A Better Way
LABOR’S
FULLY FUNDED
INFRASTRUCTURE
PLAN
A message from

LUKE FOLEY, NSW LABOR LEADER

Labor understands that investments in infrastructure are about improving our quality of life.

Congested roads, overcrowded emergency departments, or overflowing classrooms affect the daily lives of every family. A good government understands that targeted investments in infrastructure address these issues to make our lives better.

The central policy challenge for NSW is improving our quality of life at a time of budget constraints, rising population and greater demands on services.

Mike Baird is telling the people of NSW that he cannot address these challenges without privatising our publicly owned electricity network. But this is a risky and irresponsible plan that would leave us worse off in the long term, and guarantees we lose up to $1 billion every year in dividends that help fund the running of our schools and hospitals.

Labor’s infrastructure plan does not rely on a risky sale of our electricity assets, and we will not transfer the profits generated by our electricity network to the private sector. Our plan will guarantee a long term funding source built on stable revenue measures that have been costed by the NSW Government appointed independent Parliamentary Budget Office.

Labor has a better plan – one that prioritises additional investments in our schools and hospitals, roads and transport and delivers jobs generating investments in sports and arts infrastructure.

A Labor Government will get to work immediately on an affordable and responsible plan to deliver the state’s infrastructure needs over the next 10 years and beyond.

Yours sincerely

Luke Foley
NSW Labor Leader
Challenges of Growth

The central policy challenge for NSW is maintaining our quality of life in the face of a rapidly rising population and a greater demand for services.

Our state will have to absorb an additional 2 million people between now and 2031. The NSW Government says the growth will come from two sources. A net 700,000 rise in our existing population and another 1.3 million due to overseas migration – with Sydney to absorb three quarters of the increase.

Population growth is the reality of a thriving and successful city. We should see this challenge as an opportunity to improve our quality of life. However, the hard work of turning our suburbs into communities requires investment in hospitals and schools, childcare centres, local libraries, and local roads. It requires sporting facilities and public parks. We need more jobs in our suburbs and regions to take the pressure off our congested roads and rail lines.

Education

NSW is facing a major challenge over the next 10 years to provide our children the world-class educational facilities needed to guarantee everyone has access to a high quality education.

If we look forward 16 years, we can expect 267,000 more school children in NSW. According to Infrastructure NSW we need to build 6,250 classrooms to accommodate these extra students. More than 5,450 classrooms will be required in metropolitan Sydney, including 4,050 in Western Sydney.

At the same time demand for school places in Sydney’s inner-and-middle ring suburbs will continue to increase. For example, 16,000 more school places will be needed for children living in the City of Sydney local government area alone.

The availability of high-quality and life-long education is essential to our society. It is the responsibility of government to guarantee that everyone not only has access to an education, but also our students will be provided access to facilities that support future-focused learning.
Health
Health systems around the country are facing enormous challenges.

An ageing and growing population means more people are using the public health system than ever before, including increasing numbers of elderly patients who have complex, chronic conditions often requiring longer stays and more specialist care. These rising pressures are stretching our hospitals.

While the NSW population is projected to grow by 28 per cent by 2031, Ministry of Health projections suggest demand for acute services will grow by 48 per cent over the same period. The number of people over 70 years of age is forecast to double by 2031.

Jobs in our suburbs and regions
Forcing people to travel long distances for work, and then back again to get home, is a threat to Sydney’s liveability and a drain on our productivity.

Building more toll roads and rail lines will not be enough to give the people of NSW the quality of life they deserve - only creating hundreds of thousands of smart jobs in the suburbs and our regional centres will help solve the congestion challenge.

South-western Sydney has the greatest imbalance between population and jobs in all of Sydney, with far more people living in the region than there are jobs. The most recent population, housing and dwelling projections forecast a population increase in western Sydney of close to 1 million people by 2031. Sixty per cent of Sydney’s additional population of 1.6 million will live in greater western Sydney.

When it comes to employment growth, the metropolitan strategy targets 50 per cent of new jobs for western Sydney, but without a serious plan to achieve this it is an empty target. Western Sydney will need to add the equivalent of 24,000 additional jobs every 18 months - equivalent to the entire jobs target for Barangaroo on completion - in order to meet this modest target.
**Transport and roads**

The daily struggle for commuters trying to get to work directly affects our quality of life and economic prosperity. Whether motorists are sitting in traffic on our clogged roads, or people are stuck waiting on delayed trains – it’s getting harder to get around Sydney.

We seem to be spending more time commuting to and from work and less time with our friends and family.

Population growth is the core challenge facing our road network. It is already estimated road congestion costs about $5 billion a year, and it set to grow to $8 billion a year by 2020 if urban sprawl and associated growth in car use continues.

Additional capacity will be required in the core of the rail network, particularly the CBD, over the next 20 years.

Roads and public transport investment and future planning for employment and housing growth should all be intricately linked. New and upgraded roads need to be delivered in time for employment and new housing developments.

**Culture, Arts and Tourism**

NSW is the best state in Australia and rightly holds the position as its most visited destination. However, there is strong competition from domestic and international rivals. To capitalise we need to provide the necessary resources and creative approach to ensure NSW remains the premier destination for international and domestic tourists.

According to Infrastructure NSW, NSW has the largest arts and cultural sector in Australia, employing more than 176,000 people, and we lead the country for cultural tourism. In 2013, NSW attracted approximately 9.8 million international and domestic cultural visitors. State cultural institutions attracted 4.8 million paying visitors, who contributed an estimated $8.3 billion to the NSW economy.

We must capitalise on NSW’s exciting tourism products and create new events and exhibitions to attract more tourism dollars for our great state.
Regional NSW

Regional NSW is the backbone of our state’s economy, supporting country and city communities. The quality of regional roads and transport support this economic growth.

Residents of regional centres are generally more car-dependent than Sydneysiders. Newcastle and Illawarra residents, for instance, make more trips per person than Sydney residents.

For rural and regional NSW, the road challenges focus on delivering well maintained country roads, building faster, safer highways and providing the road infrastructure people need.

The challenge for regional NSW is also to manage this growing freight task efficiently by improving road productivity, enhancing local freight connectivity across the regions and developing a sustainable and viable regional rail freight network.

Infrastructure NSW has identified that in the next 20 years, the most important environmental change will be a reduction in the availability of water for use by productive industries and in the security of supply for some communities.

The water crisis across NSW and the country threatens the very fabric of our great country. Drought and climate change are reducing rainfall, drying rivers and emptying dams.

Contributing factors to this reduction in water supply include changing rainfall patterns and increases in the allocation of water for important environmental uses.

Only by working with state and local governments, farmers, industry and the community can we secure our long-term water supply.
Baird Government’s record on infrastructure

For a Government that claims infrastructure as its core achievement, very little has been achieved by the O’Farrell/Baird Government since it was elected in 2011.

The NSW Government has failed to make a start on the M4 Extension or M5 East duplication, breaking their election commitment to start construction this term.

The Liberal’s policy commitment was clear. In December 2010, Barry O’Farrell said:

“One of those road projects [the M4 Extension or M5 duplication] will be given a start in our first term in government, that’s a clear commitment…

...If we don’t set a start on that work in the next term there’s no point in people voting for us in the election after.”

– Barry O’Farrell, AAP, 28 December 2010

The Liberals’ failure to act means that traffic is worse and travel times on our roads are longer. According to the latest RMS Roads Report, the average morning peak hour speed for the Princes Highway is just 11 km/h between Arncliffe and the city, and only 19.4 km/h for Milperra Road [Canterbury Road] between Liverpool and Newtown.

The most recent TomTom Congestion Index Report found that Sydney is ranked as the seventh worst in the western world for road congestion, sitting just behind Los Angeles. Sydneysiders on average are spending an extra 40 minutes in their vehicles for each hour driven on congested roads.
The Baird Liberal Government’s on time running figures are worse. Six city train lines and all three intercity lines have frequently missed their monthly on-time running target. An analysis of the on-time running figures revealed that the Western Line is the worst rail line for punctuality – failing to meet the 92% on-time running target for 8 of the 12 months in 2013/14.

The Auditor-General said: “The Newcastle and Central Coast line and the Blue Mountains line have seen consistent deterioration since 2010-11.”

The community response to the Baird Government’s controversial new train timetable changes gave rise to a 949 per cent increase in complaints over the past year.

**North West Rail Link**
The Liberals promised that their flagship commitment would be a direct service into the city. As the official North West Rail Link website stated in 2012:

> “The North West Rail Link will deliver savings of up to 3½ hours a week in journey times to the Sydney CBD as well as frequent, reliable, direct rail services between the North West and Macquarie Park, Chatswood, North Sydney and the city.”

Now the Baird Government says the NWRL will be a privatised shuttle service to Chatswood with tunnels too narrow for double-deck trains – compromising the development of the rest of the network for every other train commuter.

**WestConnex**
In respect to the Government’s flagship motorway project, WestConnex, an embarrassing report by the NSW Auditor-General, released in December 2014, criticised the Baird Liberal Government for failing to follow its own major infrastructure guidelines, and revealed the initial business case is substandard.

> “The review that was conducted found that the preliminary business case was deficient and fell well short of the standard required for such a document.”
> - Auditor General, media release, 18/12/14

The route for the WestConnex motorway project has been chopped and changed five times in three years at the whim of the Government – creating uncertainty for local residents who are confused about potential land acquisition and the location of ventilation stacks.

**CBD and South East Light Rail**
The Liberals have also mishandled the CBD and South East Suburbs Light Rail project – with the Government confirming that the budget has now blown out by $500 million before a single sod has been turned on construction.
Federal funding
The election of the Abbott Government in 2013 has significantly disrupted the state’s ability to fund its infrastructure projects.

In April 2013, Tony Abbott said:

“The Commonwealth Government has a long history of funding roads. We have no history of funding urban rail and I think it’s important that we stick to our knitting, and the Commonwealth’s knitting when it comes to funding infrastructure is roads.”

- Tony Abbott, 5th April 2013

Instead of standing up for the people of NSW, the Government supported Tony Abbott’s commitment to remove funding for the state’s public transport needs. In an extraordinary statement, the Minister for Transport, Gladys Berejiklian, welcomed the decision, saying:

“The certainty provided by the federal Coalition in relation to transport funding is a welcome relief.”

- Gladys Berejiklian, 6 August, 2013

This follows the NSW Government’s decision to return to Canberra the $2.1 billion of Federal funding for the Parramatta to Epping Rail Link in 2012.

To make the challenge even more difficult for NSW, in May 2014 Tony Abbott’s Federal Budget cut $25 billion from education and health funding in NSW, after axing National Partnership payments to the states.
the wrong path

PRIVATISATION & FUNDING INFRASTRUCTURE

MIKE BAIRD’S RISKY PLAN IN AN UNCERTAIN MARKET

“Poorly conceived decisions to link asset sales to new infrastructure investments could in fact have a negative future balance sheet impact and create long term additional liabilities for government...The policy is risky, because it may bypass thorough and transparent analysis.”
- Productivity Commission, Inquiry Report Public Infrastructure Volume 1 No. 71, 27 May 2014, p.264

Before a single cent is spent, Mike Baird’s plan:
• Could result in a failed transaction or shortfall in the sale price;
• Still requires the Senate to approve the asset-recycling legislation;
• Assumes he will earn $5 billion in interest from banking the proceeds of the sale for up to 10 years;
• Means that once the asset is sold and the money is spent – it is gone forever; and
• Means the state loses funds currently used to fund schools, hospitals and other services.

Before Mike Baird can get to work on a single project he must first sell the asset. There is a significant risk of a failed transaction or a shortfall in the sale price. For example, in December 2014, the Government failed to sell the Vales Point Generator. In addition, UBS has already valued the electricity network $2-3 billion lower than the Government’s estimated sale price.

Federal Government and Senate approval will also be required for the $2 billion of asset-recycling incentive payments. The Federal Government’s asset-recycling legislation has yet to pass the Senate.

Mike Baird’s plan assumes he will earn an extra $5 billion that is needed to fund the shortfall between the spending promised and the funds from the sale and asset recycling payments. The proceeds of the asset sale will be stuck in the bank for 10 years, which puts at risk the delivery of projects within the stated timelines.

Once our electricity network is sold and the money is spent – it is gone forever. This means that the profits from our state-owned companies, generated through dividends and tax equivalent payments, will also be lost. These funds are currently used to fund schools, hospitals and other public services.

In fact the Budget could lose up to $1 billion of revenue every year – hitting the state’s ability to fund the teachers, nurses and other staff that will be required.
Labor's track record on infrastructure

Labor has a proud record of economic management over its period of Government from 1995 to 2011. In that time, Labor continuously handed down budget surpluses – a remarkable achievement given this period included managing the effects of the Global Financial Crisis.

In 2011, the Coalition Government inherited a state balance sheet that was the envy of all other states and territories in Australia, with net debt at less than $7 billion, and a credit rating of AAA.

In its most recent period in government, Labor also embarked upon a range of significant infrastructure initiatives which transformed the economic performance of the state and the health and well-being of its residents.

Among our infrastructure achievements was the most comprehensive public hospitals redevelopment program in the state’s history, with significant metropolitan and regional hospital projects being undertaken, including:

- the $1 billion redevelopment of the Royal North Shore Hospital;
- the $395 million redevelopment of the Liverpool Hospital;
- the $294 million redevelopment of Royal Prince Alfred;
- the $218 million redevelopment of Nepean Hospital;
- the $150 million redevelopment of the Auburn Hospital;
- the $251 million redevelopment of Campbelltown Hospital; and
- a wide-ranging regional program of hospital projects throughout the state, including:
  - Gosford Hospital;
  - Bathurst Hospital;
  - Wagga Wagga; and
  - Coffs Harbour Hospital.

The Sydney Motorway network has been substantially delivered by Labor, with the following projects being delivered by Labor in government:

- The Eastern Distributor (1999);
- The M5 East Freeway (2001);
- The M7 Westlink Motorway (2005);
- The Cross City Tunnel (2005); and
- The Lane Cove Tunnel (2007).

Labor delivered a multi-billion-dollar spending program on the Pacific Highway, by far the largest commitment ever to its upgrade made by any Government.
Labor’s track record on infrastructure

We began construction on the Inner City Light Rail, South-West Rail Link and, in conjunction with co-funding from the Federal Government, the Southern Sydney Freight Line project. Labor completed the Epping to Chatswood Rail Line, built and opened the Cronulla Line duplication, completed the Richmond Line duplication, invested $1.8 billion to modernise and untangle the rail network through clearways as well as delivering hundreds of modern air-conditioned Millennium, OSCAR, and Waratah train carriages.

Labor hosted the best ever 2000 Olympic and Paralympic Games and delivered a range of infrastructure investments associated with the event, including the Sydney Olympic Park rail line and station, Stadium Australia, the SuperDome and the new Sydney Showgrounds.

In addition, we joined the Federal Labor Government to deliver the greatest school upgrade program in the state’s history. This program delivered nearly $5 billion of infrastructure upgrades to our schools, with NSW schools receiving:

- 7152 projects in 3077 schools;
- 1434 classroom construction projects;
- 746 libraries;
- 924 halls; and
- 159 science and/or language centres.

During its period in government, Labor invested more in infrastructure than at any other time in the state’s history. But with a thriving and growing state the task is never complete. Labor is committed to get to work immediately on implementing an affordable and responsible plan to deliver the state’s infrastructure needs over the next 10 years and beyond.
Labor will make modest and affordable infrastructure commitments and invest in the right priorities. We will make productivity enhancing investments and prioritise funding in our schools and hospitals to prepare the State for a significant growth in demand of these services.

In delivering on our commitments, Labor will:

- Maintain the budget surplus over the economic cycle;
- Maintain the State’s AAA credit rating; and
- Manage the budget in accordance with the *Fiscal Responsibility Act (2012).*

Labor will maintain the current levels of capital expenditure contained in the forward estimates. Currently that stands at $61.5 billion over the next four years. On current Budget trends the projected core capital budget will be $150 billion over 10 years.
### ADDITIONAL INFRASTRUCTURE FUNDING

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>DESCRIPTION</th>
<th>VALUE – 10 yrs ($million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defer Business Tax Cuts</td>
<td>Defer the abolition of business stamp duty taxes until budget circumstances allow, including duty on: • Intangible business assets; • Unlisted securities; and • Business mortgages.</td>
<td>5,134</td>
</tr>
<tr>
<td>Restart NSW Uncommitted Funds</td>
<td>Utilise existing Restart NSW funds as identified in the ‘Statement of Uncommitted Funds’ released by NSW Treasury. There is currently $2 billion reserved to underwrite any shortfall from Mike Baird’s electricity privatisation plan. Labor’s fully funded program allows this $2 billion to be unlocked for use on infrastructure priorities.</td>
<td>4,921</td>
</tr>
</tbody>
</table>

**TOTAL ADDITIONAL FUNDING ($m)**

10,055

Labor has identified $5.1 billion of new funding which will be hypothecated into Restart NSW to be used in delivering priority infrastructure.

The additional revenue will be generated by deferring the scheduled cut to business taxes, including transfer duty on intangible business assets, business mortgages and unlisted shares.

This new funding will be combined with the existing $4.9 billion of uncommitted money in the Restart NSW fund. At present, $2 billion of this fund is unable to be used as it is underwriting, Mike Baird’s risky privatisation and any shortfall in proposed electricity privatisation proceeds such as:

- Lower-than-anticipated sale price;
- Failure to secure asset-recycling incentive payments; and
- Shortfall in interest earnings on the sale proceeds and incentive payments.

“The Government has separately reserved $2 billion from existing Restart NSW funds to provide additional assurance for the delivery of Rebuilding NSW.”

– Rebuilding NSW Update – Scoping Study, 18 December 2014

Because Labor’s infrastructure program does not depend on a risky major asset sale, we will be able to release these funds to start building infrastructure projects immediately.
Comparing THE 10 YEAR INFRASTRUCTURE FUNDING PLANS

Based on the latest Budget figures there will be around $150 billion of funding available for spending on infrastructure over the next ten years as part of the normal ongoing budget allocation. Securing funding for infrastructure during this period will primarily be from the State Budget, supported by the Commonwealth Government and our Public Trading Enterprises.

The Baird Government has a plan to privatise our publicly owned electricity network, which he says will realise an additional $20 billion for infrastructure funding over the next 10 years. This risky and uncertain plan is contingent on achieving net proceeds of $13 billion from the sale, securing a $2 billion asset recycling payment from the Commonwealth Government; and then earning $5 billion of interest on the sale proceeds and the Commonwealth incentive payment. None of this is guaranteed.

As the table below demonstrates, this additional funding represents only a small proportion of the infrastructure budget over the 10 year period. Even if Mike Baird does follow through with his risky sale of our electricity network, the difference between the infrastructure programs of the two major parties will be:

- A Liberal/National Government will have a $173 billion* infrastructure program, but will lose up to a billion dollars every year in revenue currently generated by our publicly owned electricity network.

- A Labor Government will have a $160 billion* infrastructure program over the next 10 years, and will keep up to a billion dollars every year in revenue currently generated by our publicly owned electricity network.

* Indicative projected capital budget only – projection is based on the latest budget figures.
Labor’s infrastructure funding plan

Labor’s long-term funding plan is built on stable revenue measures that will guarantee additional funding to deliver our infrastructure needs over the next ten years and beyond.

The revenue and savings measures have been costed by the NSW Government appointed independent Parliamentary Budget Office and will be included in Labor’s revised budget figures.

Labor’s plan does not assume or require any additional funding from the Commonwealth. This means that any additional Federal funding would be used to fast-track priority infrastructure projects.

We can get to work to address the state’s infrastructure needs because our funding measures will allow new projects to start immediately.

Labor’s plan is also built on funding from ongoing revenue and saving measures that can continue to be used into the future. Unlike Mike Baird’s one-off sugar hit, Labor will set the state up for the future, allowing future governments to continue funding projects that will enhance our quality of life.

We will keep the profits generated by our electricity network in public hands. These funds will continue to fund our schools and hospitals. These funds will also build the state’s revenue base of the budget – helping to maintain our AAA credit rating into the future.
**A Better Way**

**LABOR’S INFRASTRUCTURE PRIORITIES**

**ADDITIONAL INFRASTRUCTURE PRIORITIES**

<table>
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<tr>
<th>PRIORITY</th>
<th>DESCRIPTION</th>
<th>VALUE 10 years ($million)</th>
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<tbody>
<tr>
<td>Health and Education</td>
<td>Increase funding for social infrastructure including hospitals, schools and TAFE.</td>
<td>3,000</td>
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<tr>
<td>Roads</td>
<td>Urban and regional roads.</td>
<td>2,057</td>
</tr>
<tr>
<td>Western Sydney</td>
<td>Growth infrastructure in Western Sydney.</td>
<td>1,472</td>
</tr>
<tr>
<td>Regions</td>
<td>Fair share of asset sale proceeds to the regions and water security.</td>
<td>1,576</td>
</tr>
<tr>
<td>Rail</td>
<td>Upgrades to the passenger rail network.</td>
<td>1,000</td>
</tr>
<tr>
<td>Arts, Culture and Sport</td>
<td>Including sporting stadia, cultural institutions, tourism and environmental projects.</td>
<td>950</td>
</tr>
<tr>
<td><strong>TOTAL ($m)</strong></td>
<td></td>
<td><strong>10,055</strong></td>
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*This is in addition to the existing ongoing infrastructure budget* (currently around $15 billion per annum) and includes funding for projects including the North West Rail Link, South-East Light Rail, M4 Extension, M5 East, M1-M2, and Pacific Highway Duplication.
Labor’s INFRASTRUCTURE PRIORITIES
BETTER SCHOOLS, HOSPITALS, ROADS AND TRANSPORT

GETTING ON WITH EXISTING PROJECTS

Labor will continue delivery of projects already contracted or committed in the Budget.

With $15 billion allocated in 2014-15, State infrastructure expenditure will total $61.5 billion over the four years to 2017-18.

Labor will maintain this ongoing capital budget envelope of $15 billion every year – all within the existing budget envelope, maintaining the triple AAA credit rating – and without privatising our electricity network. Labor will:

• Complete the North West Rail Link;
• Complete the M4 to the city and M5 East duplication projects;
• Build the M1 to M2 link;
• Start construction of the Second Harbour Crossing;
• Complete the CBD and South East Light Rail Project;
• Upgrade regional roads such as the Pacific Highway and the Princes Highway in partnership with the Commonwealth Government; and
• Other projects funded in the budget.
Major investment decisions require proper processes and detailed planning. Infrastructure projects need to solve the city’s problems, lift productivity and make the life of residents easier. WestConnex as it stands today does none of these things. It is a costly marketing exercise not an infrastructure solution. Planning for WestConnex has been rushed, with routes changing, new elements added by press release, property acquisition overlapping EIS processes and no genuine community consultation.

In December, the NSW Auditor-General issued a scathing report on the progress of the WestConnex. His office was highly critical of the NSW Government’s failure to properly plan the project. Much of the material he relied upon was withheld from the report at the request of the Baird Government. For most of the project, the Baird Government was ordered back to the drawing board. This advice cannot be ignored.

Labor believes in proper planning and community consultation. Scarce taxpayer funds should be invested in new infrastructure projects that improve productivity, reduce congestion and bottlenecks and which provide demonstrable value-for-money.

Labor believes that two significant public policy issues should be addressed by the projects:

• Direct road access for western Sydney residents to and from the Sydney CBD; and
• Moving freight to and from the rapidly expanding Port Botany and the airport.

These issues were listed as the top two Sydney priorities in Infrastructure NSW’s State Infrastructure Strategy in 2012.

Labor understands the residents of western and south-western Sydney deserve a quality, properly planned connection to Sydney CBD, and relief from the pressure our growing freight task delivers to our road system.
A Labor Government will:

1. Deliver the M4 element of the project in two stages, providing direct access for the residents of Western Sydney to Sydney’s CBD:
   • The M4 Widening project (Church Street to Homebush Bay Drive) will continue on its existing plan;
   • A link from Homebush Bay Drive to the city will proceed, allowing direct access from Western Sydney to the CBD. The route will be determined following proper expert advice from Infrastructure NSW, proper value for money processes as recommended by the Auditor General, and including a published cost benefit analysis;

2. Deliver the M5 East duplication project; however, it requires a new route to address Infrastructure NSW’s priority of moving freight to and from Port Botany and the airport. The route will be determined following expert advice from Infrastructure NSW, and proper value for money processes as recommended by the Auditor General, including a published cost benefit analysis;

3. Not proceed with the proposed St Peter’s interchange, and ensure that Sydney Park, Petersham Park, Tempe Parkland and Camperdown Park green spaces are protected. Sydney’s iconic Kings Street shopping strip will also be protected, with no additional clearway periods;

4. Immediately halt all compulsory acquisition of properties associated with the proposed project until the route has been finalised and genuine community consultation has been undertaken;

5. Not proceed with the proposed tunnel linking the M4 and M5 (Stage 3 of the current WestConnex scheme) as it is not a transport priority; and

6. Ensure that a thorough and transparent community consultation program is undertaken on all proposed projects.

Only a Labor Government will ensure that our projects are properly planned, Sydney’s transport and freight needs are addressed and taxpayer funds spent wisely.
A Better Way

In addition to existing investments, Labor will reserve an additional $10 billion over the next 10 years for the following infrastructure priorities:

HEALTH & EDUCATION

BETTER HOSPITALS, SCHOOLS & TAFE CAMPUSES

ADDITIONAL VALUE: $3 BILLION

The NSW Government needs to undertake major redevelopments of our hospitals to keep up with demand. Currently there are hospitals undergoing planning for major redevelopments, however, these hospitals are not going to be built without funding commitments.

The availability of high-quality and life-long education is essential to our society. It is the responsibility of government to guarantee that everyone not only has access to an education, but that our students will be provided access to facilities that support future-focused learning.

NSW is facing a major challenge over the next 10 years to provide our children the world-class educational facilities needed to guarantee everyone has access to a high-quality education.

Labor will reserve an additional $3 billion to fund new hospital projects, build and renew schools, and upgrade our TAFE facilities.
ROADS

URBAN AND REGIONAL ROAD UPGRADES

ADDITIONAL VALUE: $2,057 MILLION

Roads are one important part of the NSW Government’s plans to link our urban communities and connect our regional towns and centres. Roads and public transport investment and future planning for employment and housing growth should all be intricately linked. New and upgraded roads need to be delivered in time for employment and housing developments.

It is already estimated road congestion costs about $5 billion a year, and it set to grow to $8 billion a year by 2020 if urban sprawl and associated growth in car use was allowed.

The people of NSW want more roads and safer roads. That is why a Labor Government will allocate more than $2 billion to deliver the road infrastructure the people of NSW need.

The funding will be used to deliver new roads, better roads and safer roads for all road users – including Sydneysiders and the families of Wollongong, Newcastle as well as rural, regional and coastal NSW.

This investment will be reserved for projects designed to cut congestion, reduce travel times, and increase productivity. This investment will include removing bottlenecks with new infrastructure to ease traffic at known congestion hotspots, and putting new technologies in place to improve traffic flow, and improve response times for accidents.

Labor’s investment in roads projects will be underpinned by the principle of supporting jobs and employment growth outside the Sydney CBD and helping Sydney to grow sustainably.

For regional NSW, this investment will help build new infrastructure in growth areas, boost productivity and expand current road-building programs and ensure regional families are better connected. Our roads investment will improve safety and deliver faster travel times.
WESTERN SYDNEY

SUPPORTING JOBS GROWTH, TRANSPORT CONNECTIONS AND HOUSING

ADDITIONAL VALUE: $1.47 BILLION

Creating hundreds of thousands of smart jobs in the suburbs and our regional centres will help solve the congestion challenge of our state. Western Sydney has the greatest imbalance between population and jobs in all of Sydney, with far more people living in the region than there are jobs.

Forcing people to travel from west to east for work, and then back again to get home, is a threat to Sydney’s liveability and a drain on our productivity.

That’s why Labor will reserve $1.472 billion to help improve the quality of life for the people of western Sydney by supporting local jobs, building cross-regional transport solutions and supporting housing.
The Baird Liberal Government has spent its term of government privatising billions of dollars of publicly owned assets. The majority of the proceeds of these asset sales, however, have been taken out of the regions, earmarked to fund Sydney projects.

A Labor Government will reserve Restart NSW funds to support additional infrastructure projects in the Hunter and the Illawarra.

A Labor Government will reserve $810 million to fund Hunter infrastructure projects, which would return one-half the net Newcastle Port privatisation proceeds to the people of the Hunter.

The money will be reserved for infrastructure projects in the Hunter and the revitalisation of Newcastle. Crucially, this funding commitment would not waste $340 million of Port proceeds ripping up the Newcastle Rail Line. Instead, this money would be invested straight into projects.

A Labor Government will return an additional $280 million of the Port Kembla sale funds to the Illawarra and establish a dedicated Illawarra Infrastructure Investment Fund to oversee its distribution into local projects.

Labor’s commitment is a $280 million increase on the $100 million of funding promised by the Baird Liberal Government, and the $170 million committed for the Princes Highway.

Mike Baird and the Liberals short-changed the Illawarra from the Port sale. The Illawarra deserves a better deal and Labor will ensure that one-half of the proceeds of the sale of Port Kembla will be invested back into the region.
Water security and environmental infrastructure

A Labor Government will back regional and rural NSW by reserving additional funding to invest in key water infrastructure projects.

Infrastructure NSW has identified that in the next 20 years, the most important environmental change will be a reduction in the availability of water for use by productive industries and in the security of supply for some communities.

Drought and climate change are reducing rainfall, drying rivers and emptying dams. Contributing factors to this reduction in water supply include changing rainfall patterns and increases in the allocation of water for important environmental uses.

Labor believes that responsible management of water assets requires a combination of:

• taking action on climate change;
• using water wisely;
• securing water supplies; and
• supporting healthy rivers.

Only by working with state and local governments, farmers, industry and the community can we secure our long-term water supply.
Additional capacity will be required in the core of the rail network, particularly the CBD, over the next 20 years. As infrastructure NSW noted in its 2012 State Infrastructure Strategy, this must be provided using existing assets wherever possible, given the extremely high cost of new construction.

Labor will reserve more than $1 billion to further expand the capacity of the existing network. Labor will fund the work program known as Sydney’s Rail Future Stage 2 which includes the Western Sydney Rail Upgrade Program. Labor will target capacity constraints, deliver more services, upgrade power supplies and improve service frequency.

The enhancements will support continuing employment growth and urban renewal in centres such as the Sydney CBD and Parramatta. Reduced travel times, greater customer comfort and increased frequency will also attract more customers to the network and reduce road congestion.

The Second Harbour Crossing
A Labor Government will also confirm $3.4 billion for Sydney’s second rail harbour crossing – which is earmarked within the current Transport for NSW forward capital program, allowing construction to commence on the original timeline.

However bringing forward construction of the current Second Harbour Crossing project requires a significant funding injection. Given the funding required, the taxpayers of NSW need confidence that decisions in respect to this project have been rigorous, and are not made in haste to suit an election agenda.

Labor also takes seriously the advice of Infrastructure NSW which questioned the need for a Second Harbour Crossing in the short term, stating:

“Rail capacity enhancement strategies over the past decade have focussed on the construction of a new line through the CBD – either a second harbour rail crossing, or a “relief” line from Central to Wynyard... these proposals have very high capital costs.

“Re-signalling the existing lines, combined with targeted capacity upgrades, could bring the benefits of this new technology to more customers, and more quickly, than a second harbour crossing.”

Former Infrastructure NSW Chairman, Nick Greiner, told the Australian Financial Review that the $10 billion estimate for the project was “hopeful” and that it would cost “considerably more”. On the timing of the project, Greiner said the crossing should be “20 years or more into the future”.

However given the doubts among the experts Labor will also ensure that the significant funds required for the Second Harbour Crossing will only be allocated after a rigorous cost-benefit analysis and business case is completed. In the meantime, Labor will prioritise the additional $1 billion to prioritise projects that deliver shorter travel times and more frequent services for the people of Sydney.
Labor knows that NSW is the best state in Australia and rightly holds the position as its most visited destination. We are determined to capitalise on NSW’s exciting tourism products and create new events and exhibitions to attract more tourism dollars for our great state.

To capitalise we need to provide the necessary resources and creative approach to ensure NSW remains the premier destination for international and domestic tourists. Labor will invest an additional $950 million to ensure NSW continues to hold its position as the country’s number one tourism destination.

Infrastructure NSW recommends improving cultural infrastructure across the state, with a strong focus on developing and investing in clearly defined cultural precincts.

Labor will also ensure our traditional stadiums remain first-rate major sporting and event venues, but we also believe, that regardless of where people live, they should have access to viable sporting clubs and quality sporting infrastructure.
A Labor Government will:

1. Reform Infrastructure NSW; and
2. Investigate additional funding options to accelerate project delivery.

**REFORM INFRASTRUCTURE NSW**

Transport infrastructure is a specialised field. It requires research, technical capacity, engineering, design, and project financing expertise. Infrastructure planning should be taken out of the hands of politicians, and put into the hands of the experts.

In December 2014, an embarrassing report released by the NSW Auditor-General on the WestConnex project criticised the Baird Liberal Government for failing to follow its own major infrastructure project guidelines – and revealed that the initial business case was substandard.

“The review that was conducted found that the preliminary business case was deficient and fell well short of the standard required for such a document.”

– Auditor-General, media release, 18/12/14

The fact that the WestConnex Motorway has come so far with a substandard business case suggests a breakdown in the system. Government should manage funding priorities, but listing the priority projects should be in the hands of accountable and independent experts.

That is why Labor will undertake reforms to strengthen Infrastructure NSW and give it a stronger role in planning and assessing infrastructure projects.

Labor will:

- Make INSW fully independent removing the ability for the Premier to direct changes to reports;
- Release the INSW business case and cost benefit analysis for each major infrastructure project;
- Give INSW oversight of infrastructure delivery ensuring value for money is achieved by giving INSW the responsibility of overseeing delivery of major infrastructure projects and enforcing governance standards such as the Major Project Assessment Framework;
- Release a summary of all project documents and contracts immediately after the project’s financial close, to ensure complete transparency for each major infrastructure project;
- Include Transport, Education and Health Departments on the board of INSW as they represent more than 80 per cent of the annual infrastructure spending by government sector agencies; and
- Encourage greater cooperation between Infrastructure Australia and INSW.
INVESTIGATE ADDITIONAL FUNDING OPTIONS TO ACCELERATE PROJECT DELIVERY

Labor will investigate other potential sources of funding to accelerate delivery of our infrastructure program, including:

- Commonwealth / Infrastructure Australia funding;
- Value capture and transport corridor development opportunities;
- Hypothecation of windfall tax revenues; and
- Better engagement with the private sector in the delivery of projects.

COMMONWEALTH / INFRASTRUCTURE AUSTRALIA FUNDING

In 2013, Prime Minister Tony Abbott announced his decision that the Commonwealth Government would no longer fund major public transport projects. This was followed by an extraordinary backdown by the Transport Minister, Gladys Berejiklian, who welcomed Tony Abbott’s decision. Ms Berejiklian said:

“The certainty (not to fund public transport projects) provided by the federal Coalition in relation to transport funding is a welcome relief;”
- Gladys Berejiklian, The Sydney Morning Herald, 5 August 2013

Under Mike Baird and Tony Abbott, the Commonwealth will not invest one cent for public transport in NSW. If Labor is elected, we will fight for our fair share of Commonwealth funding for infrastructure.

VALUE CAPTURE AND TRANSPORT CORRIDOR DEVELOPMENT OPPORTUNITIES

As infrastructure improves, there is likely to be an opportunity to develop this newly available land and “capture the value”. There may be capacity to realise additional revenue towards the end of the 10 year infrastructure envelope through integrated developments above transport links.

Labor in Government will pursue appropriate development opportunities and reinvest the funds generated back into further improvements to the public transport system.

Infrastructure NSW will be commissioned to deliver a Value Capture Strategy to supplement Labor’s infrastructure program. The key aim of the Value Capture Strategy will be to develop ways of using the value created by improving transport infrastructure to fund additional improvements.

HYPOTHETICATION OF WINDFALL TAX REVENUES

Labor will ensure additional tax revenues, including Stamp Duty revenues, which exceed budget forecasts will be reserved for infrastructure projects.

ENGAGING THE PRIVATE SECTOR IN THE DELIVERY OF PROJECTS

The private sector will play a major role in infrastructure delivery under Labor.

In government we made extensive use of Public Private Partnerships to deliver infrastructure projects including construction of roads, rail, schools and hospitals. We look forward to working in partnership with the business community to deliver Labor’s infrastructure agenda.