

THE PIPELINE REPORT

INFRASTRUCTURE PIPELINE ACTIVITY REPORT



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1. Analysis

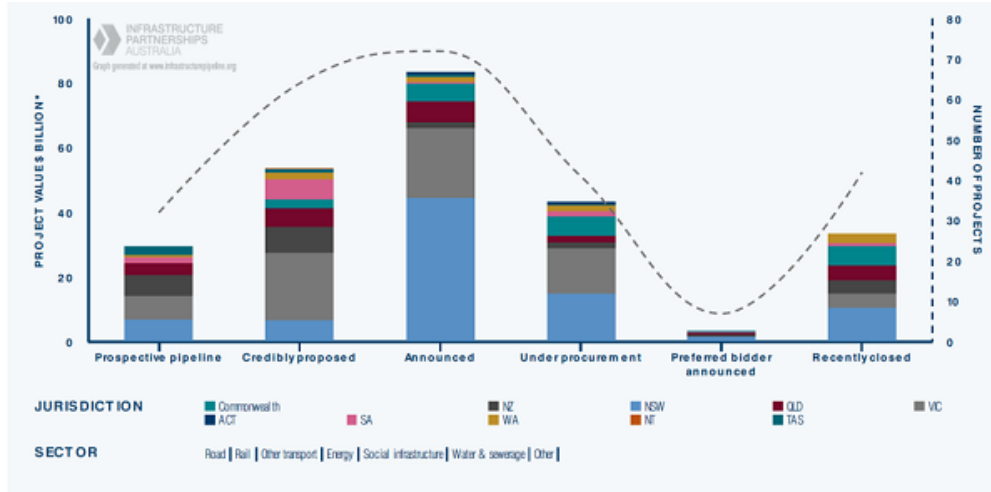
Despite the holiday period and an unprecedented bushfire season, December and January saw significant activity across the Australia and New Zealand infrastructure sectors. This is largely attributed to a continuation of strong infrastructure investment in recent years. Infrastructure Partnerships Australia expects to see high levels of activity to continue across the trans-Tasman infrastructure market in 2020.

The past two months saw the addition of several projects, such as the [Gold Coast Ocean-Side Cruise Ship Terminal](#) and [Waikato and Upper North Island Voltage Management](#). METRONET achieved several project milestones with its [Rolling Stock Procurement](#) and [Thornlie to Cockburn Link and Yanchep Rail Extension](#) reaching contractual close, while requests for proposals were called for the [Morley Ellenbrook Line](#). Other major contract awards during the period included [North East Rail Line Upgrade](#), [Sydney Football Stadium](#), [Sydney Metro Waterloo Station](#), [South Australian Schools PPP](#), and several contracts across the [Level Crossing Removal](#) program.

In addition, the Commonwealth Government approved a loan to the [Darwin Ship Lift Facility](#), while the [SA to NSW High Capacity Interconnector](#) received initial regulatory approval from the Australian Energy Regulator.

2019: Year in numbers

Figure 1 Greenfield pipeline by status, by December 2019



Source: infrastructurepipeline.org

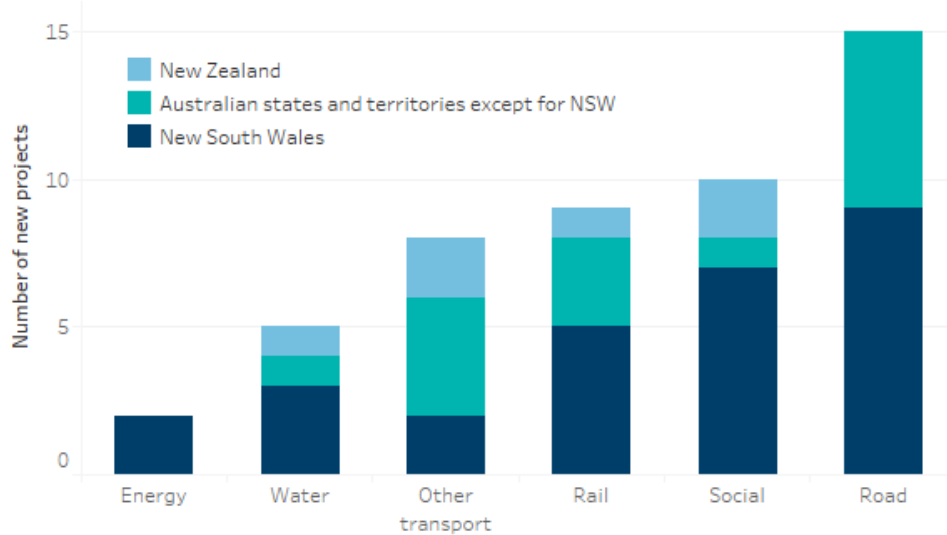
\$34 billion of projects reached contractual close during 2019, while another **\$40 billion** were under procurement.

Last year saw a continuation of increased investment in the infrastructure sector, with the value of projects yet to enter the market (Prospective to Announced status) remaining similar to 2018.

\$167 billion worth of projects were yet to enter the market by the end of **December 2019**. In comparison, this figure was **\$160 billion** by the end of **December 2018**.

57% - or **\$95 billion** of all projects yet to enter the market were in the **transport** sector, based in **Victoria** or **New South Wales**.

Figure 2 Summary of new additions to infrastructurepipeline.org



Source: Infrastructure Partnerships Australia

49 major projects across Australia and New Zealand were added to infrastructurepipeline.org last year (Figure 2). Transport continued to dominate the new greenfield pipeline, with 15 road and nine rail projects added.

New South Wales added 28 new projects to the pipeline while other states and territories collectively added 15. New Zealand also saw six new projects enter the pipeline. New South Wales' dominance in the new project pipeline was driven in part by the re-election of the state government in March 2019.

The Greater Sydney area saw seven hospital upgrades added to the pipeline, in part, as a result of the NSW Government's election commitments. These projects had a collective value of \$4.5 billion. One hospital in Western Australia and two in New Zealand were also added to the pipeline during the same period.

Last year also saw the establishment of Infrastructure SA and Infrastructure WA. This means the six Australian states now have a dedicated infrastructure advisory body.

Across the Tasman, New Zealand also established their infrastructure advisory body – the NZ Infrastructure Commission (Te Waihanga) – in 2019. Ten major contracts were awarded across New Zealand, however there were a number of new additions to the pipeline, including [Kiwirail Rolling Stock](#) project, [Taranaki Base Hospital Redevelopment](#) and [Wellington Cross-Harbour Pipeline](#).

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2. Added

[Waikato and Upper North Island Voltage Management](#) (NZ)

CREDIBLY PROPOSED - In December 2019, Transpower, the owner and operator of New Zealand's National Grid, put forward a proposal to the NZ Commerce Commission, for a NZ\$144.5 million (A\$138 million) investment in new transmission projects. This is to mitigate voltage management issues that will likely arise in Waikato and the Upper North Island with the decommissioning of thermal generation plants in Otahuhu, Southdown and Huntly, alongside the retirement of the Huntley coal generation plant in 2022.

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3. Status Changes

[Mill Road Corridor – Phase 1](#) (NZ)

CREDIBLY PROPOSED - On 29 January 2020, the NZ Government announced NZ\$1.35 billion (A\$1.3 billion) in funding for all stages of the Mill Road Corridor as part of the NZ\$12 billion New Zealand Upgrade Programme. Tendering for construction of the project is scheduled to occur in stages starting in late-2021.

[Whangarei to Te Hana – Whangarei to Port Marsden State Highway Upgrade](#) (NZ)

CREDIBLY PROPOSED - On 29 January 2020, the NZ Government announced NZ\$692 million (A\$662 million) in funding for the project as part of the NZ\$12 billion New Zealand Upgrade Programme. Tendering for construction of the project is scheduled to start in late-2022.

[Canterbury Multi-use Arena](#) (NZ)

ANNOUNCED - On 12 December 2019, Christchurch City Council approved the investment case for the 25,000-seat covered multi-use arena. Christchurch City Council is providing NZ\$253 million (A\$241.7 million), while the NZ Government is contributing NZ\$220 million (A\$210 million). Construction is scheduled to begin in 2021.

[Papakura to Pukekohe Rail Electrification](#) (NZ)

ANNOUNCED - On 29 January 2020, the NZ Government announced NZ\$371 million (A\$356 million) for the project as part of the NZ\$12 billion New Zealand Upgrade Programme. Construction of the project is scheduled to start in late-2020.

[Penlink](#) (NZ)

ANNOUNCED - On 29 January 2020, the NZ Government announced NZ\$411 million (A\$394 million) in funding for the project as part of the NZ\$12 billion New Zealand Upgrade Programme. Tendering for construction of the project is scheduled to start in late-2020.

[Southern Motorway Upgrade – Papakura to Drury](#) (NZ)

ANNOUNCED - On 29 January 2020, the NZ Government announced NZ\$423 million (A\$406 million) for the project as part of the NZ\$12 billion New Zealand Upgrade Programme. Tendering for construction of the project is scheduled to start in early to mid-2020.

[Taranaki Base Hospital Redevelopment](#) (NZ)

ANNOUNCED - In December 2019, the NZ Government issued a Notice of Information for pre-construction and construction service delivery of the Taranaki Base Hospital Redevelopment. A Request for Tenders is expected to be released in February 2020.

[Tauranga Northern Link](#) (NZ)

ANNOUNCED - On 29 January 2020, the NZ Government announced NZ\$478 million (A\$458 million) in funding for the project as part of the NZ\$12 billion New Zealand Upgrade Program. Tendering for construction of the project is scheduled to start in mid-2020 with construction to begin in late-2020.

[Westfield to Papakura Third Main Line](#) (NZ)

ANNOUNCED - On 29 January 2020, the NZ Government announced NZ\$315 million (A\$302 million) for the project as part of the NZ\$12 billion New Zealand Upgrade Programme. Construction of the project is scheduled to start in late-2020.

[Inland Rail – Narrabri to North Star](#) (CTH, NSW)

UNDER PROCUREMENT - On 3 December 2019, the ARTC announced a shortlist of three: Lendlease, RailFirst (a joint venture between Downer EDI and Seymour White), and Trans4m Rail (a joint venture between Rhomberg Rail Australia, BGC Contracting and SEE Civil). The Request for Tender process is now underway, with contract award expected by June 2020. In early December 2019 the NSW Department of Planning, Industry and Environment placed the Environmental Impact Statement for the project on public exhibition again. The EIS was first released in late 2017. The Department will be accepting submissions to the EIS until 31 January 2020.

[METRONET – Morley to Ellenbrook Line](#) (WA, CTH)

UNDER PROCUREMENT - In January 2020, the WA Government issued a Request for Proposal for the METRONET Morley- Ellenbrook Line main works alliance contract. The main works contract involves the design, construction, and commissioning of rail track, systems and five stations. The RFP closes on 17 March 2020, with two proponents being shortlisted for the detailed bid phase in mid-2020.

[NSW Country Regional Network Tender](#) (NSW)

UNDER PROCUREMENT - On 10 December 2019, Transport for NSW called for pre-tender registrations for the Country Regional Network operations and maintenance contract. This was followed by the Request for Tender on 18 December 2019. Tenders will be accepted until 18 May 2020.

[Regional Rail Revival – North East Rail Line Upgrade](#) (VIC, CTH)

UNDER PROCUREMENT - On 9 December 2019, John Holland were awarded the contract for the North East Rail Line upgrade. Construction is scheduled to be completed in mid-2021. Separately in January 2020, Infrastructure Australia announced it had concluded its evaluation of the Upgrade's business case. IA concluded that the project should not be included on its Infrastructure Priority List. The Federal Government allocated \$235 million to the upgrade in October 2018.

[METRONET – Rolling Stock Procurement](#) (WA, CTH)

RECENTLY CLOSED - In December 2019, the Western Australian Government announced contractual close had been reached with Alstom for the \$1.3 billion rolling stock contract. The contract involves delivery and maintenance of 246 new

railcars, including the construction of a new manufacturing and assembly plant in Bellevue. The railcars are expected to progressively enter service over a seven-year period. The first new railcars will run on the existing Perth rail network from 2022 and operate on the METRONET rail network when complete. The contract is \$347 million under the original \$1.6 billion cost estimate.

[METRONET – Thornlie to Cockburn Link and Yanchep Rail Extension](#) (WA, CTH)

RECENTLY CLOSED - On 17 December 2019, the NEWest Alliance, comprising CPB Contractors and Downer, reached contractual close on the project. Construction will begin in early 2020, with rail operations expected to commence on the Yanchep Rail Extension in mid-2022 and on the Thornlie to Cockburn Link in mid-2023.

[South Australian Schools PPP](#) (SA)

RECENTLY CLOSED - In December 2019, the SA Government reached financial close on the \$469 million PPP contract with TESA Education, a consortium comprising of Tetris Capital, Sarah Constructions, ISS, DIF and ANZ to design, construct and maintain two new schools. With an estimated capital cost of \$234 million over the next two years, construction of the new birth to year 12 schools is set to start in early 2020 with expected completion in late 2021. The PPP award also includes maintenance of the two schools for a 28-year operations period from commencement in 2022.

[Sydney Football Stadium](#) (NSW)

RECENTLY CLOSED - In December 2019, the NSW Government awarded John Holland the \$735 million Stage 2 contract. The total estimated cost of the project has risen from \$729 million to \$828 million.

[Sydney Metro – City and Southwest – Waterloo Station](#) (NSW)

RECENTLY CLOSED - In December 2019, a joint venture of John Holland and Mirvac was awarded a \$299 million contract for Waterloo ISD. As part of a value capture agreement on the Sydney Metro, the NSW Government will receive \$106 million from the joint venture for the air rights to develop the site. Under the plan, at least five per cent of homes will be affordable housing and 70 apartments will be set aside for social housing. Anticipated value of the development is \$800 million.

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4. Updates

[Let's Get Wellington Moving Programme](#) (NZ)

PROSPECTIVE PIPELINE - On 11 December 2019, the Wellington City Council and Greater Wellington Regional Council voted on new relationship and funding agreements, including advanced funding to fast track the next stage i.e. of business case investigations.

[Brisbane Live](#) (QLD)

CREDIBLY PROPOSED - In December 2019, the Queensland Government announced a market sounding exercise for the delivery of the Brisbane Live project. Demolition of the Brisbane Transit Centre also began as part of the related [Cross River Rail](#) project.

[Darwin Ship Lift Facility](#) (NT)

CREDIBLY PROPOSED - In December 2019, the Commonwealth Government announced that a loan of \$300 million will be provided to the project through the Northern Australia Infrastructure Facility. The NT Government had initially committed \$400 million in funding towards the project in its Mid-Year Report.

[North South Corridor – ANZAC Highway to Darlington, River Torrens to ANZAC Highway](#) (SA, CTH)

CREDIBLY PROPOSED - In December 2019, after reviewing the initial business case, and on advice from Infrastructure SA, the SA Government announced that they will establish a Program Management Office (PMO) within the Department of Planning, Transport and Infrastructure (DPTI) in early 2020. Additional planning and geotechnical work will also be undertaken to further assess tunneling options. A tender for the additional work will be released in 2020.

[Port Botany Rail Duplication](#) (NSW, CTH)

CREDIBLY PROPOSED - In January 2020, shortlisted contractors were announced for the Port Botany Rail Duplication and the accompanying Cabramatta Passing Loop project.

[Project EnergyConnect](#) (SA, NSW)

CREDIBLY PROPOSED - In December 2019, the NSW Department of Planning, Industry and Environment issued the Secretary's Environmental Assessment Requirements (SEARs) for the SA-NSW High Capacity Interconnector. The project's Environmental Impact Statement (EIS) will now be prepared. The project has also been identified in the Australian Energy Market Operator's Draft 2020 Integrated System Plan as a priority project. On 24 January 2020, the Australian Energy Regulator (AER) approved the Regulatory Investment Test for Transmission (RIT-T) application for the project.

[Second Bass Strait Interconnector - Marinus Link](#) (TAS, CTH, VIC)

CREDIBLY PROPOSED - In December 2019, TasNetworks released the Business Case Assessment for Marinus Link. The assessment demonstrates that Marinus Link, and associated supporting transmission, will support the transition to a low emissions future by delivering additional dispatchable capacity across the Bass Strait.

[Wellington Cross-Harbour Pipeline](#) (NZ)

CREDIBLY PROPOSED - In January 2020, Wellington Water completed a series of land and sea-based bores in Lowry Bay and Evans Bay as part of determining the potential route of the Cross Harbour Pipeline.

[Auckland Airport Expansion](#) (NZ)

ANNOUNCED – In December 2019, work began on laying a new fuel pipeline below the airfield. This will support airfield works and any future development works undertaken to support anticipated growth.

[Level Crossing Removal](#) (VIC)

ANNOUNCED - In December 2019, several level crossing removal contracts were awarded. A \$744 million contract was awarded to the Southern Program Alliance to remove four level crossings and construct new stations at Edithvale, Chelsea and Bonbeach. Fulton Hogan in alliance with Metro Trains Melbourne were awarded contracts totaling \$300 million for removal of level crossings at Clyde Road, Evans Road, and Cardinia Road. While an alliance comprising of Laing O'Rourke, Jacobs and Metro Trains Melbourne were awarded the \$496 million contract to remove level crossings at Manchester Road, Mooroolbark and Maroondah Highway.

[New Powerhouse Museum](#) (NSW)

ANNOUNCED - On 17 December 2019, the NSW Government announced that the submission of Moreau Kusunoki and Genton had been chosen as the winners out of the six teams who competed to design the New Powerhouse Museum. The architectural team is now expected to progress to detailed design.

[Sydney Metro](#) (NSW)

ANNOUNCED - Beyond the currently existing operation contracts, in December 2019, Sydney Metro called for EOI for a shadow operator to represent the interests of the future operations and maintenance contractor of the Sydney Metro program as a whole. EOI will close on 28 February 2020. Shortlisted applicants will then enter the Request for Tender phase.

[Sydney Metro – West](#) (NSW)

ANNOUNCED - In December 2019, Secretary's Environmental Assessment Requirements (SEARS) were issued for an Environmental Impact Statement to be prepared for Sydney Metro West.

[Sydney Metropolitan Bus Contracts](#) (NSW)

ANNOUNCED - On 10 December 2019, Transport for NSW held an industry briefing on the bus contract pipeline, indicating procurement of contracts for regions 7, 8 and 9 will begin in early 2020. Contract award is expected by November 2020 so the operator can begin services in mid-2021. Re-tendering of 10 other bus contracts will also progressively start from November 2020, with new contracts established by early 2023.

[Warringah Freeway Upgrade](#) (NSW)

ANNOUNCED - In January 2020, the Department of Planning, Industry and Environment placed the Environmental Impact Statement for the Warringah Freeway Upgrade on public exhibition on 29 January 2020. The exhibition period will close on 12

March 2020.

[Wyangala Dam Upgrade & Dungowan Dam Replacement](#) (NSW, CTH)

ANNOUNCED - In December 2019, WaterNSW issued a Request for Proposal for Delivery Model/Procurement Strategy Advisory Support Services, to help define the most appropriate delivery model and procurement strategies for the Wyangala Dam Upgrade, Dungowan Dam Replacement and Mole River Dam project. In January 2020, WaterNSW opened Expressions of Interest for a Planning and Development Consultant for the Wyangala Dam Wall Raising, and the Dungowan Dam Replacement and Mole River project.

[Adelaide Metro – Train Services Tender](#) (SA)

UNDER PROCUREMENT - In December 2019, the South Australian Government announced a shortlist of three consortia who will be invited to tender for the operation, maintenance and service delivery of the Adelaide Metro Train Services. The three consortia are:

- Adelaide Next, comprising of Deutsche Bahn, Bombardier and John Holland,
- Trainco, comprising of Transdev and CAF, and
- Keolis Downer.

[Bunbury Outer Ring Road Stage 2-3](#) (WA, CTH)

UNDER PROCUREMENT - In December 2019, a revised design for the intersection with South Western Highway was approved to include a full connection with the highway, east of Picton.

[Gold Coast Light Rail – Stage 3A](#) (QLD, CTH)

UNDER PROCUREMENT - In early December 2019, GoldlinQ, the operator franchisee for the Gold Coast Light Rail was appointed to run the procurement process for Stage 3A - Broadbeach to Burleigh Heads. Registrations for the Expressions of Interest process were received, with a shortlist from the EOI phase expected to be announced in early 2020.

[North East Link](#) (VIC, CTH)

UNDER PROCUREMENT – In December 2019, the Federal Minister for the Environment gave environmental approval for the North East Link project under the EPBC Act.

[Northern Pathway \(SeaPath\)](#) (NZ)

UNDER PROCUREMENT - On 29 January 2020, the NZ Government announced NZ\$360 million (A\$345 million) in funding for the project as part of the NZ\$12 billion New Zealand Upgrade Programme. Construction of the project is scheduled to start in early-2021.

[M6 \(F6\) Stage 1](#) (NSW)

UNDER PROCUREMENT - In December 2019, M6 Stage 1 application received planning approval. The application consisted of the project's Environmental Impact Statement, Response to Submissions Report for the EIS, the Preferred Infrastructure Report (PIR) and the Response to the Submissions Report on the PIR.

[METRONET – Level Crossing Removals – Armadale Line](#) (WA, CTH)

UNDER PROCUREMENT - In December 2019, Downer EDI were awarded the rail package for the Denny Avenue Level Crossing Removal project, which is part of the broader METRONET program.

[Sydney Metro – Crows Nest](#) (NSW)

UNDER PROCUREMENT - In December 2019, AW Edwards, CPB Contractors, and Laing O'Rourke were shortlisted to move to Request for Tender stage for a construct only contract for the station. A construct only contract is to be released for the station in 2020. Following community feedback regarding the development above the station, the NSW Government separated the construction of the ISD package in order to advance the station construction to meet the 2024 completion deadline. A delivery partner for the over station development will be selected via a separate procurement process.

[Stadium Australia](#) (NSW)

UNDER PROCUREMENT - In January 2020, the EOI for the Managing Contractor was released for the Stadium Australia redevelopment. This will be followed by the release of the RFT in February 2020.

[Sydney Metro](#) – City & Southwest (NSW)

UNDER PROCUREMENT - In December 2019, Hutchinson, John Holland and Watpac were shortlisted for the Sydney Metro Barangaroo Station. The station will be designed by Sydney Metro and constructed under a separate contract.

[Waikato River Bridge](#) (NZ)

UNDER PROCUREMENT – In December 2019, Expressions of Interest closed for the construction of the bridge. Construction is expected to begin in mid-2020.

[Regional Rail Revival](#) (VIC, CTH)

RECENTLY CLOSED - On 29 January 2020, Rail Projects Victoria announced Downer had been awarded the contracts for the Geelong Line Upgrade Stage 1 and the Warrnambool Line Upgrade. Construction is to begin in mid-2020, with expected completion in 2021.

[Snowy 2.0](#) (CTH)

RECENTLY CLOSED - In December and January, the Department of Planning, Industry and Environment received responses from Snowy Hydro Limited to EIS submissions for the Segment Factory and Exploratory Works. The Department will now undertake its assessment of these responses.

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5. Projects removed from the Pipeline

These projects reached contractual close 12 months ago, so are no longer considered part of the infrastructure pipeline:

- Inland Rail – Parkes to Narromine
- Parramatta Light Rail – Infrastructure Package
- Parramatta Light Rail – SOM Package
- WestConnex Stage 3B – M4-M5 Link – Rozelle Interchange
- Sydney Metro – City and Southwest – Victoria Cross Station
- Campbelltown Hospital Redevelopment Stage 2
- Concord Hospital Redevelopment, and
- Eastern Busway – Panmure to Pakuranga.

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