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Nationwide Infrastructure to Support Housing – 3 May 2024

Request

This is a summary of the Infrastructure needed in each UDIA State and the overall infrastructure funding needed from Government to unlock housing.

NB: The information available in each state varies based on the State Government willingness to share information. Some states such as Victoria have zero transparency on future plans.

The rollout of the UDIA National Housing Pipeline across the states will go a long way to address this issue, like WA which has a better view on the needs as has already piloted the National Housing Pipeline.

Overall the total funding needed across NSW, Victoria, Queensland, South Australia and Western Australia is circa \$14.356 bn. An announcement to fund any reasonable portion of that larger sum would be welcomed by industry.

NSW

The NSW development industry has several key issues with infrastructure delivery:

- Concerns the State does not have capacity to deliver significant infrastructure, particularly enabling infrastructure (roads, sewer, water) for the delivery of new housing in greenfield growth areas.
- The State mantra of 'up not out', is an attempt to defray higher costs to install greenfield infrastructure, but higher build cost of high rise means adverse impacts for housing affordability and supply.
- Pending new contributions by water corporations in Sydney Megaregion are making many new housing developments unviable - several contributions are in excess of six figures.
- There needs to be more efficient and certain infrastructure planning program as well as a consistent and transparent works in kind program for enabling infrastructure to help offset rising housing costs.

The **overall infrastructure funding needed** in NSW is **circa \$5.16bn for major and supporting infrastructure including:**

Greater Western Sydney:

- **Austral-Leppington Interim Sewer Strategy:** will help sustain the immediate greenfield pipeline around the Austral Leppington precinct whilst we await the 2036 Sydney Water Major Recycling Centre.
- **Lowes Creek Maryland Sewer Pumping Station:** required for South Creek West and Pondicherry and will help **yield 12,000 lots over the next 3 years** and **35,000 lots total**.
- **Wilton Water Reservoir -\$35M:** unlocks development in the Wilton Precinct and will support the development of **5,500 lots** within the next 3 years.
- **Wilton Sewer Treatment Plant - \$50M:** unlocks development in the Wilton Precinct and will support the development of **16,000 lots** in the next 3 years.
- **Upper South Creek Advanced Water Recycling Centre \$1.6B:** Infrastructure constraints continue to present an issue at Austral Leppington. Only 1,700 lots, which is about 20% of the total lots in these precincts, can be delivered until Sydney Water delivers the recycling centre in 2026 and unlocks the remaining 80% or **6,800 lots**.
- **Lowes Creek Maryland Sewer Pumping Station \$30M:** required for South Creek West and Pondicherry and will help **yield 12,000 lots over the next 3 years** and **35,000 lots total**.



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- **Spring Farm Parkway - \$128M:** Key East-West Link required to unlock Greater Macarthur (North) and ease congestion on Narellan Road and unlock up to **15,000 lots**.
- **Richmond Road Upgrade - \$70M:** Required to enable the rezoning of Marsden Park North and West Schofields, as well as reinforce a key flood evacuation route. Potential to unlock up to **8,000 lots**.
- **Marsden Park North and West Schofields Sewer Pump Stations - \$40M:** Catalyst required to unlock development in Marsden Park North and West Schofields.
- **Box Hill Zone Substation - \$38M:** Required to free up capacity in Riverstone East, Vineyard and Box Hill.
- **The Water Lane Concept Design - \$32M:** Catalyst Required to **unlock 1,200 Lots** in Box Hill.

Other Western Sydney Projects cut as part of the Federal Government Infrastructure Review in 2023, which should be reinstated:

- M7-M12 Interchange Mulgoa Road - **\$1.7 billion**
- Stage 2 - Glenmore Parkway to Jeanette Street, Stage 5A Blaikie Road to Jamison Road and Stage 5B Jamison Road to Union Road - **\$232.5 million**

Hunter/ Central Coast + Illawarra/Shoalhaven:

The Hunter Region has the potential to house an additional 1 million people before 2041 which is the date the NSW Government's Hunter Regional Plan 2041 expects this growth to occur by. However, for this to be achieved an additional 100,000 new dwellings need to be built and aligned with new or expanded infrastructure.

That is why UDIA is calling Government to create a Hunter Growth Infrastructure Fund and commit **\$500m** to the delivery of Hunter **enabling infrastructure** to unlock the existing pipeline for the region's housing and jobs.

Forward funding H&PC:

The implementation of the Housing and Productivity Contribution (H&PC) has created a framework which should be leveraged to better support infrastructure delivery across the mega region. Removing the nexus allows contributions pooled to be used where they are most needed and where they deliver the best housing outcomes. However, the process is still constrained as Government must wait for land to be subdivided or apartments built before contributions are collected and funds allocated to infrastructure projects. This fails to acknowledge that the infrastructure is required upfront to allow the land to be subdivided or the apartments built.

To address this issue, we have recommended the Government forward fund the H&PC fund allowing the infrastructure to be built, the subsequent housing delivered, and contributions collected. This first monetary injection will create a positive sustainable cycle where infrastructure is built which supports more housing and where more housing supports more contributions, allowing more infrastructure to be built.

The UDIA believes that the Government should strongly consider reprioritising the **\$400m** announced for the Restart NSW Fund in the 22/23 Budget and the forward fund H&PC with a further **\$700m**, the amount which is expected to be derived from forward contributions.

Notable requirements **include:**

Hunter/Central Coast:

- **Kings Hill interchange, stormwater diversion and new school @ \$56.6M + water and sewer infrastructure @ \$30M + East/West collector road @ \$32.4M:** Unlocks **3,500 dwellings** in Port Stephens within 5 years.
- **Intersection at Minmi Road and Newcastle Link Road - \$55M:** Upgrade needed to **unlock 2,300 dwellings** in the next 5 years in Lake Macquarie.
- **Newcastle Link Road (east) intersection and widening - \$51M:** Major road upgrade in Newcastle and Lake Macquarie required to enable delivery of **3,500 dwellings** in 0-10 years.
- **Upgrade of Dora Street and Macquarie Street including multiple intersections - \$65M:** Road upgrades to **deliver 3,000 dwellings** in Lake Macquarie over next 5-10 years.
- **New England Highway upgrade at Anambah (Maitland) - \$25M:** Necessary to deliver **over 3,000 dwellings**.
- **Bellbird (Cessnock) trunk sewer and water upgrades and booster pump station - \$15M:** Capacity upgrades required to **deliver 3,500 dwellings** over the next 5 years.
- **Hunter Expressway upgrades, electrical feeders, new water reservoirs and water main - \$22.5 total:** Required to **deliver 3,500 dwellings** in the next 5 years at Huntlee, a major new town emerging in the Hunter Valley (Cessnock).
- **Wallalong (Port Stephens) new bridge and signalisation, flood free road access and sewer and water upgrades - \$104.6M:** Significant road, water and sewer upgrades required to **deliver over 4,000 dwellings** starting in 5 years.
- **Anvil Creek rail overpass adjustments - \$10M:** Required to deliver **1,350 dwellings** in Cessnock in next 5 years.
- **Thornton 3 WWPS upgrade - \$6M:** Sewer pump station **unlocks 2,000 dwellings** in Maitland within 5 years.

Illawarra Shoalhaven:

- **Kembla Grange and Yallah Marshall Mount Sewage Pumping Station and associated Trunk Gravity Mains - \$56M:** Capacity constraints require a major investment to ensure future development at Huntley, Cleveland and Avondale can proceed. Potential to **unlock 14,500 homes**.
- **Avondale Reservoir and Trunk Main - \$20M:** Without a new reservoir, supply and pressure issues will continue to restrict development. Potential to **unlock 7,700 homes**.
- **Calderwood Sewage Pumping Station, Rising Main and Trunk Main - \$18M:** Future development on the northern side of Calderwood Road, including Town Centre East and the proposed school sites, are reliant on the future Calderwood sewage pumping station. This was recently pushed out to 2026 based on the latest Sydney Water Growth Servicing Plan. Potential to **unlock 4,500 homes**.
- **Mt Terry Water Lead-In - \$2.6M:** The Mt Terry Water Lead-In is required to service elevated pockets of lots within Calderwood especially those lots above Raised Level (RL) 60m. Potential to **unlock 1,200 homes**.
- **Moss Vale Road North and South Sewer Pumping Station - \$26M:** The existing sewer network adjacent to the Moss Vale Road precinct is at capacity and is unable to accept additional loads, even as an interim solution. A new pump station and rising main are required to service these lots. Combined with the below, it has the potential to **unlock 3,500 homes**.



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- **Moss Vale Road Reservoir and Potable Water upgrades - \$14M:** The existing reservoir does not have the capacity to support the new Moss Vale Road precinct. A new additional reservoir of appropriate size is required to support the URA, as part of a long-term future supply scheme. See above for potential deliverability.

Queensland - Summary

The QLD development industry needs increased housing supply supported by infrastructure including:

- increase land supply and enable infrastructure growth through expanding the Catalyst Infrastructure Fund (CIF) – this will further unlock development.
- There is a stalemate between Developers, Councils and purchasers:
 1. Developers are stuck because the fragmented ownership of land holdings results in significant first mover disadvantage if you get stuck footing the whole bill for a big piece of trunk infrastructure. In reality this disadvantage cannot be overcome by an individual developer.
 2. Councils are crying poor/broke and won't go ahead of developers and install trunk infrastructure because the full cost of the item is beyond them.
 3. Homebuyers simply can't afford to pay anything more.
- Queensland **needs a new form of funding to break the stalemate** - establish a fund for infrastructure to unlock housing which local governments could apply on the basis of criteria such as:

Core criteria

1. evidenced developer intention to develop housing if the infrastructure was provided.
 2. evidenced housing need calculated by large gap in population forecast and dwelling supply forecast in that region.
- Queensland **needs to speed up new housing with trunk infrastructure package** - housing-related infrastructure backlog is a major drag on the delivery of affordable new housing. For new housing to be delivered urgently at a price buyers can afford to pay, the infrastructure necessary to support those homes must also be delivered urgently.

The **overall infrastructure funding needed** in Queensland is **circa \$3.5bn for trunk infrastructure package including:**

- **\$500 million each year for four years to an upgraded Building Acceleration Fund/Catalyst Infrastructure Program** to provide direct funding as well as repayable infrastructure investment for housing related investment by the private sector, local government, and agencies across the state.
- **\$500 million in fast tracked funding** and facilitation of specific high need infrastructure which unlocks housing potential in growth areas.
- **a new \$1 billion Queensland Government Trunk Infrastructure Co-payment Fund** to assist local government deliver new trunk infrastructure to unlock development potential and get more new homes on the ground sooner. It is recommended that a portion of this funding is quarantined for regional areas.

Victoria - Summary

The VIC development industry sees the state population outpacing all other states and needs:

- there is zero transparency from Government on what future housing development that is contingent on certain infrastructure funding. It makes it difficult to accurately assess impacts.
- (State Government), to deliver a greater density of residential development in Melbourne's established areas, closer to major employment and activity centres, and well served by amenities and infrastructure.
- the priority is unlocking greenfield so that we have housing at an affordable(ish) price point and involves establishing freeway interchanges.

The overall **immediate infrastructure funding needed** in Victoria is **circa \$2bn for freeway interchanges, significant overpasses and bridges including:**

- a diamond freeway interchange would be **\$500M project** – there would there be at least four of these needed at present. So **\$2bn for four major road infrastructure projects.**
- Just one of these projects **unlocks 15,000 lots – four would unlock circa 60,000 houses** for 4 trunk infrastructure projects like a diamond interchange or a significant overpass or bridge.
- NB: There are other larger projects like the Outer Metropolitan Ring Road for a six lane 100km road will would unlock both housing and jobs because it will support the Beveridge Interstate Freight Terminal (BIFT). It needs between **\$17bn and \$35bn** in funding. This will create a major transport corridor including road and rail links between Werribee, Melton, Tullamarine and Craigieburn / Mickleham; a road link from the Metropolitan Ring Road in Thomastown to Donnybrook, and a road link from the Deer Park Bypass to the Outer Metropolitan Ring.

South Australia - Summary

The SA development industry finds infrastructure inhibiting housing supply and needs:

- additional SA Water infrastructure - potable water and sewerage infrastructure as it is constraining greenfield & infill development where increased capacity is needed. It is worse in metro growth areas.
- State Government to direct SA Water to construct the headworks and provide the budget for the works, as low budgets, crushed the capacity for metro housing development for the best part of a year.
- Council's to stop pushing storm water infrastructure upgrades on proposed developments due to new rainfall modelling - it is clearly unfair and sterilising development as the costs are prohibitive.

The **overall infrastructure funding needed** in South Australia is **circa \$3bn for enabling and supporting infrastructure including:**

- Immediate investment of **\$1bn** for wastewater/sewerage infrastructure and roads to continue development of housing in existing growth precincts predominately in northern metropolitan Adelaide which are relied upon by the Government as development ready land to meet immediate demand.
 - While the Government has indicated a pending allocation of \$365 million towards the **wastewater infrastructure required** in this area, it is clear that this is only a portion of the required investment. The majority of the \$1bn would be for wastewater/infrastructure to **prevent existing housing from being removed from the market as well as supporting 15,000 proposed new dwellings.**
 - **Road upgrades are a smaller portion of the \$1bn** – generally road duplications or widenings rather than new interchanges. This will support circa **25,000 additional new dwellings.**
 - **Stormwater, potable water, and sewerage upgrades** are required in southern metropolitan areas. These costs are likely to be in the order of **\$140 million** and would **support 5,000 dwellings.**
- SA Water has indicated the growth across Greater Adelaide will likely require an additional **desalination plant and an additional Bolivar Treatment Works scale sewage treatment plant** in the medium term. There has been no indication from Government to this point as to when these constraints may become a fundamental impediment to growth. UDIA SA is asking for a scoping study on the treatment plant as part of its submission for the coming State Budget. The ballpark figures indicated by SA Water at this stage for these major capital projects is **\$2 billion.**

Western Australia - Summary

The WA development industry is constrained by lack of skilled workers and has several infrastructure issues:

- Approximately 15% of undeveloped urban zoned and potential future urban zoned land is fundamentally constrained, equating to between **122,000 to 160,000 dwellings** that cannot be realised.
- North Ellenbrook, Bullsbrook and East Wanneroo growth areas require immediate infrastructure funding commitment in order to unlock future housing supply in the Perth metropolitan area:
- Infrastructure items requiring prioritisation include the North Ellenbrook Interchange, water and sewer extensions, power infrastructure and Ground Water Management system.

The **overall infrastructure funding needed** in Western Australia is **circa \$696 million (unfunded portions) for enabling infrastructure including:**

- **Establishing a Growth Areas Catalyst Infrastructure Fund \$468m (\$110m committed and \$358m needed)**, for planning and delivery of identified crucial enabling infrastructure items/packages to accelerate housing delivery in key growth areas. Overseen by the Coordinator General role and team within WAPC/DPLH, with it initially focusing on progressing the identified infrastructure packages (see below).
- **North Ellenbrook and Bullsbrook** for enabling infrastructure worth **\$288m (\$98m committed and \$170m needed)** including:
 - Multiple wastewater pump/transfer stations and sewer trunk infrastructure to connect into Barrambie Way.
 - Extension of water reticulation trunk mains.
 - Zone substation upgrades and feeder extensions.
 - Railway Parade and Warbrook Road upgrades.
 - North Ellenbrook Interchange.
 and will **unlock 28,500 homes**.

- **East Wanneroo** for enabling infrastructure worth **\$135m** including:
 - Jandabup 'A' and 'D' wastewater pump stations and interim pressure mains.
 - Wanneroo Reservoir upgrade.
 - Transmission line upgrades and construction of zone substation and HV network feeder extensions.
 - Construction of groundwater management system.
 - Planning for the ultimate Jandabup A pump station*.

**Upgrade of the pump station (\$40m) is in Water Corporation's CIP for 2035 but it will be required by 2030. To enable this, planning must commence within the forward estimates - \$2M in each FY26-27 (for planning) and FY27-28 (planning and acquisition).*

and will **unlock 30,000 homes**.

- **Mundijong and Wellard** for enabling infrastructure worth **\$45m (\$12m committed* and \$33m needed)** including:
 - Mundijong Road upgrade (including intersections).



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- District level wastewater pump station to Rockingham Treatment Plant.
- Planning of future substation site.
- Wastewater pump station and pressure main.

**An allocation of \$12M for Mundijong Scott Raad pump station is included in Water Corporation's CIP but due to inability for developers to pre-fund, it needs to be brought forward to 2024-25 to provide for the reimbursement of pump station works on completion of construction.*

and will **unlock 13,500 homes**.