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Building NSW Infrastructure

Large scale infrastructure projects worth more than \$20 billion will significantly boost the NSW economy in the years ahead as the State upgrades its road, rail, hospital and airport assets. Known as Rebuilding NSW, the infrastructure projects will primarily be funded by the NSW Government's previous sale of ports and the upcoming release of capital from the sale of electricity network businesses, or "poles and wires". The housing boom, particularly in Sydney, has also significantly boosted the State's coffers via increased stamp duty revenue.

Furthermore, the Commonwealth Government's asset recycling incentive scheme will provide an additional \$2 billion, including \$75m to upgrade the Port Botany Rail line, which is part of the broader initiative aimed at reducing the number of trucks on the roads by encouraging more freight to be transported via rail to inland container terminals in western Sydney. The private sector is also positioning itself to support the increased use of rail freight by constructing container terminals in western Sydney.

One of the key projects already committed and under construction is the \$15 billion WestConnex motorway upgrade, which aims to improve traffic flow on the M4 and M5 roads in western Sydney. It is currently the largest transportation infrastructure project underway in Australia. Other large scale projects in Sydney include the \$8 billion North West Rail link, the \$3 billion NorthConnex twin tunnel motorway linking the M1 and M2 roads and the \$2 billion Northern Beaches Hospital.

Over the very long term, the proposed second Sydney airport has been approved at Badgerys Creek with an estimated cost of \$6-\$8 billion. Similarly, the second Sydney Harbour tunnel crossing will ultimately add connectivity to the existing suburban rail network. Additional funds have also been earmarked to improve regional transport, schools and water security. A \$400 million housing acceleration fund has also been designed to open up housing releases in the north and south west of Sydney.

At the national level, these infrastructure initiatives in NSW will help offset the rapid decline in mining and energy investment in the other states. The NSW infrastructure plan has a 20 year outlook and was updated in 2014, while the Premier, Mike Baird, wants the projects to be ready to go when the proceeds from the poles and wires sale is received. Listed building contractors, developers and materials suppliers, in particular, will benefit from increased levels of demand.

The ambitious infrastructure build-out across NSW will significantly boost the economy over the next five to ten years, generate considerable employment growth and provide numerous investment opportunities.