

Tuesday, 19 September 2023

Civil infrastructure industry welcomes Budget, but questions linger

The Minns Government’s “rebalancing” of infrastructure spending in its first NSW Budget has positives but leaves key questions unanswered, the peak body for the civil construction industry said today.

Civil Contractors Federation of NSW (CCF NSW) CEO Kylie Yates said while funding new hospitals, schools and roads was welcome, the Budget should have included the outcome of the Sydney Metro Review.

“The Budget missed an opportunity to end the uncertainty around the Sydney Metro Review, and allow civil businesses to plan their pipeline of work,” Ms Yates said.

The Metro Review recommendations won’t be tabled until later this year, indicating the Western Sydney Airport, Metro City and South West sections are in doubt.

The Budget papers also state that of the \$116.5 billion investment earmarked for Public Infrastructure, \$14.2 million was from Federal Government Grants, all of which are currently under review by Federal Infrastructure Minister Catherine King.

Despite the lack of certainty in some areas, the industry welcomed the highlights of the Government’s infrastructure pipeline, including:

- **\$9.8 billion for schools and skills infrastructure** – representing a **\$980 million uplift** to the civil construction and maintenance industry.
- **\$13.8 billion for health infrastructure** – contributing **up to \$13.8 million** to the civil industry.
- **\$3.6 billion for energy infrastructure** – which presents opportunities for civil.

The state’s civil industry is ready to work on key projects featured in today’s Budget, including:

- **Parramatta Light Rail Stage 2:** \$200 million to continue Stage 2, connecting Stage 1 and Parramatta CBD to Camellia, Rydalmere, Ermington, Melrose Park, Wentworth Point and Sydney Olympic Park. Includes construction of a 320m-long light rail and active transport bridge.
- **\$700m to upgrade and maintain regional roads.** A new Regional Emergency Road Repair Fund will deliver \$390 million to 95 regional and rural councils for road repairs.
- **The \$770m Urban Road Fund will fund 23 road projects** and contributes \$200 million over two years into the Western Sydney Floods Resilience Plan. Connecting Sydney Roads will allocate \$429.8 million to Western Sydney in 2023-24, totalling \$3 billion over the four years.

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- **Schools & Hospitals:** The Budget allocates \$13.8 billion to hospital and health facilities and \$9.8 billion to schools and education facilities. Civil projects account for approximately 10% of the total projects cost. Among the projects flagged are:
 - Of the \$400 million to build Rouse Hill Hospital, approximately **\$4 million represents civil works.**
 - **\$130 million** of the \$41.3 billion set aside for Bankstown-Lidcombe’s new site are expected be for civil works.
- \$3.5 billion will fund 15 new schools over four years for Sydney’s West, representing a **potential \$350m uplift for civil.**
- **Water: \$353m in water infrastructure projects** in regional NSW.

“Infrastructure investment creates jobs and keeps our economy thriving, so it’s great to see the Minns Government’s commitment to a strong pipeline,” Ms Yates said.

“We also look forward to the Government delivering on its promise to maximise procurement opportunities for local businesses vying for government contracts, cutting red tape and ensuring appropriate risk transfer in contracts.”

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