

3. REBUILDING NSW

- In June 2014, the Government announced its Rebuilding NSW plan to invest \$20 billion in new infrastructure over ten years.
- A total of \$11.9 billion has now been committed to the \$20 billion Rebuilding NSW plan from Restart NSW. By 30 June 2017, a further \$8.1 billion will be reserved for identified Rebuilding NSW projects and programs, including \$1.1 billion for the Western Harbour Tunnel and F6 and \$1.4 billion for the Regional Road Freight Corridor program.
- The successful completion of the electricity network transactions will enable the Government to deliver in full the \$20 billion Rebuilding NSW plan through Restart NSW.
- To ensure benefits are spread across all of New South Wales, the Government will invest \$6.0 billion of the \$20 billion Rebuilding NSW plan (30 per cent) in regional and rural projects outside metropolitan Sydney, Newcastle and Wollongong. To date, around \$2 billion has been committed to regional Rebuilding NSW projects from Restart NSW.¹

3.1 Introduction

In June 2014, the Government announced its Rebuilding NSW plan to invest \$20 billion in new infrastructure funded from the proceeds of the electricity network transactions, Commonwealth Government Asset Recycling Initiative payments, and investment earnings. Restart NSW is the vehicle for the Rebuilding NSW plan, with the proceeds of the electricity network transactions first deposited into Restart NSW before being invested into Rebuilding NSW projects.

In June 2017, the Government delivered on its plan with the completion of the third and final electricity network transaction, the long-term lease of 50.4 per cent of Endeavour Energy. This transaction follows on from the successful completion of the long-term lease transactions of TransGrid in December 2015 and 50.4 per cent of Ausgrid in December 2016. The successful completion of the electricity network transactions will enable the Government to deliver in full the \$20 billion Rebuilding NSW plan through Restart NSW.

A total of \$11.9 billion has now been committed to the \$20 billion Rebuilding NSW plan from Restart NSW.² At 30 June 2017, a further \$8.1 billion will be reserved for identified Rebuilding NSW projects and programs, allowing for further investigation and review of individual project plans and business cases. Table 3.2 provides a summary of the status of the Rebuilding NSW plan.

The Rebuilding NSW plan invests in new infrastructure to stimulate productivity across New South Wales, reduce congestion, and support communities. This infrastructure investment program also drives economic growth and creates opportunities across the State, ensuring all members of the community benefit from improvements in transport, education, health, water, sports and cultural infrastructure.

¹ Figure has been rounded as it includes commercial in confidence amounts.

² Total Rebuilding NSW plan budgeted funding is \$12.6 billion, which comprises \$11.9 billion committed from Restart NSW with the balance advanced from the Consolidated Fund.

The Rebuilding NSW projects and programs were outlined in the *Rebuilding NSW State Infrastructure Strategy 2014* prepared by the Government, following advice from Infrastructure NSW.

To ensure benefits are spread across all of New South Wales, the Government will invest \$6.0 billion of the \$20 billion Rebuilding NSW plan (30 per cent) in regional and rural projects outside metropolitan Sydney, Newcastle and Wollongong.

Rebuilding NSW projects are governed by the same framework that applies to other projects funded from Restart NSW. As a result, Infrastructure NSW continues to play a critical role in assessing Rebuilding NSW projects and making specific funding recommendations to the Government.

3.2 Rebuilding NSW plan

The successful completion of the electricity network transactions has allowed the Government to accelerate the delivery of critical infrastructure projects as part of the Rebuilding NSW plan. Significant infrastructure projects that have been accelerated as a result of the Government's asset recycling program are detailed in Box 3.1.

Box 3.1: The acceleration of Rebuilding NSW initiatives

Initiative: The Rebuilding NSW plan has allowed critical infrastructure projects and programs to be fast-tracked. This includes bringing forward project start dates, accelerating project timeframes and funding projects that would not otherwise have been funded.

Table 3.1: Examples of accelerated projects and programs

Project/Program	Description	Restart NSW commitment at the 2017-18 Budget	Estimated years accelerated
Sydney Metro City and Southwest	The 30 kilometre metro line will link with Sydney Metro Northwest at Chatswood, through new stations in the lower North Shore, under Sydney Harbour, through the CBD and southwest to Bankstown.	\$7.0 billion	5-7 years
More Trains, More Services	'More Trains, More Services' provides rail customers with more frequent and express services, delivered by more modern trains, enabled through infrastructure upgrades.	\$1.0 billion	up to 2 years
Pinch Points and Clearways	This program aims to improve traffic flows and travel times, and manage congestion, by addressing pinch points and installing new and extended clearways in both Sydney and the Hunter.	\$396.0 million	up to 5 years
M4 Smart Motorway	This program introduces intelligent technology to improve the efficiency of Sydney's motorways.	\$380.0 million	Previously unfunded
Gateway to the South Pinch Points	This program aims to ease congestion and improve journey reliability on Sydney's key southern corridors.	\$295.0 million	up to 5 years
Northern Beaches B-Line	The B-Line is an integrated package of services and infrastructure to deliver better bus services for customers travelling between the Northern Beaches and Sydney CBD.	\$290.4 million	2-5 years

The \$20 billion Rebuilding NSW plan is summarised in Table 3.2.

Table 3.2: Rebuilding NSW plan (expected position as at 30 June 2017)

Priority areas	Project/Program	Rebuilding NSW plan contribution \$m ^(e)	Restart NSW commitments \$m	Restart NSW reservations \$m ^(b)	Net Consolidated Fund advances \$m ^(c)
Urban public transport	Sydney Metro City and Southwest	7,000.0	7,000.0
	More Trains, More Services	1,000.0	1,000.0
	Parramatta Light Rail	600.0	...	600.0	18.8
	Bus Priority Infrastructure (including B-Line)	300.0	290.4	9.6	9.5
Urban roads	Western Harbour Tunnel and F6	1,100.0	35.3	1,064.7	13.0
	Pinch Points and Clearways	400.0	396.0	4.0	4.0
	Smart Motorways	400.0	383.2	16.8	15.0
	Gateway to the South Pinch Points	300.0	295.0	5.0	5.0
	Traffic Management Upgrades	200.0	21.4	178.6	9.0
Regional transport	Regional Road Freight Corridor	2,000.0	648.5	1,351.5	16.5
	Regional Growth Roads	1,000.0	408.8	591.2	1.0
	Fixing Country Roads	500.0	54.2	445.8	...
	Fixing Country Rail	400.0	11.0	389.0	...
	Bridges for the Bush	200.0	38.6	161.4	7.4
Water security	Safe and Secure Water Program ^(d)	1,000.0	n.a. ^(e)	n.a. ^(e)	...
Education	Future Focused Schools	700.0	...	700.0	n.a. ^(e)
	Regional Schools Renewal program	300.0	...	300.0	n.a. ^(e)
	<i>Education subtotal</i>		...	1,000.0	323.0
Health	Hospitals Growth program	600.0	...	600.0	...
	Regional Multipurpose Services (MPS) health facilities	300.0	223.3	76.7	76.7
	Primary and Integrated Care Strategy	100.0	...	100.0	48.5
Culture and sport	Culture and Arts	600.0	190.1	409.9	161.6
	Sports Stadia	600.0	n.a. ^(e)	n.a. ^(e)	...
	Regional Growth: Environment and Tourism Fund	300.0	24.4	275.6	...
Other opportunities	Corridor Identification and Reservation	100.0	60.5	39.5	1.0
	Total^(f)	20,000.0	11,859.5^(g)	8,140.5^(g)	709.9^(g)

- (a) In some cases the amount included is less than the expected total cost of the project and funding from other sources will be required.
- (b) Restart NSW reservations include funds reserved to replace advances from the Consolidated Fund.
- (c) Consolidated Fund advances have been used to accelerate the delivery of Rebuilding NSW projects.
- (d) Formerly the Regional Water Security and Supply Fund.
- (e) Commercial-in-confidence.
- (f) Total Rebuilding NSW plan budgeted funding is \$12.6 billion, which comprises \$11.9 billion committed from Restart NSW with the balance advanced from the Consolidated Fund.
- (g) Total includes commercial-in-confidence values.

3.3 Delivering Rebuilding NSW

A total of \$11.9 billion has now been committed to the \$20 billion Rebuilding NSW plan from Restart NSW, with \$2.5 billion committed since the 2016-17 Budget. Significant commitments since the 2016-17 Budget include:

- the Princes Highway, Berry to Bomaderry upgrade³ (Box 3.4)
- \$393.0 million for the Pinch Points and Clearways program (including both Sydney and the Hunter) (Box 3.3)
- \$380.0 million for the M4 Smart Motorway project (Box 3.2).

Urban roads

Improving urban roads is critical to urban productivity as it reduces congestion and connects people to jobs. The Rebuilding NSW plan includes \$2.4 billion for infrastructure projects to improve urban roads in New South Wales. This includes \$1.3 billion to address congestion on Sydney's roads, comprising:

- \$400.0 million for the Smart Motorways program, which introduces intelligent technology to improve the efficiency of Sydney's motorways (with a focus on the M4)
- \$400.0 million for the Pinch Points and Clearways program, which aims to improve traffic flows and travel times, and manage congestion, by addressing pinch points and installing new and extended road clearways. This program includes funding for projects in both Sydney and the Hunter
- \$300.0 million for the Gateway to the South program, which aims to ease congestion and improve journey reliability on Sydney's key southern corridors, including the A1, A3 and A6.
- \$200.0 million for Traffic Management Upgrades, to upgrade the State's traffic management system to help improve traffic flows and to better manage unexpected delays.

The Rebuilding NSW urban roads priority area also includes \$1.1 billion towards the Western Harbour Tunnel and F6.

A total of \$1.1 billion has been committed to the urban roads priority area from Restart NSW since the 2016-17 Budget. Significant commitments since the 2016-17 Budget include:

- \$380.0 million for the M4 Smart Motorway project (Box 3.2)
- \$370.5 million for Sydney Pinch Points and Clearways (Box 3.3)
- \$256.3 million for Gateway to the South Pinch Points.

³ The Restart NSW funding commitment is commercial in confidence.

Box 3.2: M4 Smart Motorway project

Project: The M4 Smart Motorway project will introduce intelligent transport technology, known as a Managed Motorway system, to Sydney's M4 Motorway between Pitt Street, Mays Hill and Russell Street, Leonay. Smart Motorway technologies include vehicle detection, closed circuit television cameras, and ramp signalling to monitor traffic conditions, manage congestion and respond to incidents in real-time.

Funding allocation: The Government has committed \$380.0 million in funding from Restart NSW since the 2016-17 Budget. Previously, \$15.0 million was advanced from the Consolidated Fund in the 2015-16 Budget as part of the program to accelerate Rebuilding NSW priority projects.

Service delivery objective: The M4 Smart Motorway project will introduce real-time information, traffic management and communication tools to provide motorists with a safer and more reliable journey.

Box 3.3: Sydney Pinch Points and Clearways

Program: Sydney Pinch Points and Clearways aims to remove bottlenecks on Sydney's busiest roads in order to reduce traffic delays, manage congestion, and improve travel times.

Funding allocation: The \$400.0 million Pinch Points and Clearways program has now been fully funded. This includes \$393.0 million in Restart NSW funding committed since the 2016-17 Budget, with \$370.5 million for the Sydney Pinch Points and Clearways program.

Service delivery objective: This program will improve traffic flows across Sydney's road network through upgrading intersections and traffic control signals, lengthening or widening busy turn bays and installing variable message signs.

Regional transport

A key priority of the Government is to continue to invest in regional areas, with the Rebuilding NSW plan including \$4.1 billion to deliver transport infrastructure to the regions. The regional transport priority comprises:

- \$2.0 billion for the Regional Road Freight Corridor program to upgrade key regional highways, ensuring regional producers can transport goods on time and in a cost effective manner
- \$1.0 billion for the Regional Growth Roads program, to build new infrastructure in regional growth areas, targeting roads in the Central Coast, south of Wollongong in the Illawarra, and in the Lower Hunter
- \$500.0 million for the Fixing Country Roads program, to improve local and regional roads managed by Local Government
- \$400.0 million for the Fixing Country Rail program, to improve regional rail infrastructure
- \$200.0 million for the Bridges for the Bush program, to replace and upgrade bridges in regional New South Wales.

A total of \$977.5 million has been committed to the regional transport priority area from Restart NSW since the 2016-17 Budget, reflecting the Government's commitment to deliver infrastructure to regional New South Wales. Significant commitments since the 2016-17 Budget include the:

- Princes Highway, Berry to Bomaderry upgrade (Box 3.4)
- M1 Pacific Motorway Productivity package (around \$170 million)
- Pacific Highway Upgrade at Lisarow (Box 3.5).⁴

Box 3.4: Princes Highway, Berry to Bomaderry upgrade

Project: The Princes Highway, Berry to Bomaderry upgrade will provide a 10.5 kilometre divided highway (two lanes in each direction) between Mullers Lane, Berry and Cambewarra Road, Bomaderry.

Service delivery objective: The project will improve road safety and traffic efficiency between Berry and Bomaderry and is the last project required to complete a minimum four lane route between Sydney and Nowra.

Box 3.5: Pacific Highway upgrade at Lisarow

Project: This project is part of the progressive upgrade of the Pacific Highway – Manns Road route between the M1 Pacific Motorway at Ourimbah and the Central Coast Highway at West Gosford. Stage 3 of the upgrade consists of two sub-stages. Stage 3A is under construction and involves widening the Pacific Highway between Ourimbah Street, Lisarow and Glen Road, Ourimbah. Stage 3B involves widening the Pacific Highway between Parsons Road and Ourimbah Street at Lisarow from a two lane road to a four lane road, over a distance of about 1.6 kilometres.

Other features of Stage 3B include improved pedestrian and cycle paths along the highway, intersection upgrades, and a new bridge over the rail line, replacing the existing bridge near Railway Crescent.

Service delivery objective: This project will improve traffic flow and safety for road users on the main north-south link between West Gosford and the M1 Pacific Motorway.

⁴ Exact funding commitments for Princes Highway, Berry to Bomaderry upgrade, M1 Pacific Motorway Productivity package and Pacific Highway Upgrade at Lisarow are commercial in confidence.

Sports and cultural infrastructure

The Rebuilding NSW plan includes \$1.5 billion to invest in sporting and cultural infrastructure. This is comprised of:

- \$600.0 million for sports stadia, including the new Western Sydney Stadium, the upgrade of Stadium Australia, and the refurbishment of Sydney Football Stadium
- \$600.0 million for cultural infrastructure, including investment in the Sydney Opera House and Walsh Bay Arts Precinct
- \$300.0 million for the Regional Growth: Environment and Tourism Fund, which aims to increase tourist visitation by investing in regional environment and tourism infrastructure.

A total of \$224.5 million has been committed to the sports and cultural infrastructure priority area since the 2016-17 Budget. This is comprised of:

- \$190.1 million for the Sydney Opera House: Stage 1 Renewal (Box 3.6)
- \$24.4 million for the Western Plains Zoo Visitor Experience program
- \$10.0 million for planning funds for the redevelopment of Stadium Australia.

Box 3.6: Sydney Opera House: Stage 1 Renewal

Project: The Sydney Opera House Renewal project will secure the Opera House for the next generation of audiences, visitors and artists. The first stage comprises a series of projects to replace technology and machinery that have reached the end of their working life, open new areas of the Opera House to the public, and ensure the Opera House is properly equipped to welcome as many visitors as possible.

The first stage of the project includes:

- Concert Hall upgrades to improve acoustics, accessibility, stage and backstage areas, and replace worn-out theatre systems
- a new Creative Learning Centre, which will provide children and young people with a dedicated learning space
- entry and foyer upgrades which will transform the area under the Monumental Steps, upgrade the main box office foyer, add additional seating and improve accessibility
- the construction of a new Function Centre to celebrate significant events and mark important occasions.

Funding allocation: In the 2016-17 Budget, \$12.0 million was advanced to the project from the Consolidated Fund to enable detailed design. A further \$190.1 million has been committed in Restart NSW funding in the 2017-18 Budget.

Service delivery objective: The renewal project will maximise the economic and cultural contribution of the Opera House to the State.

3.4 Investing in regional New South Wales

The Government continues to invest heavily in regional New South Wales, with regional infrastructure a central component of the Rebuilding NSW plan. In aggregate, \$6.0 billion of the Rebuilding NSW plan is directed to regions outside the metropolitan areas of Sydney, Newcastle and Wollongong. To date, around \$2 billion has been committed to regional Rebuilding NSW projects from Restart NSW.⁵

Investment in regional infrastructure is important for supporting long-term economic growth and strong communities. The Rebuilding NSW plan provides funding for nine regional programs that will make significant contributions to improving access to health and education services, boosting regional tourism, improving the regional road network and addressing water security issues in regional and rural communities.

Box 3.7 details Restart NSW funding commitments to regional Rebuilding NSW programs.

Box 3.7 Rebuilding NSW plan – regional investment

The Government invests in regional infrastructure through nine Rebuilding NSW programs.

Table 3.3: Programs in regional New South Wales

Program	Description	Restart NSW commitment at the 2017-18 Budget \$m
Bridges for the Bush	Improves road freight productivity by replacing or upgrading bridges in regional New South Wales.	38.6
Fixing Country Roads (Box 3.9)	Improves local and regional roads managed by local government in country areas, especially roads allowing higher mass vehicles to operate.	54.2
Fixing Country Rail	Targets regional rail freight improvements to support primary producers and regional jobs.	11.0
Regional Growth: Environment and Tourism Fund	Supports regional environmental and tourism facilities to support local economies.	24.4
Regional Growth Roads	Supports road network improvements in regional centres experiencing strong population growth. This program focuses on the Central Coast, Lower Hunter and south of Wollongong.	408.8
Regional Multipurpose Services (MPS) health facilities (Box 3.8)	Improves health infrastructure in regional areas.	223.3
Regional Road Freight Corridor	Improves key road and rail freight corridors in regional areas.	648.5
Regional Schools Renewal program	Improves schools and education facilities in regional areas.	...
Safe and Secure Water Program ^(a) (Box 3.10)	Addresses the water security, public health, environment, and safety priorities of regional NSW communities.	around \$500 million ^(b)

(a) This program repurposes the \$1.0 billion Regional Water Security and Supply Fund, including existing commitments.

(b) This funding commitment is commercial-in-confidence and includes both funds allocated in the Rebuilding NSW plan and other Restart NSW funding.

⁵ Figure has been rounded as it includes commercial in confidence amounts.

Box 3.8: Regional Multipurpose Services (MPS) health facilities

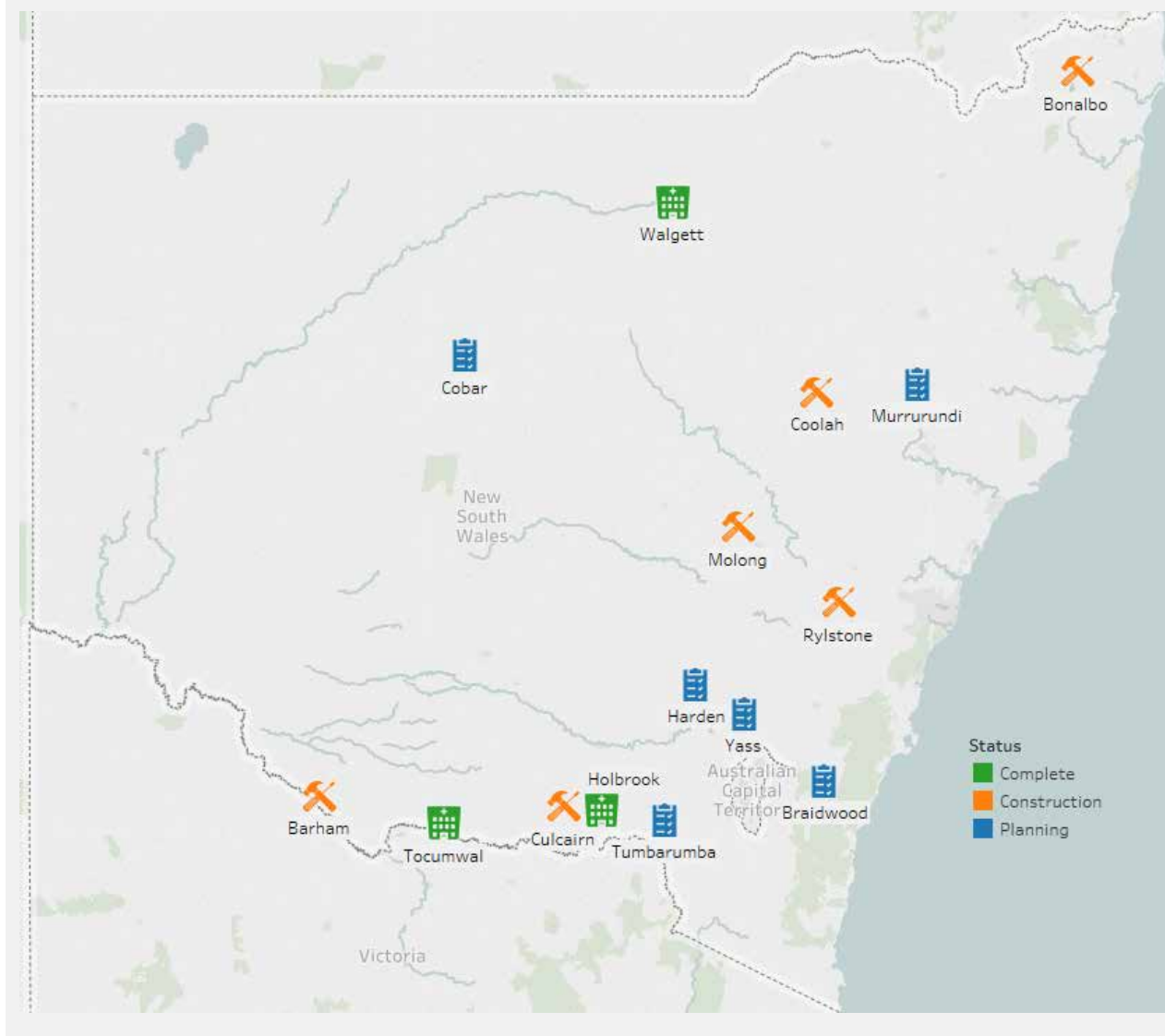
Program: The MPS Strategy continues the investment in developing Multipurpose Services that provide health and aged care services to small and remote rural communities.

Funding allocation: The estimated total cost of the MPS Strategy Stage 5 is \$300.0 million, which has now been fully funded.

Service delivery objective: The MPS Strategy provides integrated health and aged care services to better meet the needs of rural and remote communities.

Implementation: Sites at Walgett, Tocumwal and Holbrook are complete and operational. Construction has begun or will commence in 2017-18 at Barham, Bonalbo, Molong, Coolah, Culcairn and Rylstone. Planning continues for facilities at Cobar, Tumbarumba, Harden, Braidwood, Yass and Murrurundi. Further planning will be progressed to determine the roll out of the next sites.

Chart 3.1: Regional Multipurpose Services projects as at the 2017-18 Budget



Box 3.9: Fixing Country Truck Washes (Fixing Country Roads program)

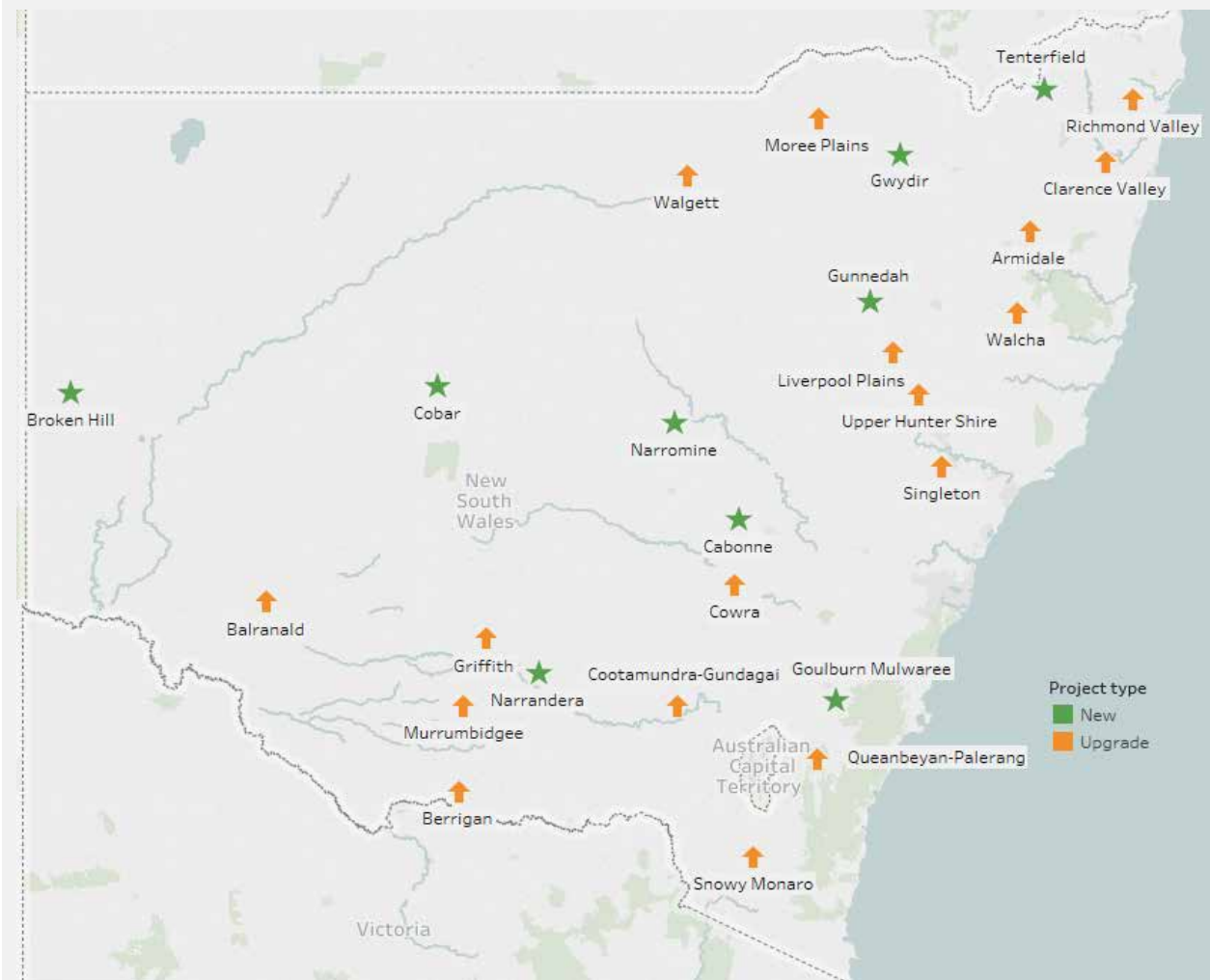
Program: Fixing Country Truck Washes contributes to the cost of upgrading and constructing truck wash facilities, which help protect the State against the spread of weeds and diseases and help remove bottlenecks that constrain the transport of livestock in regional New South Wales.

Funding allocation: The Government has committed \$4.2 million in Restart NSW funding to 26 Rebuilding NSW Fixing Country Truck Washes projects in the Budget. The Commonwealth Government is also contributing matching funding of up to \$5.0 million to the projects.

Service delivery objective: The Fixing Country Truck Washes program targets key livestock routes where wash-out facilities are inadequate to meet demand.

Implementation: In June 2016, the New South Wales Government and Commonwealth Government approved commencing a competitive application process for the Fixing Country Truck Washes program. Applications for the program closed in October 2016, with Infrastructure NSW recommending 26 projects for funding. The Government has committed to fund these projects in the Budget. Infrastructure NSW and the Government will finalise Restart NSW funding deeds for funding recipients prior to commencement of the projects.

Chart 3.2: Fixing Country Truck Washes projects as at the 2017-18 Budget



The Rebuilding NSW plan includes \$1.0 billion for the Safe and Secure Water Program, to address water challenges faced by communities in regional New South Wales. The program will invest in infrastructure to secure water supplies, provide improved wastewater and sewerage services, and upgrade dams.

Box 3.10: Safe and Secure Water Program

Program: New South Wales communities, local businesses and industries all depend on safe, secure, affordable and sustainable drinking water and sewerage services. In recognition of this, the Government has repurposed the Regional Water Security and Supply Fund to create the \$1.0 billion Safe and Secure Water Program within the Rebuilding NSW plan. This new program includes the existing Rebuilding NSW commitment for the Broken Hill Water Supply project.

Service delivery objective: This program will address the water security, public health, environment, and safety priorities of regional New South Wales communities.

Funding allocation: The Government has repurposed the \$1.0 billion Rebuilding NSW Regional Water Security and Supply Fund to create the Safe and Secure Water Program.