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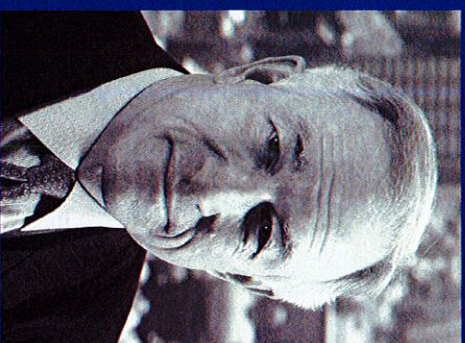
Recommendations to the NSW Government
November 2014

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Chairman's foreword



It is with great pleasure that I provide the State Infrastructure Strategy Update to the NSW Government on behalf of Infrastructure NSW, in accordance with the Infrastructure NSW Act 2011.

Dear Premier,

On behalf of the Board of Infrastructure NSW, I am pleased to submit this update to the 2012 State Infrastructure Strategy.

This Report responds to your request that Infrastructure NSW assist the Government to identify the highest value, most needed and most productive new infrastructure projects that could be delivered if substantial additional funding becomes available from the *Rebuilding NSW* initiative.

In the two years since the 2012 State Infrastructure Strategy, many important projects have moved from concept to business case, from business case to planning approval and from planning to construction. *Rebuilding NSW* provides the opportunity for the Government to advance funding for many more high value projects and deliver benefits to the citizens and businesses of the State much earlier than would otherwise be possible.

The priority projects recommended in this Report must now be subject to the strengthened disciplines that apply to the State's major infrastructure investments to ensure best value for money for taxpayers. With clear long-term project commitments, however, several of the

recommended projects may now attract private sector capital which would, where cost-effective, leverage the funds available to Government and further accelerate delivery of benefits for the people of NSW.

The Infrastructure NSW Board believes that this updated Strategy presents the Government with an exciting set of opportunities to improve, and in many ways transform, the productivity and efficiency and the liveability of Greater Sydney and of communities across NSW.

We commend this Report to you.

Yours sincerely



Graham Bradley AM

**Chairman
Infrastructure NSW**

In June 2014, the Premier announced the *Rebuilding NSW* initiative, a \$20 billion program of infrastructure investment to be funded from the long-term lease of 49 per cent of the State's electricity network assets. This Report is Infrastructure NSW's independent advice to Government on the next round of critical infrastructure priorities for NSW.

The one-off capital injection provided by *Rebuilding NSW* represents a significant opportunity to accelerate a program of infrastructure investment and lock in long-term and higher rates of economic growth and productivity than would otherwise be achievable.

The funds provided through *Rebuilding NSW* must be invested wisely, and with a full understanding of where, when and how maximum value can be extracted from their allocation.

In preparing this Report, Infrastructure NSW has found that there is considerable capacity to deliver elements of the Government's infrastructure program sooner – in transport, health, education, water, and cultural, sporting and environmental infrastructure – provided there is an equal focus on fiscal discipline and achieving value for money.

This Report identifies projects and reforms which, given funding certainty in the near term, could be delivered earlier, to accelerate growth and deliver benefits to the community sooner. It has been prepared at a time of rejuvenation for the State economy. Growth in State Final Demand in NSW in 2013-14 was more than twice as strong as any other State and almost six times the national average.¹ Close to 200,000 jobs have been added in the State's economy over the past five years.² And the State's housing sector is expanding, with dwelling starts in 2013-14 around 36 per cent – or 12,500 dwellings a year – higher than in 2011-12.³

Infrastructure NSW delivered its first State Infrastructure Strategy *First Things First*, in 2012. Two years on, many of its key recommendations are being progressed. With *Rebuilding NSW*, the State has the opportunity to go further and faster, equipping itself with the infrastructure it needs to remain vibrant, liveable, productive and globally competitive.

1. Australian Bureau of Statistics (2014a), Australian National Accounts: National Income, Expenditure and Product, June Quarter 2014, Cat. No. 5206.0
2. Australian Bureau of Statistics (2014b), Labour Force, Australia, October 2014, Cat. No. 6202.0
3. Australian Bureau of Statistics (2014c), Building Activity, Australia, June Quarter 2014, Cat. No. 8752.0

Sydney's roads are some of the most congested in Australia. Congestion imposes costs on the economy and the community through longer commutes, higher operational costs and restricted access. Currently, the indirect costs of congestion represent 8 to 12 per cent of total transport costs incurred by Sydney businesses. Sydney's congestion costs are currently around \$5 billion per year – equivalent to annual losses of \$1,100 per Sydneysider – and are forecast to increase to around \$8 billion per year by 2020. Without corrective action, congestion will worsen – and the costs to business and the community will escalate – as the city's population grows.

Infrastructure NSW commissioned Deloitte Access Economics to model the economic benefits of the *Rebuilding NSW* initiative, including the accelerated infrastructure investments recommended in this Report. The model found that effective implementation of these recommendations could increase Gross State Product by \$30.9 billion by 2035, a 3.6 per cent increase, and add about 122,000 more jobs.

The investments and reforms that Infrastructure NSW recommends are anchored to three critical priorities: a competitive, global Sydney, supporting population and economic growth in Greater Sydney, and ensuring a competitive and connected regional economy. The total claim on *Rebuilding NSW* of these proposed investments is \$18.9 billion over 10 years. A full list of funding recommendations is set out in Chapter 12.

The funding recommendations in this Report are in addition to the forecast State infrastructure expenditure of \$61.5 billion over the four years to 2017/18.

A competitive Global City

Sydney is Australia's global city, generating around one-fifth of national GDP. The city has a competitive advantage in higher value-added industries and services, which are concentrated in the Global Economic Corridor.

From 2011 to 2031 Sydney will grow by another 1.6 million people, with more than 27.5 million journeys occurring every weekday, as well as around 1.6 million freight and commercial trips.⁴ Against this backdrop, Sydney's transport congestion costs are forecast to increase from \$5.6 billion a year to around \$8 billion a year by 2020.⁵ It is also estimated that diverted freight travel will cost NSW businesses almost \$20 billion over the next 20 years and require an additional 900,000 driver hours.⁶

This Report supports Sydney's long-term growth by improving public transport connectivity to the city's major employment centres, lifting urban productivity by reducing congestion across the transport network and supporting transit-oriented urban renewal in inner city areas to improve accessibility and land use productivity. Infrastructure NSW recommends that the following priorities are progressed:

- **A transformative upgrade to Sydney's passenger rail network:** \$8 billion to deliver a step change in the capacity and reliability of the city's train system, including upgrades to lines in the city's north

4. Transfigures, March 2014, *Travel forecasts 2011-2014* and *Transfigures, July 2010, Freight movements in Sydney*
 5. Deloitte Access Economics, November 2014, *Economic Impact of the SIS Including Rebuilding NSW*
 6. Transport for NSW 2014, *Fixing Country Roads: Expression of Interest Guidelines*

and west, and *Sydney Rapid Transit* extending from Chatswood to the CBD via a second Harbour rail crossing and out to Bankstown.

- **An expedited program of major motorway projects:** development and delivery of the next stages of the Sydney's economically critical motorway network, including Northern and Southern Extensions of WestConnex and the Western Harbour Tunnel, providing a third crossing of Sydney Harbour. Infrastructure NSW recommends that these motorways be toll roads with significant user funding.

- **Congestion mitigation measures to optimise existing road infrastructure:** \$1 billion for upgrades to the existing road network, including works to relieve congestion at pinch points across the city and extend clearways, with improvements to real-time traffic and congestion management and the implementation of the capacity-enhancing Smart Motorways system on key parts of the system.

Supporting population and economic growth in Greater Sydney, including Parramatta

Western Sydney is Australia's third largest economy, and its major centre, Parramatta, is potentially Sydney's second CBD. The region is experiencing more rapid population growth than the rest of Sydney. By 2031, one million more residents will live west of Homebush.⁷

7. <http://www.planning.nsw.gov.au/en-au/delivering/homes/population-and-housing>, last updated 20 August 2014

Growth will place increasing pressure on Western Sydney's infrastructure, which is less well served by Sydney's historically radial public transport network, dispersed settlement patterns and poor north-south integration between precincts. These challenges require many residents to travel across town to access high-skilled jobs and are a deterrent to commercial development in Western Sydney centres.

This Report focuses on improving connections to Parramatta to enhance its attractiveness as an employment hub and commercial centre, and to support longer term planning for new economic activity across Western Sydney, specifically around Badgerys Creek, the western employment precinct and the region's cultural and sport precincts. Infrastructure NSW also recommends new approaches to investing in education and health infrastructure to support population growth. Infrastructure NSW's recommendations to accelerate projects for Western Sydney include:

- **Support Parramatta's economic potential:**
A reservation of \$600 million, in addition to \$400 million reserved in the 2014 Budget, to improve public transport provision between Parramatta and other centres and residential areas – to be supported by a long-term transport improvement plan by the Government.
- **A major cultural precinct in Parramatta.** As part of the Parramatta North Urban Renewal Project, a cultural precinct should be developed around the Old King's School site, potentially including a relocated Powerhouse Museum.

- **Education and health infrastructure that supports growth.** A combined reservation of \$1.4 billion for a new Schools Growth Program and to progress business cases for the Hospitals Growth Program for hospital investments such as the Campbelltown Hospital and a new health facility at Rouse Hill. These investments should be matched by improved delivery and expenditure models that will manage growing demand by 'bending the cost curve', support urban densification and improve value for money through innovative partnerships with the private sector.

- **A major review of sporting infrastructure:**
Planning for a new or upgraded rectangular sports stadium in the Central Western Sydney area. Infrastructure NSW also recommends that funding sources be identified to deliver flood mitigation and evacuation works for the Hawkesbury-Nepean Valley in anticipation of the Task Force report to Government in mid-2015.

Ensuring a competitive and connected regional economy

Regional freight supports production worth more than \$80 billion a year to the NSW economy, with the Hunter and Illawarra alone producing almost a third of the State's GSP.

Around 100,000 jobs rely on the agricultural and mining sectors of NSW, which in turn rely on critical water and freight infrastructure to remain productive and competitive.

Provisional funding of \$6 billion from *Rebuilding NSW* has been allocated to productive regional infrastructure, focusing on efficient road and rail connections, secure water supplies for regional industries and communities, and investment in health and education infrastructure to support the regional workforce and meet the needs of regional communities.

Infrastructure NSW recommends reservations from the *Rebuilding NSW* initiative for the following regional priorities:

- **Efficient freight transport to ports and markets:**
A combined reservation of at least \$3.1 billion to improve existing road and rail networks, including freight productivity improvements along four critical corridors (the Newell, Golden, New England and Great Western Highways) and to extend three major sub-programs: Bridges for the Bush, Fixing Country Roads and Fixing Country Rail.
- **Increased connectivity for regional centres:**
\$1 billion to improve the road network to meet the demands of regional growth areas, including the Illawarra, Lower Hunter, North Coast and Central Coast.
- **Water supply and water security:** A \$1 billion program of investment based on economic need for enhanced water security, with priority investment for the Gwydir, Macquarie and Lachlan inland river catchments and the coastal catchment of the Upper Hunter, and 71 projects to bring regional towns up to water quality and environmental standards. The regional towns of Broken Hill and Cobar are given high priority for water security upgrades. These

investments will be supported by a new catchment needs assessment framework, best practice planning and price recovery, and consideration of options to take advantage of unutilised flows and underutilised infrastructure.

- **Equip regional populations with modern schools, training and health infrastructure:** \$300 million for a new 10 year Regional Schools Renewal Program to modernise and upgrade classrooms and facilities for future-focused learning, and \$300 million for the delivery of a multipurpose health services strategy for rural and regional NSW.
- **Develop regional cultural and tourism infrastructure:** \$300 million to invest in an Environment and Tourism Program to support the regional visitor economy and allocations from a State-wide \$600 million cultural infrastructure strategy to develop regional creative hubs and cultural infrastructure.

The way forward

The investments proposed in this Report are ambitious. Their breadth and pace of delivery must be supported by a commitment across Government to continuously pursue greater value for taxpayers, by improving planning and delivery capacity, managing growing demand and operational costs, working with the private sector to maximise value for money outcomes, and managing existing assets to make the most of past investments.

NSW's track record has demonstrated that selecting the *right* infrastructure projects and planning, delivering and managing them well, is critically important.

Infrastructure NSW has identified seven major opportunities to improve the way NSW plans, delivers and uses infrastructure across sectors:

- **Long-term infrastructure planning:** reducing the long-term costs of infrastructure provision by identifying and reserving future corridors, and ensuring agencies have the capability and resources to plan and prioritise effectively.
- **Optimising asset utilisation:** using relatively low cost interventions to optimise the performance of existing infrastructure, unlocking network-wide benefits in the process.
- **Harnessing technology:** using information and communications technologies (or 'Smart ICT') to revolutionise how infrastructure should be designed, constructed and operated.
- **Reforming project governance:** improving the management of major capital projects in areas such as risk assessment, budget setting and project management across the project lifecycle.
- **Identifying new approaches to funding and procurement:** developing value capture mechanisms, additional commercial revenue streams, infrastructure pricing strategies and asset recycling as ways to bridge the funding gap between the infrastructure we have and the infrastructure we want.

- **Delivering 'whole of government' outcomes:** coordinating place-based planning to support population growth and housing acceleration in urban renewal areas.

- **Working with the Commonwealth Government:** harnessing cooperation between governments on infrastructure projects to improve the quality of project planning and delivery, and improve affordability for national-scale projects.

All the potential investments Infrastructure NSW recommends in this Report have demonstrated their strategic merit and should now be developed further by agencies. Business cases should be developed over the coming 18 months, to enable final investment decisions to be taken by Government in a timely fashion, if and when the proceeds from the electricity network transaction are realised.

Adopting the investments and reforms recommended in this Report will ensure that *Rebuilding NSW* initiatives are allocated responsibly, targeted carefully, and delivered where they will generate the greatest benefits.

The opportunity provided by *Rebuilding NSW* is an important one. With the benefit of considered analysis – and building on a strong platform of current infrastructure investment – Infrastructure NSW considers that the leasing of 49 per cent of the State's electricity networks will translate into substantial economic and social benefits that extend across the State, and the delivery of vital public infrastructure that will serve NSW for many decades to come.

Global Sydney

Facts

- 39% of the economy and 16% of the population
- Sydney is Australia's global city, generating around one-fifth of national GDP
- Global Sydney is an international leader in high value, knowledge-based service industries
- Sydney Airport and Port Botany are NSW's principal international gateways

Conclusions

A competitive, global Sydney

- Global Sydney must out-compete cities in the Asia-Pacific region for liveability and business attractiveness
- Should maintain Sydney CBD as a world renowned cultural destination
- Sydney's transport congestion costs are forecast to increase to around \$8 billion a year by 2020
- Accelerated investment in passenger rail capacity and roads is essential to meet the congestion and transport task

Greater Sydney

- 32% of the economy and 44% of the population
- Western Sydney is now Australia's third largest economy
- Parramatta is potentially Sydney's second CBD.
- Western Sydney is growing more rapidly; by 2031 one million more people will live west of Homebush

Supporting population and economic growth in Greater Sydney, including Parramatta

- Parramatta and other centres require investment to realise their potential
- Transport investment is required to support urban regeneration, housing acceleration and connect people to jobs
- Investment in education and health infrastructure to support population growth and ageing
- Develop a major cultural precinct in Parramatta and review sports stadia

Regional NSW

- 29% of the economy and 40% of the population
- Australia's largest and most diverse regional economy
- Regional freight supports production worth \$80 billion per annum
- Internationally significant primary production: coal, grain, livestock, viticulture

Ensuring a competitive and connected regional economy

- Regional producers require efficient and reliable access to markets
- Improvements to water security and quality are required
- Regions adjacent to Sydney will benefit from better transport links
- Investment required for multi-purpose Health facilities and to modernise schools
- Develop regional cultural and tourism facilities

Infrastructure NSW 2014 SIS Update: key recommendations for development of final business cases

Funding from 2016 brings projects forward over next 10 years: \$18.9 billion from the Rebuilding NSW initiative

- \$8 billion to deliver a step-change in capacity and reliability of Sydney's rail system:
 - Western Sydney Rail Upgrade Program (SRF2) \$1 billion
 - Sydney Rapid Transit \$7 billion
 - \$6.3 billion to expedite the critical motorways as toll roads:
 - WestConnex Nthn & Sthn extensions \$1.8 billion
 - Western Harbour Tunnel \$4.5 billion
- Note: \$6.3 billion paid for as tollroads.

- \$600 million for the Parramatta CBD Public Transport Improvement Program
- \$300 million Bus Rapid Transit and Bus Priority Program
- \$300 million Pinch Point Upgrade Program Sydney – Illawarra
- \$100 million Corridor Reservation Program
- \$1.4 billion for Education and Health facilities in Greater Sydney:
 - Schools Growth Program \$700 million
 - Hospitals Growth Program \$600 million
- Care Co-location Program \$100 million
- \$1.2 billion for cultural and sporting investment for Global and Greater Sydney:
 - Cultural Infrastructure Program \$600 million
 - Sports Stadia Infrastructure Program \$600 million

- \$3.1 billion for efficient freight transport to ports and markets:
 - Freight Road Corridor Program \$2 billion
 - Bridges for the Bush \$200 million
 - Firing Country Roads \$500 million
- \$1 billion Regional Growth Roads Program
- \$1 billion Regional Water Security and Supply Fund
- \$300 million Regional Schools Renewal Program
- \$300 million Regional Multi-Purpose Health Facilities Program
- \$300 million Regional Environment and Tourism Program

Rebuilding NSW

\$12.9 billion for Global and Greater Sydney plus \$6.3 billion in toll roads

\$6 billion for Regional NSW

9.0 Culture, sport and the environment

STRATEGIC OBJECTIVE

Deliver targeted upgrades to the State's cultural, sporting and environmental infrastructure to drive growth in the visitor economy, realise the economic and social benefits of strong cultural and sporting sectors, and support local participation, creativity and liveability

KEY CHALLENGES

- Revitalise the NSW cultural, sports and tourism economies
- Maintain the Sydney CBD as a highly attractive, world renowned cultural destination and precinct
- Move away from ad hoc investment decisions to better target investment towards renewing ageing cultural and sporting infrastructure, strengthening defined precincts, and providing better facilities to more people, particularly in the fast-growing areas of Parramatta and Western Sydney
- Maintain competitiveness in the events market through investment in stadia
- Engage in meaningful partnerships with local councils in the cities of Newcastle and Wollongong and across regional NSW
- Support tourism and environmental initiatives in regional NSW

OPPORTUNITY

KEY INFRASTRUCTURE NSW RECOMMENDATIONS

Better investment planning and renewal of arts and cultural assets

- Standardise the investment framework for cultural infrastructure
- Develop a whole-of-sector cultural infrastructure strategy
- Invest in renewing ageing assets and further developing cultural precincts around the State

COSTS & FUNDING

Cost of planning is not material

Reservation of \$600 million from the *Rebuilding NSW* initiative

Sydney CBD Cultural Precinct

• Define a Sydney CBD Cultural Precinct, in consultation with the City of Sydney, with priority investment directed to :

See reservation above

- Sydney Opera House renewal
- Walsh Bay Arts precinct
- Art Gallery of NSW: Sydney Modern
- State Library of NSW
- Prior to further public investment being made in the Australian Museum, investigate opportunities for reconfiguration and site optimisation and alignment with the whole-of-sector cultural infrastructure strategy

Greater access to indigenous art and culture

- Support plans for a purpose-built Indigenous Cultural Centre within the Sydney CBD Cultural Precinct at Barangaroo Head Land Park
- Promote greater collaboration between institutions housing indigenous collections to create a precinct-wide visitor experience and to enable sharing and consolidation of collections

A new Parramatta Cultural Precinct

- Plan for and prioritise investment in a new Parramatta Cultural Precinct, based around the Riverside Theatre Complex, the old David Jones site, Parramatta Stadium and the old Kings School
- Urgently consider relocation of the Powerhouse Museum to the Parramatta Cultural Precinct
- Promote sharing of collections from CBD-based institutions (such as the Australian Museum) with the Parramatta Cultural Precinct

Western Sydney cultural hubs

- Partner with local councils to develop opportunities for co-investment in new and repurposed cultural infrastructure in Western Sydney, with particular regard to the river cities of Liverpool, Penrith and Campbelltown

OPPORTUNITY	KEY Infrastructure NSW RECOMMENDATIONS	COSTS & FUNDING
<p>Regional hubs and precincts</p>	<p>Newcastle and Wollongong</p> <ul style="list-style-type: none"> • Work with the City of Newcastle to attract investment in the city's cultural precinct • Work with the City of Wollongong to enhance the cultural precinct around the Town Hall and Performing Arts Centre <p>Regional NSW</p> <ul style="list-style-type: none"> • Create regional creative hubs and cultural precincts across the State, including utilising digital infrastructure to drive local and tourist visitation and innovative use of existing community infrastructure 	<p>See reservation above</p>
<p>Environmental infrastructure to support tourism</p>	<ul style="list-style-type: none"> • Reserve \$300 million for the Regional Environment and Tourism Program for national parks and regional tourism 	<p>Reservation of \$300 million from the regional allocation in the <i>Rebuilding NSW</i> initiative</p>
<p>Sporting infrastructure</p>	<ul style="list-style-type: none"> • Complete upgrades to the Moore Park sporting precinct, focusing on the Sydney Football Stadium • Review major stadium alternatives in the Parramatta/Homebush area to address the need for a high profile rectangular sports stadium, before finalising stadia investment • Commence planning for an outer Western Sydney stadium, to be built in the longer term • Explore options for a multi-use indoor arena in a strategic Sydney location • Reserve \$600 million from the <i>Rebuilding NSW</i> initiative to support investments in sporting infrastructure during the timeframe covered by this report 	<p>Reservation of \$600 million from the <i>Rebuilding NSW</i> initiative</p>

Snapshot

- NSW has the largest arts and cultural sector in Australia, employing more than 176,000 people, about 5.6 per cent of total NSW employment and 36 per cent of the national arts workforce. Eleven of Australia's 28 Major Performing Arts Companies have a base in NSW.
- NSW leads 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.
- The Sydney Opera House, Sydney's foremost tourist attraction, attracts over 8.2 million visitors each year.
- Cultural and heritage visitors spend almost twice as much as other international visitors – \$6,280 per trip compared to \$3,832 per trip.
- The major cultural institutions owned by the NSW Government comprise assets worth approximately \$7.4 billion, primarily located in central Sydney, of which \$2.8 billion is invested in property and \$4.6 billion in collections. Average expenditure over the last 10 years across sports and cultural sectors has been \$114 million a year: 55 per cent on sporting venues and 45 per cent on cultural venues.
- In addition to the NSW Government's cultural institutions, other key cultural organisations, such as the Museum of Contemporary Art Australia (MCA), Carriageworks and the Sydney Theatre Company, contribute significantly to the State's cultural economy. In 2013, the MCA attracted just under one million visitors to its base in The Rocks.
- Sydney's cultural institutions support regional NSW by lending and touring collections, off-site presentations, educational programs and online access to resources.
- National parks are a significant asset for regional tourism economies, receiving over 34 million domestic visits each year and generating thousands of regional jobs.
- The NSW Government has more than \$2 billion invested in 40 sporting stadia, ranging from Tier 1 international standard venues to Tier 3 local venues. Approximately \$21 million is spent every year on maintaining these venues.
- In 2013, 1.36 million patrons attended 61 major events at Allianz and the SCG, with an average attendance of 22,320.
- ANZ Stadium at Sydney Olympic Park attracted 1.9 million people to a mix of events, while Sydney Olympic Park overall attracted 2.46 million people to various sporting events.

9.1 Summary

According to the 2012 World Cities Culture Report,¹⁰⁷ cultural experiences and institutions are key drivers in attracting leisure visitors, business travellers and skilled workers to a city.

Sydney has a wealth of cultural attractions to offer visitors and residents – from the globally recognised Sydney Opera House and world-class collections in the city's art galleries and museums to Australia's leading music, theatre and dance companies. However, a number of significant cultural assets in the city are in need of renewal, including the Opera House, the Art Gallery of NSW, the Powerhouse Museum (part of the Museum of Applied Arts and Sciences), the Australian Museum and the State Library of NSW. Infrastructure NSW has estimated that at least \$2 billion is required to bring these assets up to national and international standards; an amount far exceeding likely available funds in the future. This means that rigorous demand and options analysis, together with identification of innovative ways to provide capital and ongoing funding, will be needed to renew and expand these important assets.

The NSW Government has commenced revitalising and expanding the city's cluster of arts and cultural institutions around the CBD and Sydney Harbour, however, greater clarity on the drivers for that investment, and an agreed strategic outcome, is needed.

Infrastructure NSW recommends reserving \$600 million from the *Rebuilding NSW* initiative to improve cultural infrastructure across the State, with a strong focus on developing and investing in clearly defined cultural precincts.

In Sydney, Infrastructure NSW recommends two clearly defined cultural precincts: a CBD precinct (based around the Sydney Opera House, extending to Barangaroo in the west and the Australian Museum in the east) and a Parramatta precinct, established as part of the North Parramatta Urban Renewal project.

To anchor the new Parramatta cultural precinct, Infrastructure NSW recommends giving consideration to relocating the Powerhouse Museum. A relocated Powerhouse could be a core asset in the Parramatta precinct and a major addition to cultural infrastructure in the west. In addition, as part of the recommended whole-of-sector strategy, functions and collections from CBD-based institutions, such as the Australian Museum, could be shared with or at least exhibited in the Parramatta Cultural Precinct.

In Western Sydney, Infrastructure NSW recommends that the NSW Government should develop, in partnership with local councils, opportunities for co-investment in repurposed existing infrastructure and new cultural infrastructure as appropriate, with particular regard to the river cities of Liverpool, Penrith and Campbelltown.

Outside Sydney, cultural investment priorities in Newcastle and Wollongong should be delivered in partnership with local councils, with an initial focus on developing precincts based around the Newcastle Art Gallery and the Wollongong Town Hall and Performing Arts Centre.

In regional NSW, investment should be directed towards the creation of regional cultural hubs and precincts, with further investigation into the potential for digital infrastructure to drive local and tourist visitation.

Infrastructure NSW supports plans for a purpose-built Indigenous Cultural Centre within the CBD Cultural Precinct to facilitate greater access to Australian indigenous art and culture in general and to established indigenous collections located in Sydney and regional NSW.

There are a number of opportunities to grow the contribution which national parks make to the State's economic and social wellbeing through transformative capital investment, as has taken place in New Zealand, Victoria and Tasmania.

Infrastructure NSW recommends reserving \$300 million from the regional allocation of the *Rebuilding NSW* initiative to create an Environment and Tourism Fund to develop environmental assets in national parks and support tourism in regional NSW.

107. Greater London Authority 2012, World Cities Culture Report

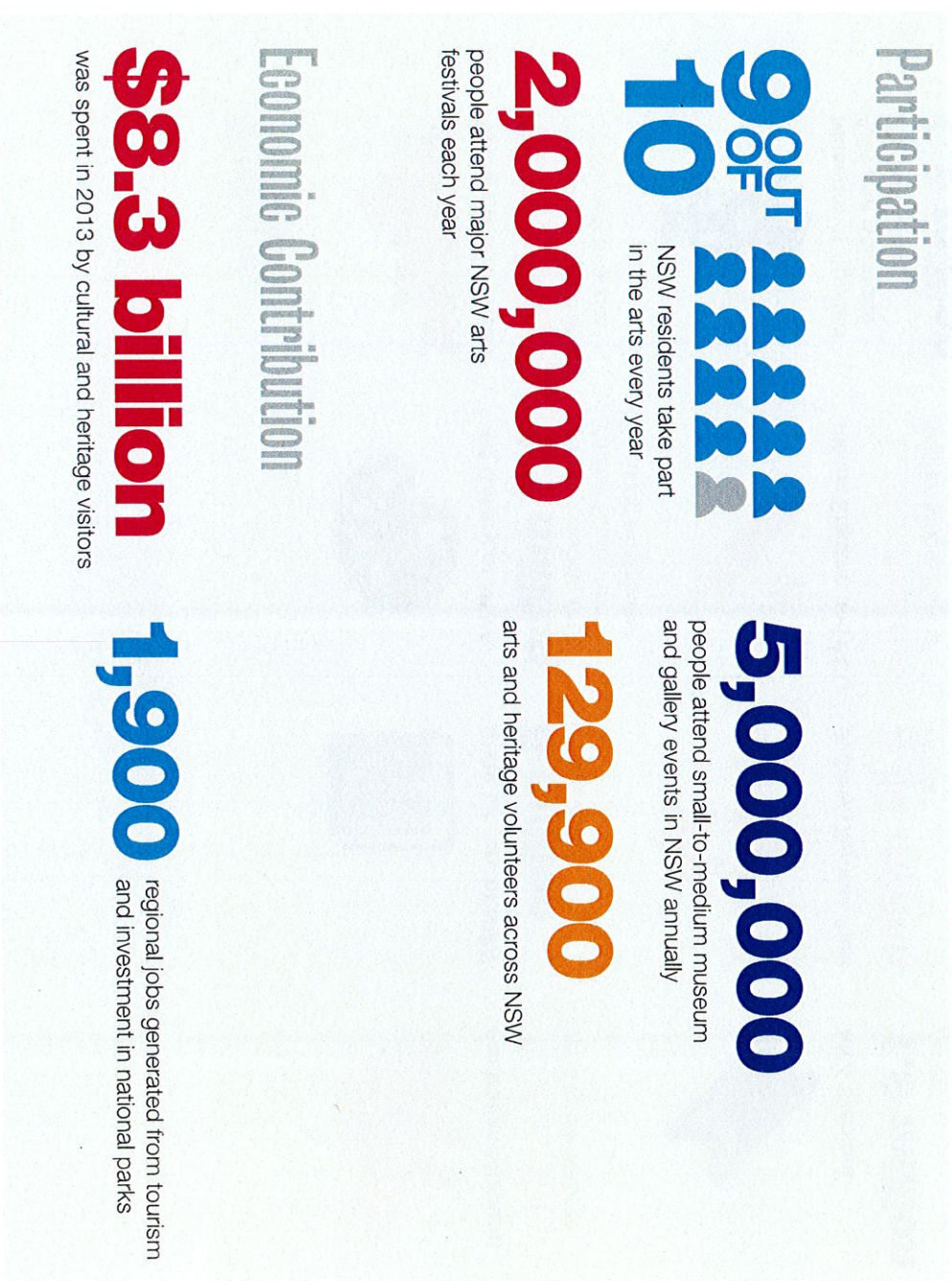
Infrastructure NSW also recommends that investment in sporting infrastructure focus on implementing the NSW Government's Stadia Strategy, which consolidates and directs investment into a limited number of world-class stadia and aims to create two international sporting hubs at Moore Park and the Olympic Park/Parramatta precinct.

Upgrades to the Moore Park sporting precinct – home to Rugby League Central, the Australian Cricket Team, NSW Blues, Sydney Sixers, Sydney Swans, Sydney Roosters, NSW Waratahs and the Sydney FC – should be completed. Infrastructure NSW also suggests that the Government carry out a full review of major stadia alternatives in the Parramatta/mid-western suburbs to identify the best means of providing a high quality rectangular sports stadium in the region, before finalising stadium investment plans.

Infrastructure NSW recommends that the Government commence long-term planning for building an outer Western Sydney stadium and examine options for a multi-use indoor arena in a strategic Sydney location to accommodate sports such as basketball, badminton, table tennis, tennis and martial arts.

Making these investments will ensure that Sydney and NSW continue to offer a diverse and expanding range of arts, cultural and sporting facilities that will help to attract visitors, new residents and investors to NSW.

Figure 9.1 Cultural and Sporting Overview



NSW is home to:

Visitation

40%

of Australia's creative industries workforce

11

of Australia's 28 major performing arts companies

577

Australia's leading music companies: the Australian Brandenburg Orchestra, the Australian Chamber Orchestra, Musica Viva Australia, Opera Australia, the Sydney Symphony Orchestra

885

Australia's leading theatre and dance companies: Bangarra Dance Theatre, Belvoir St Theatre, Bell Shakespeare, Sydney Dance Company, Sydney Theatre Company



Sydney Opera House

8.2 million

visitors. 1.4 million attend 1,700 performances



Museum of Applied Arts and Sciences (Powerhouse)

0.5 million

visitors



Art Gallery of NSW

1.1 million

visitors including Brett Whiteley Studio and 6 touring exhibitions



Allianz Stadium and SCG

1.36 million

visitors Moore Park is home to Rugby League Central, the Australian Cricket Team, NSW Blues, Sydney Swans, Sydney Sixers, Sydney Roosters, NSW Waratahs and the Sydney FC



State Library of NSW

5 million

on-line visits



Sydney Olympic Park

2.46 million

visitors



Australian Museum

10.6 million

visits to the website



ANZ Stadium

1.9 million

visitors

9.2 Progress since 2012

9.2.1 Cultural infrastructure

The Government's priorities for cultural infrastructure, set out in the 2012 State Infrastructure Strategy were to revitalise and expand the State's existing cluster of world-class institutions and attractions through the development of an Arts and Cultural Ribbon around Sydney Harbour and the CBD.

Key projects were identified as:

- Completion of the Walsh Bay Arts Precinct, (subject to a business case and available funding) within 10 years
 - Investigation of options to expand the Art Gallery of NSW, renew the Sydney Opera House and expand the State Library of NSW, the Australian Museum and the Museum of Applied Arts and Sciences, all within 10 years.
- Work is now under way to implement these priorities:
- The \$153 million Sydney Opera House Vehicle Access and Pedestrian Safety Project is nearing completion and \$13.7 million has been provided to develop the Sydney Opera House renewal framework, which will set out the vision, priorities and service needs for this iconic building over a 10 year timeframe.
 - \$10.8 million has been provided to the Art Gallery of NSW for Stage 1 of the Sydney Modern master plan, which will double the size of the Gallery and increase gallery visitations from 1.2 million to 2 million a year.

- \$4.7 million has been provided to the Australian Museum to develop a master plan to better use the Museum site, particularly the eastern end of the College Street site.

- The State Library has received \$8 million for master planning and \$48.6 million for ongoing work to digitise its collections.
- A final business case has been completed for the Walsh Bay Arts Precinct to upgrade the existing facilities at Wharf 4/5 used by Sydney Theatre Company, Bangarra Dance Theatre, the Sydney Dance Company and the Sydney choirs, and to create new facilities on Pier 2/3 for the Australian Chamber Orchestra, the Australian Theatre for Young People and Bell Shakespeare Company
- The construction of a \$33 million storage facility at Castle Hill to enable the State-owned cultural institutions to share storage is also nearing completion.

9.2.2 Sporting infrastructure

Since 2012, the strategic priority for investment in sporting infrastructure has been in accordance with the Government's Stadia Strategy. Specific projects that have now been completed or are under way include:

- The Stage 2 redevelopment (\$197.5 million) of the Sydney Cricket Ground, with upgrades to the M.A. Noble, Don Bradman and Dally Messenger Stands
- Precinct improvements at Sydney Olympic Park, including construction of an AFL training and administration facility and Netball Central

- Better public transport and pedestrian access to the Moore Park precinct
- Improvements to the Hunter Stadium.

9.3 Ongoing challenges

9.3.1 Ad hoc planning, capacity constraints and ageing assets

Historically, cultural and sporting infrastructure investment in NSW has suffered from the lack of an agreed strategic economic and planning framework, including limited demand analysis. This has resulted in a lack of 'whole of government' planning.

The capital allocation process has meant that only NSW Government-initiated developments have access to capital development funds. Support for projects at the local government level, or for other non-government facilities, has been provided as grant funding, largely without detailed and robust business cases.

The challenge is to plan for better investment and make decisions based on an evidence-based needs assessment, forecasts of demand, analysis of potential revenue streams and an appraisal of net economic benefits and wider social goals. There is no reason why investments in cultural and sporting infrastructure, including investment in environmental infrastructure in national parks, should not demonstrate value for money, exploration of alternative funding sources and consideration of alternatives to major capital works.

