

## 2010-2011 Project Assessment Brief

Current Status:	Ready to Proceed
Initiative Name and IA ID No.:	Pacific Highway Corridor Upgrades
Location (State/Region/City):	NSW - Hexham (NSW) to Queensland border
Proponent:	NSW Government
Project Description:	<p>The 2008-09 submission sought funding for 288km of highway that would complete the duplication of the Pacific Highway between Sydney and Brisbane to at least a four-lane dual carriageway standard. It involved funding for one relatively small section dual carriageway highway south of Taree and another seven sections of single carriageway highway located between Port Macquarie and Raleigh (south of Coffs Harbour) and between Woolgoolga and Ballina.</p> <p>The Pacific Highway continues to experience high fatality rates, delays and congestion and increasing demand for improved access for commercial and social activity.</p> <p>The Commonwealth's 2009-10 Budget provided \$618m in funding for the Kempsey bypass (Kempsey to Frederickton, New South Wales) towards the construction of 14.5 kilometres of a four-lane divided highway to the east of Kempsey and Frederickton; approximately 2.2 kilometres of bridging over the Macleay River Floodplain; grade separated interchanges at South Kempsey and Frederickton; and the retention of the existing Pacific Highway as a local road.</p> <p>The project was assessed as 'Ready to Proceed' in Infrastructure Australia's May 2009 and June 2010 reports to COAG. No further substantive information in relation to this submission has been received by Infrastructure Australia from the NSW government since the original submission in 2008/09. NSW has indicated that updated information will be provided in early March 2011.</p>
Capital Cost by Proponent Outturned (\$M):	\$7,600 (\$2010). Previously estimated at \$6,000M (\$2008).
Contribution sought by Proponent including requests for project development funding (\$M):	To be determined
Start/Completion by Proponent (month/year):	To be determined

### PROFILING

#### Infrastructure Australia Profiling Assessment Summary:

*National Significance:* The Pacific Highway is an important part of a national freight network.

*Alignment with Infrastructure Australia's strategic priorities:* Good alignment with Infrastructure Australia strategic priorities, including expanding productive capacity, improving productivity, and developing our regions.

*Application of Infrastructure Australia's Reform and Investment Framework:* Problem identification well defined. To date, the project appears to have been designed without consideration as to whether the re-aligned corridor can also facilitate realignment (at least part) of the North Coast Rail line.

*Conclusion:* Nationally significant project that has a strong alignment with Infrastructure Australia's strategic priorities.

*This assessment was prepared by the office of the Infrastructure Coordinator in February 2011 for the Infrastructure Priority List.*

## APPRAISAL

### Infrastructure Australia Appraisal Assessment Summary:

The benefit cost ratio presented by the proponent is 1.5. However:

- The economic analysis was provided for all the projects together, not on an individual basis, which suggests some projects may have a poor benefit cost ratio on an individual project basis; and
- Demand forecasting was at a relatively high level – more detailed forecasting is required.

Nevertheless, the BCR for the overall upgrade is likely to be broadly robust.

## DELIVERABILITY

### Infrastructure Australia Deliverability Assessment Summary:

No update of deliverability information was received. This assessment relies on previous submission and comments drawn from the December 2009 submission.

- *Risk*: The level of investigation of risk ranges from preliminary to comprehensive. Two projects have planning approval and the remaining six have well advanced preferred route selection studies.
- *Need for public/Commonwealth funding*: Commonwealth funding is sought on the basis of Commonwealth commitment to upgrade the Pacific Highway by 2016.
- *Delivery strategy*: A range of procurement approaches are available, including fast tracking delivery with existing contractors. A procurement strategy for specific packages not identified.
- *Governance*: The submission proposes 'standard RTA governance processes', but provides no details.
- *Conclusion*: The projects are at various stages of development, which provide varying levels of confidence that the benefits would be delivered for a reasonable cost. More detailed development of risk management, delivery strategy and governance should be available for a program that is ready to proceed

## OVERALL RECOMMENDATION

### Infrastructure Australia Priority List Recommendation:

- The initiative is recommended to remain in the infrastructure priority list as a 'Ready to Proceed' project.