Table 2.2 and include funding for projects being delivered by State and Local Government, and non-government organisations. Major infrastructure projects being delivered as part of the Rebuilding NSW plan include Sydney Metro City and Southwest, detailed in Box 2.1.

### Box 2.1: Sydney Metro City and Southwest

**Project:** Sydney Metro City and Southwest is a new 30 kilometre metro rail line linking with Sydney Metro Northwest at Chatswood, through new stations in the lower North Shore, a line under Sydney Harbour and then through the CBD and southwest to Bankstown. Delivery is expected for 2024 with the capacity to deliver metro services every four minutes during peak hour on opening, with further capacity for growth in the future.

**Funding allocation:** The Government has committed \$7.0 billion from Restart NSW, as part of the Rebuilding NSW plan, which will be combined with funding from Transport for NSW. The Budget allocates \$1.7 billion in 2017-18 and \$4.9 billion over the budget and forward estimates period.

**Implementation:** Procurement has been accelerated and is on track for the first tunnel boring machine to be in the ground in 2018. New twin railway tunnels will be constructed, stretching 15.5 kilometres from Chatswood to Sydenham, including a second rail crossing below the Sydney Harbour. Seven new stations, and 11 upgraded stations on the metro converted Bankstown line, are planned to be delivered.

A further \$12.1 billion is forecast to be reserved in Restart NSW as at 30 June 2017 for identified projects and programs, allowing for further investigation and review of individual project plans and business cases. These reservations are summarised in Table 2.3.

Significant reservations since the 2016-17 Budget include:

- \$1.0 billion for the Major Stadia Network program, to upgrade Sydney's major sports stadiums (Box 2.2)
- \$1.0 billion for the new Regional Growth: Economic Activation Fund, of which \$50.0 million has been reserved for the Resources for Regions program (Box 2.6)
- \$600.0 million in additional Restart NSW funds reserved for the Housing Acceleration Fund, to deliver infrastructure aimed at unlocking new housing supply (Box 2.4)
- around \$500 million for the new Safe and Secure Water Program (Box 3.10 in Chapter 3).<sup>1</sup>

<sup>1</sup> The Safe and Secure Water Program repurposes the \$1.0 billion Rebuilding NSW Regional Water Security and Supply Fund, including the existing commitment to the Broken Hill Water Supply project which is commercial in confidence.

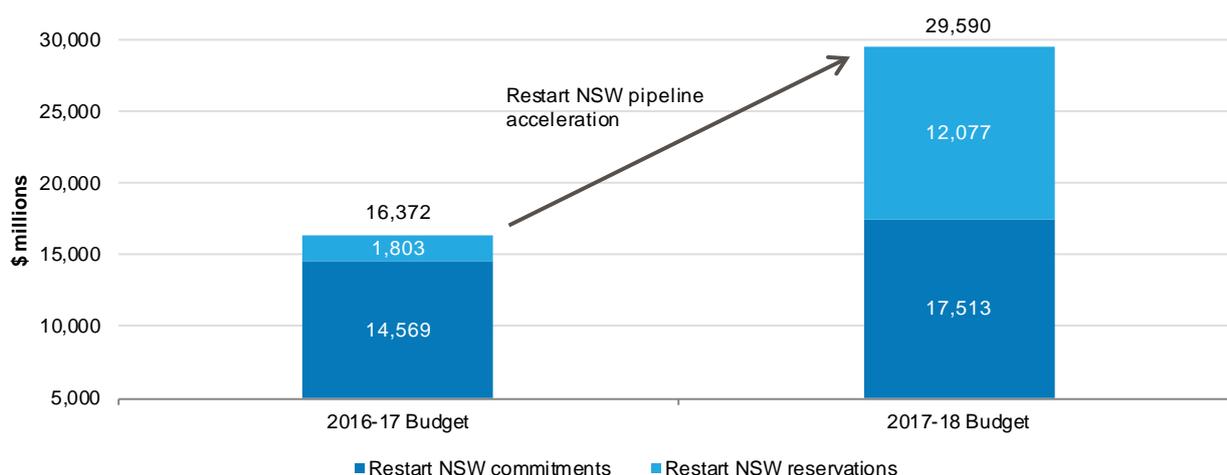
### Box 2.2: The Major Stadia Network program

**Program:** In April 2017, the Government announced it would invest \$1.0 billion of the proceeds from the Land and Property Information transaction into sports stadia. The \$1.0 billion will be received into Restart NSW and is in addition to the \$600.0 million for sports stadia announced as part of the \$20 billion Rebuilding NSW plan. The funds will be invested into Sydney's major sports stadiums, including building a new Western Sydney Stadium, upgrading Stadium Australia, and refurbishing Sydney Football Stadium.

**Service delivery objective:** The investment in sports stadia will drive growth in the visitor economy by helping to attract high quality sporting and entertainment events to New South Wales.

As shown in Chart 2.1, \$29.6 billion will be committed or reserved in Restart NSW for infrastructure projects, with an additional \$0.2 billion unallocated, as at 30 June 2017. Since the 2016-17 Budget, total Restart NSW commitments have increased by 20.2 per cent while Restart NSW reservations have increased by over 500 per cent, providing a strong pipeline of infrastructure projects.

Chart 2.1: Restart NSW commitments and reservations (expected position as at 30 June 2017) <sup>(a)</sup>



(a) Includes commitments and reservations for Rebuilding NSW projects and other projects funded from Restart NSW.

This chapter summarises the Restart NSW projects that have either been committed to or are the subject of a reservation, including projects in regional areas. It also sets out the Restart NSW governance and project selection framework. Rebuilding NSW projects are further detailed in Chapter 3 of this *Infrastructure Statement*.

**Box 2.3: Restart NSW and Rebuilding NSW terminology**

The following terminology is frequently used throughout Chapters 2 and 3 of this *Infrastructure Statement*.

**Inflows:** Funds deposited into Restart NSW, including proceeds from asset recycling transactions, Commonwealth Government Asset Recycling Initiative payments, proceeds from Waratah Bonds, windfall tax revenue, and investment earnings, which are then invested into Rebuilding NSW and other Restart NSW projects.

**Commitments:** Inflows that are committed to be spent on an individual project. A Restart NSW commitment can only be recognised once the Treasurer has accepted a specific funding recommendation from Infrastructure NSW for an individual project, as required by the *Restart NSW Fund Act 2011* (Restart Act). Restart NSW funding commitments are included in the budget aggregates.

**Reservations:** Inflows that are reserved with a view to a future commitment but are not included in the budget aggregates. This allows for further project development and completion of project assurance processes prior to a final funding decision. A Restart NSW reservation can only become a commitment, and included in the budget aggregates, once the Treasurer has accepted a specific Infrastructure NSW recommendation for each individual project.

## 2.2 Restart NSW commitments

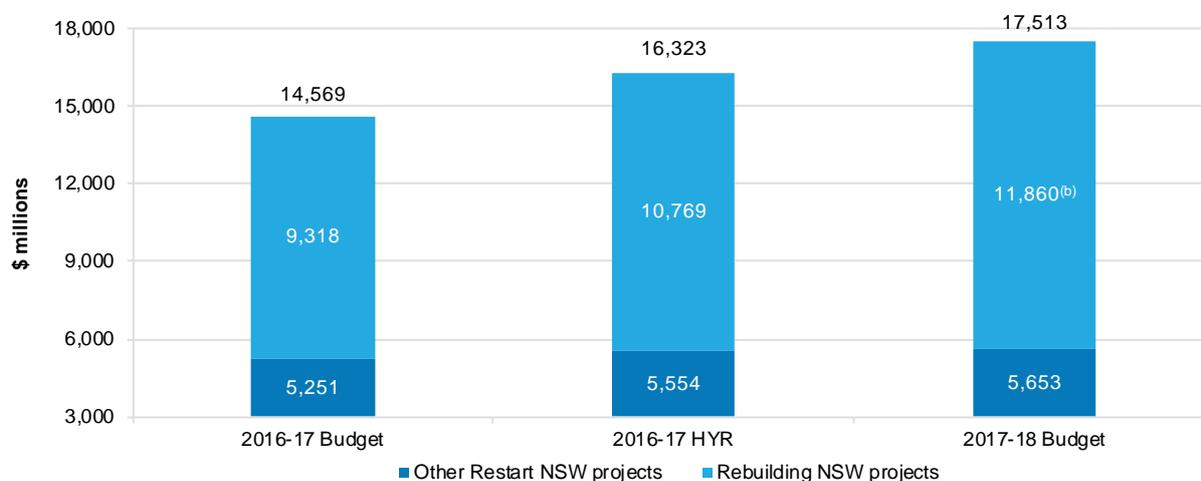
An additional \$2.9 billion has been committed to projects from Restart NSW since the 2016-17 Budget, representing a 20.2 per cent increase in commitments on last year. Significant funding commitments since the 2016-17 Budget include:

- Rebuilding NSW projects and programs:
  - the Princes Highway, Berry to Bomaderry upgrade (Box 3.4 in Chapter 3)<sup>2</sup>
  - \$393.0 million for the Pinch Points and Clearways program (including both Sydney and the Hunter) (Box 3.3 in Chapter 3)
  - \$380.0 million for the M4 Smart Motorway project (Box 3.2 in Chapter 3)
- Other Restart NSW projects and programs:
  - \$107.1 million for the Regional Waste Water and Backlog Water program (Box 2.7)
  - \$84.0 million for the Regional Freight Pinch Point and Safety program
  - \$53.5 million for Parramatta Light Rail.

<sup>2</sup> The Restart NSW funding commitment is commercial in confidence.

As shown below, total Restart NSW commitments are \$17.5 billion as at the 2017-18 Budget.

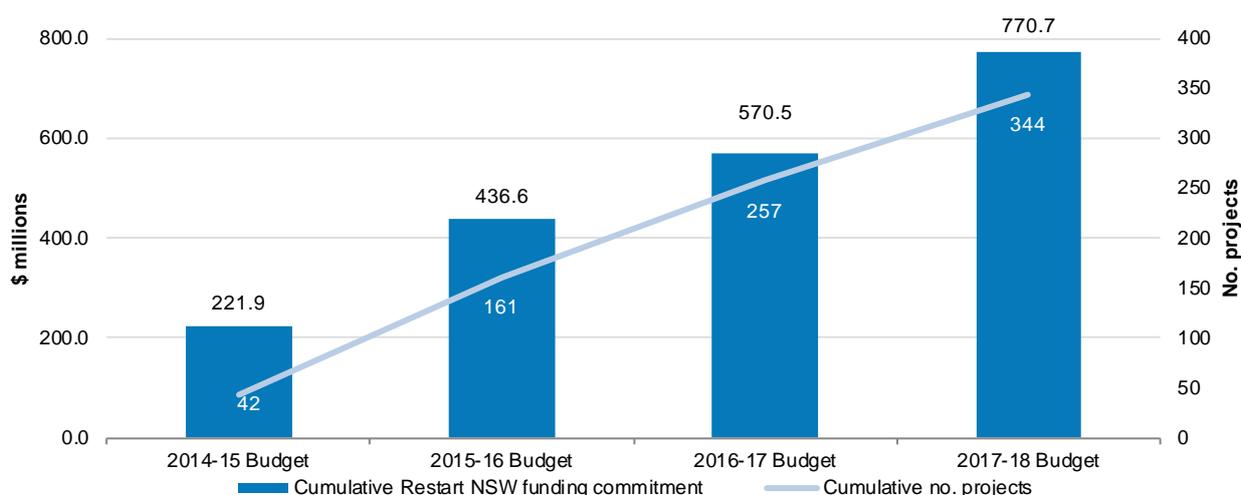
Chart 2.2: Restart NSW commitments as at the 2017-18 Budget <sup>(a)</sup>



- (a) Chart 2.2 shows the total cumulative Restart NSW funding up to the 2017-18 Budget compared to the 2016-17 Budget. Funding is expended on projects over the course of the projects' delivery.
- (b) Total Rebuilding NSW budgeted funding is \$12.6 billion, which comprises \$11.9 billion committed from Restart NSW with the balance advanced from the Consolidated Fund.

The Government continues to fund a range of local infrastructure projects, including the Wongawilli Access Project, the Maitland Regional Sportsground Complex, and the Parkes Regional Airport Upgrade, with \$770.7 million in Restart NSW funding committed to 344 projects delivered by local governments and non-government organisations. Of these projects, 291 will have Restart NSW funding deeds in place by 30 June 2017 (worth \$695.5 million), allowing the projects to proceed.

Chart 2.3: Restart NSW commitments to local infrastructure projects as at the 2017-18 Budget



Since Restart NSW was established, 80 local infrastructure projects receiving Restart NSW funding have been delivered, providing critical infrastructure to both metropolitan and regional areas of the State.

Table 2.2: Restart NSW commitments as at the 2017-18 Budget

	Commitments \$m
<b>Commitments as at the 2017-18 Budget</b>	
WestConnex	1,825.0
Pacific Highway upgrade	403.0
New Intercity Fleet	402.0
Western Sydney Roads to support Sydney's second airport at Badgerys Creek	397.7
Northern Beaches Hospital, Road Connectivity and Network Enhancement	358.0
Water Security for Regions program <sup>(a)</sup> (see Appendix B)	355.3
Resources for Regions program (see Appendix B)	235.8
Grafton Bridge	177.0
Princes Highway upgrade	170.0
Regional Freight Pinch Point and Safety program	169.0
Bridges for the Bush program	135.0
Easing Sydney's Congestion (Pinch Points)	130.0
Parramatta Light Rail	117.5
Regional Tourism Infrastructure program (see Appendix B)	103.7
Illawarra Infrastructure Fund (see Appendix B)	100.2
Sydney Airport Area Road Upgrades	87.0
NorthConnex (M1 to M2 connection)	83.1
Hunter Infrastructure and Investment Fund (see Appendix B)	75.0
Additional Support for Tourism Infrastructure - Taronga Zoo	57.4
Western NSW Freight Productivity program	44.7
Fixing Country Roads program (see Appendix B)	41.4
Regional Health Infrastructure program	36.3
Bells Line of Road Corridor Improvement program	28.0
Housing Acceleration Fund (HAF 4) (see Appendix B)	25.0
Cobbora Transition Fund (see Appendix B)	20.0
Sydney Gateway (Planning)	15.4
Sydney Motorway Network Planning	15.0
Newcastle Inner City Bypass Missing Link (Rankin Park to Jesmond)	14.0
Queanbeyan Bypass (Ellerton Drive extension)	12.5
Housing Acceleration Fund (HAF 3) (see Appendix B)	8.9
Hawkesbury-Nepean Flood Management Review – Stage 2	5.0
Port of Eden Breakwater Wharf <sup>(b)</sup>	3.0
Royal Flying Doctor Service Multi-Purpose Facility	2.5
<b>Restart NSW commitments excluding Rebuilding NSW (see Table 2.1)</b>	<b>5,653.3</b>
<b>Rebuilding NSW commitments - various (see Table 3.2 in Chapter 3)</b>	<b>11,859.5</b>
<b>Total commitments as at the 2017-18 Budget</b>	<b>17,512.8</b>

(a) Includes the Regional Waste Water and Backlog Water program.

(b) The 2016-17 Budget allocated an additional \$27.5 million from the Regional Tourism Infrastructure program to the Port of Eden Breakwater Wharf project (see Appendix B).

Table C.1 in Appendix C provides a complete reconciliation of the movements in Restart NSW commitments since the 2016-17 Budget. Further details of Rebuilding NSW projects are provided in Chapter 3 of this *Infrastructure Statement*.

## 2.3 Restart NSW reservations

Table 2.3 sets out Restart NSW reservations as at 30 June 2017. Table C.2 in Appendix C sets out the movements in reservations since the 2016-17 Budget. New reservations since the 2016-17 Budget include \$1.0 billion for the Major Stadia Network program (Box 2.2), \$1.0 billion for the Regional Growth: Economic Activation Fund (Box 2.6), of which \$50.0 million has been reserved for the Resources for Regions program, and \$600.0 million for the Housing Acceleration Fund (Box 2.4).

Table 2.3: Restart NSW reservations (expected position as at 30 June 2017)

	Reservations \$m
<b>Reservations as at the 2017-18 Budget</b>	
Major Stadia Network program	1,000.0
Regional Growth: Economic Activation Fund <sup>(a)</sup>	1,000.0
Housing Acceleration Fund (HAF 5)	600.0
Housing Acceleration Fund (HAF 4)	375.0
Parramatta Light Rail	282.5
Western Sydney Roads to support Sydney's second airport at Badgerys Creek	269.4
Newcastle Inner City Bypass Missing Link (Rankin Park to Jesmond)	136.0
NSW Cycling Infrastructure Initiative	80.0
Housing Acceleration Fund (HAF 3)	74.1
Regional Freight Pinch Point and Safety program	31.0
Hunter Infrastructure and Investment Fund	25.0
Resources for Regions program <sup>(b)</sup>	19.1
Regional Health Infrastructure program	13.7
Additional Support for Tourism Infrastructure	11.5
Water Security for Regions program	10.6
Regional Tourism Infrastructure program	6.3
Fixing Country Roads program <sup>(c)</sup>	1.4
Co-contribution towards regional development priorities	0.7
<b>Restart NSW reservations excluding Rebuilding NSW (see Table 2.1)</b>	<b>3,936.3</b>
<b>Rebuilding NSW reservations (see Table 3.2 in Chapter 3)</b>	<b>8,140.5</b>
<b>Total reservations as at the 2017-18 Budget</b>	<b>12,076.8</b>

- (a) Includes \$50.0 million reserved within the Regional Growth: Economic Activation Fund for the Resources for Regions program.
- (b) An additional \$50.0 million is reserved for the Resources for Regions program from within the Regional Growth: Economic Activation Fund.
- (c) There is an additional \$445.8 million reserved for the Fixing Country Roads program as part of the Rebuilding NSW plan.

**Box 2.4: Housing Acceleration Fund**

**Program:** As at 30 June 2017, an additional \$600.0 million in Restart NSW will be reserved for the Housing Acceleration Fund (HAF), to deliver infrastructure aimed at unlocking new housing supply. This will form part of the Housing Infrastructure Program under the NSW Housing Affordability Strategy, which includes multiple infrastructure initiatives to address the challenge of housing affordability in Sydney and affected regional areas.

**Service delivery objective:** The purpose of the HAF is to provide funding for critical infrastructure projects, including roads and utilities, to drive housing growth. Investing in foundation infrastructure gives the development industry confidence to commit to residential projects in priority areas.

**Funding allocation:** An additional \$600.0 million in Restart NSW funding will be reserved for the HAF at 30 June 2017. This represents the largest commitment to the HAF since its inception in 2012. The 2014-15 Budget reserved \$83.0 million in Restart NSW for the HAF, with an additional \$400.0 million reserved at the 2015-16 Budget. To date, \$33.9 million has now been committed to HAF projects from these reservations.

## 2.4 Restart NSW funding sources

As shown in Table 2.4, \$29.8 billion is forecast to be received into Restart NSW by 30 June 2017, an increase of \$13.2 billion since 30 June 2016. The increase in total inflows is primarily due to the successful completion of the electricity network transactions and other asset recycling initiatives, including:

- \$5.6 billion in net proceeds for the Ausgrid transaction (including stamp duty)
- \$2.8 billion in net proceeds for the Endeavour Energy transaction (including stamp duty)
- \$2.6 billion in net proceeds for the Land and Property Information transaction.

In addition to the above inflows, a further \$2.2 billion has been received into Restart NSW from other sources since 30 June 2016, including the first Commonwealth Government Asset Recycling Initiative payment, Waratah Bonds, investment earnings, and windfall tax revenue.

Table 2.4: Restart NSW funding sources (expected position as at 30 June 2017)

Funding source	Total Inflows \$m
Asset recycling	
TransGrid (including stamp duty)	6,578.6
Ausgrid (including stamp duty)	5,561.4
Port Botany and Port Kembla (including stamp duty)	4,252.9
Endeavour Energy (including stamp duty)	2,833.7
Land and Property Information	2,604.0
Newcastle Port (including stamp duty)	1,575.6
Macquarie Generation (including stamp duty)	713.6
Sydney Desalination Plant	312.0
Property NSW (various asset recycling transactions)	206.2
Place Management NSW	115.1
Green State Power	86.9
Eraring Power Station	48.1
Delta Electricity (various asset recycling transactions)	25.6
Pillar Corporation (including stamp duty)	16.2
Windfall tax revenues	2,293.0
Asset Recycling Initiative payments <sup>(a)</sup>	1,007.9
Waratah Bonds	943.5
Investment earnings to date <sup>(b)</sup>	607.0
<b>Total Inflows (see Table 2.1)</b>	<b>\$29.8 billion</b>

(a) Total Commonwealth Government Asset Recycling Initiative payments are expected to be \$2.2 billion, subject to satisfaction of criteria.

(b) Investment earnings exclude any earnings in Restart NSW that have not been realised.

The NSW Infrastructure Future Fund (NIFF) was established in December 2016 as the investment vehicle for Restart NSW proceeds, to improve the management of funds received into Restart NSW and to assist the Government in meeting its infrastructure objectives. Proceeds are being invested via the NIFF in a range of financial assets with a higher earning potential than cash deposits and an investment horizon that matches the committed Restart NSW and Rebuilding NSW capital expenditure profiles. Earnings from the NIFF will support the delivery of the Government's Restart NSW and Rebuilding NSW infrastructure programs.

## 2.5 Investing in regional New South Wales

The Government is committed to supporting the development of strong, diverse and innovative regional communities across New South Wales and making those communities appealing places for people to live, work and invest. To achieve this, the Government is supporting long-term economic growth through significant infrastructure investment across regional and rural New South Wales. In aggregate, 30 per cent of Restart NSW funding over time is targeted at regional and rural areas outside the metropolitan areas of Sydney, Newcastle, and Wollongong.

The Government has also dedicated \$6.0 billion of the \$20 billion Rebuilding NSW plan to regional and rural New South Wales (30 per cent of the Rebuilding NSW plan). Rebuilding NSW commitments to regional New South Wales are detailed in Chapter 3 of this *Infrastructure Statement*.

By 30 June 2017, around \$9.1 billion in Restart NSW funding will be committed or reserved for programs and projects in regional New South Wales, including the Rebuilding NSW plan. This is comprised of \$3.8 billion committed from Restart NSW and \$5.3 billion reserved for future projects.

Since the 2016-17 Budget, there have been \$1.5 billion in additional funding commitments for projects in regional New South Wales, comprising \$1.2 billion for Rebuilding NSW projects and \$255.1 million for other Restart NSW projects. Significant new regional commitments and reservations, excluding Rebuilding NSW projects, include:

- \$1.0 billion reserved for the Regional Growth: Economic Activation Fund (Box 2.6), which will fund the following programs:
  - Growing Local Economies
  - Regional Sports Infrastructure
  - Connecting Country Communities
  - Resources for Regions
- \$107.1 million for the Regional Waste Water and Backlog Water program (Box 2.7)
- \$84.0 million for the Regional Freight Pinch Point and Safety program
- \$22.9 million for the Resources for Regions program.<sup>3</sup>

These programs will make significant contributions to addressing water security issues in regional communities, improving traffic flow and freight routes in regional New South Wales, and supporting mining communities by addressing infrastructure constraints.

The creation of the Regional Growth: Economic Activation Fund further underlines the Government's commitment to ensuring the continued economic prosperity of regional New South Wales. The Regional Growth: Economic Activation Fund is detailed in Box 2.6.

Box 2.5 details the regional Restart NSW programs and Box 3.7 in Chapter 3 summarises the Rebuilding NSW programs dedicated to infrastructure investment in regional areas.

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<sup>3</sup> Since the 2016-17 Budget, an additional \$5.0 million has been committed to Resources for Regions projects located in Newcastle and Wollongong. This funding commitment is separate to the \$50.0 million reserved for the Resources for Regions program from within the \$1.0 billion Regional Economic Activation Fund.

**Box 2.5: Restart NSW – regional investment**

The Government invests in regional infrastructure through 12 dedicated programs (not including the Rebuilding NSW plan).<sup>(a)</sup>

Table 2.5: Programs in regional New South Wales

Program	Description	Restart NSW commitment at the 2017-18 Budget \$m <sup>(b)</sup>
Bridges for the Bush	Improves road freight productivity by replacing or upgrading bridges in regional New South Wales.	135.0
Cobbora Transition Fund	Drives productivity and economic growth in local communities impacted by the land acquisition and other activities associated with the Cobbora Coal Project.	20.0
Fixing Country Roads	Improves local and regional roads managed by Local government in country areas, especially roads allowing higher mass vehicles to operate.	41.4
Hunter Infrastructure and Investment Fund	Promotes economic growth and enhances the liveability of the Hunter region.	75.0
Illawarra Infrastructure Fund	Supports economic growth in the Illawarra region.	100.2
Regional Freight Pinch Point and Safety Program	Improves key road and rail freight corridors in regional areas including the Golden Highway, Kings Highway, Gocup Road and Bells Line of Road.	169.0
Regional Health Infrastructure (Box 2.8)	Fast-tracks regional health infrastructure in Coraki, Grafton, Macksville, Manning, Lismore and Armidale.	36.3
Regional Tourism Infrastructure	Supports regional airports, cruise terminals and rail trail infrastructure to increase the economic competitiveness of the State.	103.7
Resources for Regions <sup>(c)</sup>	Supports rural and regional mining communities by addressing infrastructure constraints.	235.8
Water Security for Regions (Box 2.7)	Secures water supplies and drought-proofs regional communities, including dams and bores, and includes the Regional Waste Water and Backlog Water program.	355.3
Western NSW Freight Productivity Program	Supports sealing, widening and other improvement works on the Cobb Highway, Silver City Highway and other freight corridors in western New South Wales.	44.7
Regional Growth: Economic Activation Fund (Box 2.6)	Targets investment in economic enabling infrastructure, supports communities affected by mining, and invests in key regional sporting infrastructure.	\$1.0 billion (reserved)

(a) The Illawarra Infrastructure Fund, Hunter Infrastructure and Investment Fund and Resources for Regions programs also include funding commitments to projects located in Newcastle and Wollongong.

(b) Restart NSW reservations for the listed regional programs are detailed in Table 2.3.

(c) Restart NSW commitments to this program are separate to the new \$50.0 million reservation for the Resources for Regions program, from within the Regional Growth: Economic Activation Fund.

### **Box 2.6: Regional Growth: Economic Activation Fund**

**Program:** The Government has reserved \$1.0 billion in Restart NSW for the Regional Growth: Economic Activation Fund, reaffirming its commitment to boost jobs and economic growth in regional New South Wales. The Regional Growth Fund will unlock economic growth in the regions by targeting investment in economic enabling infrastructure, supporting mining communities, and investing in key regional sporting infrastructure. To date, the Government has reserved \$50.0 million from the Regional Growth Fund for the Resources for Regions program, to address infrastructure constraints in mining communities. The Regional Growth Fund will also provide funding for the Connecting Country Communities, Growing Local Economies, and Regional Sports Infrastructure programs.

**Funding allocation:** \$1.0 billion has been reserved in Restart NSW for the new Regional Growth: Economic Activation Fund, which will be committed to selected regional projects over a four year period.

**Service delivery objective:** The Regional Growth Fund has been established to drive investment in regional New South Wales by identifying, and investing in, infrastructure for the economic and social benefit of regional communities.

Eligible projects will develop and enhance regional telecommunications infrastructure, provide energy, rail, and road network enabling infrastructure, support and strengthen the State's regions affected by mining, and build the sporting infrastructure our regional communities deserve.

### Box 2.7: Regional Water and Waste Water Backlog program (Water Security for Regions program)

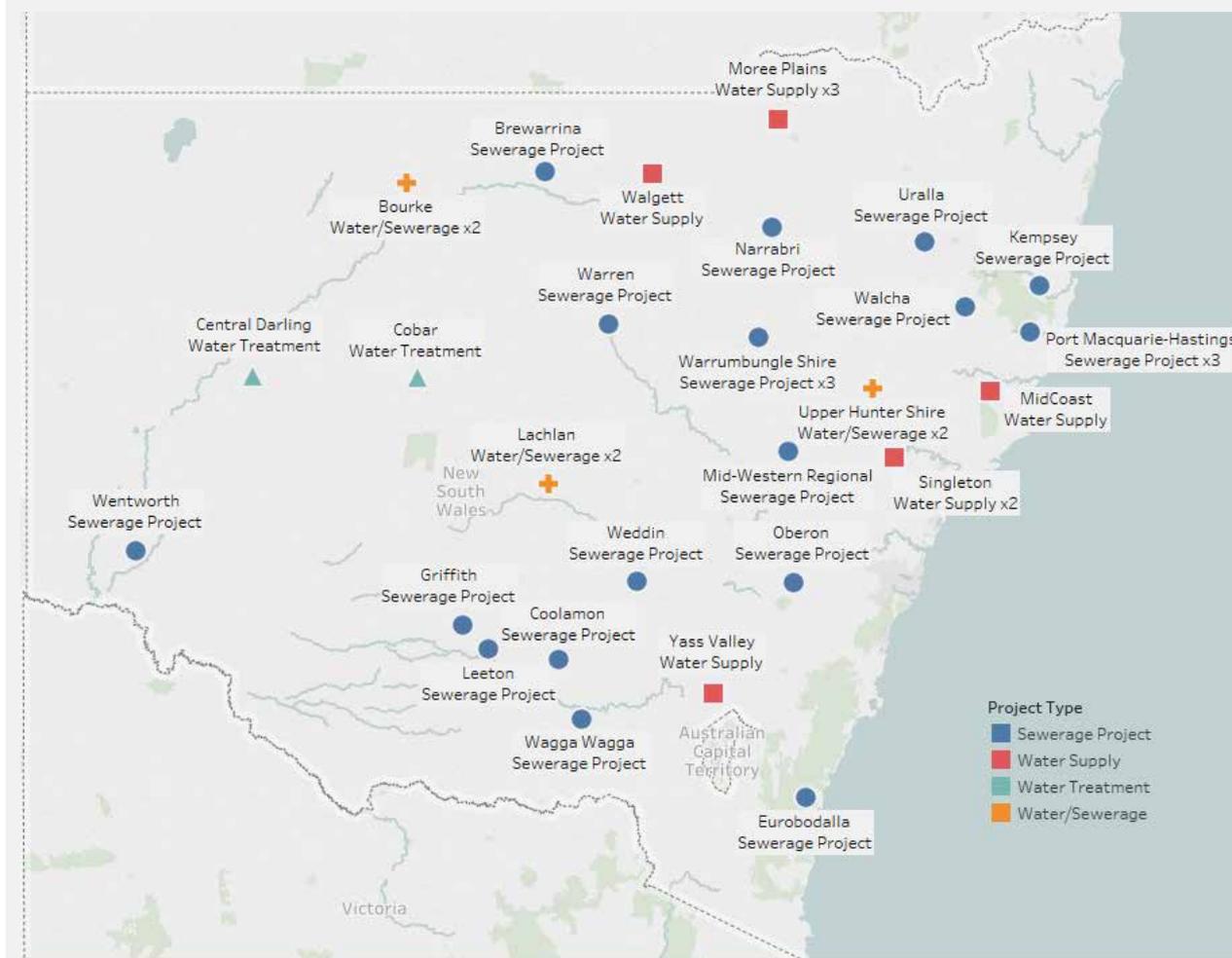
**Program:** The Regional Water and Waste Water Backlog program is part of the Government's broader Water Security for Regions program. The Regional Water and Waste Water Backlog program aims to address ongoing water quality and sewerage problems in regional communities.

**Funding allocation:** The Government reserved \$110.0 million for the Regional Water and Waste Water Backlog program in the 2015-16 Budget. Since the 2016-17 Budget, \$107.1 million in Restart NSW funding has been committed to 37 regional Water and Waste Water Backlog projects.

**Service delivery objective:** This program will boost essential water and waste water services, including the construction and upgrade of sewerage treatment and water treatment plants.

**Implementation:** In February 2016, the Government announced 45 projects had been shortlisted as part of the \$110.0 million Regional Water and Waste Water Backlog program. Infrastructure NSW recommended \$89.7 million in Restart NSW funding for 32 of these projects in June 2016 and has since recommended a further five projects receive \$17.4 million in Restart NSW funding. The Government has committed to fund the additional five projects in the 2017-18 Budget.

Chart 2.4: Regional Water and Waste Water Backlog program as at the 2017-18 Budget



### Box 2.8: Regional Health Infrastructure program

**Program:** The Regional Health Infrastructure program was established to fast-track health infrastructure in Coraki, Grafton, Macksville, Manning, Lismore and Armidale.

- **Coraki HealthOne:** \$4.0 million in Restart NSW funding has been committed to deliver an integrated and comprehensive primary health care facility designed for a range of services, including community and allied health services, Aboriginal medical services, mental health and drug and alcohol services, and visiting specialist services.
- **Grafton Ambulatory Care:** \$7.0 million in Restart NSW funding has been committed to construct an ambulatory care centre at Grafton Base Hospital, which will provide a broad range of non-admitted services tailored to the community, including renal dialysis, specialist outpatient clinics and allied health services.
- **Macksville Hospital Redevelopment:** Restart NSW funding of \$15.0 million is planned to be committed to the project. This comprises \$1.3 million in planning funds, which have already been committed, and a further \$13.7 million reserved for the Regional Health Infrastructure program. The project will provide a new health facility that will integrate hospital, non-admitted and outpatient care and community health services.
- **Manning Hospital Redevelopment:** \$5.0 million in Restart NSW funding has been committed to the Manning Hospital redevelopment. The project will expand chemotherapy and renal dialysis services, improve integration with other services on the campus, and improve access for patients.
- **Lismore Hospital Redevelopment Stage 3B:** \$10.0 million in Restart NSW funding has been committed to the Lismore Hospital Stage 3B redevelopment, which involves the construction of clinical towers for additional theatres and wards and a rooftop helipad at Lismore Hospital. The redevelopment is also one of two pilot projects implementing the Infrastructure Skills Legacy Program (ISLP). The ISLP establishes employment targets to allow existing workers to learn new skills on the job, to increase the representation of young people, Aboriginal and Torres Strait Island people and women in the construction industry, and to ensure workers from surrounding areas are targeted for training and employment.
- **Armidale Hospital Redevelopment Phase 1:** \$9.0 million in Restart NSW funding has been committed to the Armidale Hospital redevelopment, which involves construction of a new clinical services building and refurbishment of some existing buildings to deliver a new emergency department, new operating theatres and a procedure room, and a day surgery unit and inpatient wards, including a new critical care ward. The development will also deliver a new sterilising unit.

**Funding allocation:** In the 2014-15 Budget, the Government reserved \$50.0 million in Restart NSW funding for the Regional Health Infrastructure program. To date, the Government has committed \$36.3 million in Restart NSW funding to the six projects above.

**Implementation:** Coraki HealthOne is complete. Grafton Ambulatory Care is on track to be completed by mid-2018. Planning and construction for remaining projects are on track.

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## 2.6 Restart NSW governance and project selection framework

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The Government has implemented a strong governance framework to ensure that Restart NSW funds are effectively invested into infrastructure projects that enhance the State's economic growth and productivity.

The Restart Act is central to this governance framework. It provides the Government, through the Treasurer, with enhanced oversight of Restart NSW expenditure and sets out the process for the allocation of funds. To ensure sound investment decisions are made, the Restart Act confers Infrastructure NSW with the responsibility for independently assessing projects and making recommendations to the Treasurer for the use of Restart NSW funds.

New infrastructure projects considered for Restart NSW funding are subject to a comprehensive selection process. Projects selected for delivery must be supported by a sound business case showing the project is financially and economically justifiable. The key components of the project assessment framework are:

- strategic assessment to ensure the project aligns with the Restart Act criteria and existing government priorities
- economic assessment to ensure the project is expected to produce a net economic benefit and improve economic growth and productivity in the State (demonstrated by a benefit-cost ratio greater than one)
- Gateway assurance, an independent review process to ensure the project has successfully completed the appropriate business case development processes.