

Article Information

Author: Tania Zordan

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Global Infrastructure Hub moves to operational phase in Sydney

New South Wales will play a significant role in global infrastructure by hosting the Global Infrastructure Hub (Hub). The arrival of its CEO in Sydney earlier this month will shift the tone of the Hub to a more operational phase moving forward. Sydney is the ideal location, given the NSW government's current mandate to invest \$20b in infrastructure and encouragement of private sector investment and participation. Partner, Tania Zordan discusses the Hub's status below.

New South Wales will play a significant role in global infrastructure by hosting the Global Infrastructure Hub (Hub). The arrival of its CEO in Sydney earlier this month will shift the tone of the Hub to a more operational phase moving forward. Sydney is the ideal location, given the NSW government's current mandate to invest \$20b in infrastructure and encouragement of private sector investment and participation.

The Hub's development has hit all the milestones for the first half of this year, although progress to date has focussed on getting it to the operational stage. The Hub has been established as a genuinely independent body and registered as a not-for-profit company under Australian law. A significant amount of work has been involved in this, in appointing an independent Board of Directors and CEO and in putting appropriate governance procedures in place. This extra layer of work will pay dividends in the long run by having a truly independent organisation with recognised credibility.

The choice of Sydney as the location for the Hub recognises Australia's long history and depth of experience in the infrastructure market. For many years Australia has been at the forefront of innovative infrastructure initiatives having played a leading role in encouraging private sector participation in the development of infrastructure projects.

The NSW Government launched its Guide for Submission and Assessment of Unsolicited Proposals in January 2012 (Guide) to engage with the private sector in the development and delivery of new infrastructure and services. The key objective is to provide consistency, certainty and transparency around the assessment of unsolicited proposals to encourage private sector investment and participation in projects. The proposal also helps NSW Government meet a strategic Government objective and value for money. Rigorous planning and costing is intended to deliver high standards of public value – and confidence to investors and the community.

The Guide has elicited several private sector proposals including the proposal by Transurban to build, operate and maintain a nine kilometre tolled tunnel motorway comprising the \$3 billion NorthConnex Project, which is currently at the early construction stage.

The NSW Premier's Innovation Initiative is a further high level invitation to the private and non-government sectors to submit innovative proposals focussing on established priority areas.

New South Wales has an explicit current mandate to invest AUS\$20b in new productive infrastructure by recycling capital from leased electricity network businesses. This asset recycling project, known as the "Rebuilding NSW" initiative that provides a 20 year State Infrastructure Strategy and the federal government's AUD\$5 billion Asset Recycling Initiative which offers incentives to its state and territory counterparts to sell government-owned 'poles and wires' and use the proceeds to pay for new productive infrastructure, are of worldwide interest.

It includes:

- an additional \$1.1 billion to invest in the northern and southern extensions to WestConnex along with the Western

Harbour Tunnel

- an extra \$7 billion for Sydney Metro, to fully fund a second harbour rail crossing
- \$2 billion for schools and hospitals
- \$4.1 billion for regional transport
- \$1 billion for regional water security
- \$300 million for regional tourism and the environment
- more funds to Sports and Cultural infrastructure, up from \$500 million to \$1.2 billion.

The timing and nature of these infrastructure projects varies.

Further details of planned Australian Infrastructure Projects can be found [here](#).

The Guide for Unsolicited Proposals, the Premier's Innovation Initiative and the Rebuilding NSW initiative are likely to be considered by the Hub in its role of assisting Governments to bring a greater volume of better prepared projects to market by improving collaboration and knowledge sharing among Governments.