



InfrastructureSA

CAPITAL INTENTIONS STATEMENT 2022

infrastructure.sa.gov.au



Flinders Medical Centre Pediatrics
SA Health

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Acknowledgement of Country

Infrastructure SA acknowledges and respects Aboriginal people as the State's first people and nations, and recognises Aboriginal people as traditional owners and occupants of South Australian land and waters.

Infrastructure SA acknowledges that the spiritual, social, cultural and economic practices of Aboriginal people come from their traditional lands and waters, and that Aboriginal people maintain cultural and heritage beliefs, languages and laws which are of ongoing importance today.

INTRODUCTION

Infrastructure SA

Infrastructure SA (ISA) was established and operates under the Infrastructure SA Act 2018 to serve as an independent advisory and assurance body in relation to major infrastructure projects in South Australia. It is governed by an independent Board that combines both public and private sectors expertise.

This Capital Intentions Statement (CIS) is part of ISA's core functions, which also include issuing a 20-Year State Infrastructure Strategy, providing assurance for projects and programs with a capital value of \$50m or more and providing strategic advice to the Premier, as needed.

Together, this aims to promote the adoption and use of policies, practices, information and analysis to support sound decision-making in relation to infrastructure.

Capital Intentions Statement role

ISA is committed to continuous engagement with relevant stakeholders to understand the major infrastructure needs for South Australia. The CIS represents an opportunity for ISA to provide a well-informed, contemporary view on which infrastructure initiatives should be prioritised to meet these needs and deliver improved outcomes for South Australia.

In preparing each CIS update, ISA undertakes consultation with the relevant public sector agencies, local government and industry organisations to determine projects currently under consideration and the respective priorities and timeframes for each. This enables ISA to draw on a diverse range of projects, initiatives, strategies and plans to provide a consolidated view of initiatives to be advanced as a priority over the subsequent five-year period. The CIS is, therefore, a key tool for informing and assisting government in its infrastructure prioritisation and efficient allocation of capital through the budget process.

The priority for government is to create a transparent pipeline of infrastructure projects over the current forward estimates to support social and economic outcomes. This has resulted in the four-year investing program now totalling an unprecedented \$18.5 billion over the period 2020–23 to 2025–26. See **Attachment 1**.

Each CIS also informs South Australia's submissions to Infrastructure Australia (IA) for the Infrastructure Priority List (IPL).¹ The IPL is IA's independent assessment of initiatives that are nationally significant. While there may be a level of consistency between the IPL and the CIS, there are differences. The CIS represents the view of infrastructure issues that are important to South Australia; however, not all of these will be considered as nationally significant or within the scope of IA's remit. Further details are set out in **Attachment 2**.

CIS framework and methodology

To help inform the prioritisation of different infrastructure initiatives, ISA has developed a framework, guidance material and a prioritisation tool to support the CIS process. This framework has been further refined, drawing from the learnings of the 2021 CIS process. The framework and guidance material are designed to assist agencies in formulating submissions and ensure these are compiled in a standardised format. This assists ISA in undertaking a systematic assessment and prioritisation across all submissions.

Key to this process is the assessment of the evidence provided to support the proposed initiative. Projects not listed in the CIS do not necessarily lack priority; they may not have provided sufficient evidence to allow them to be assessed thoroughly. ISA will continue to work with stakeholders to identify what evidence is required to facilitate assessment.

1 Infrastructure Australia, 2021, infrastructureaustralia.gov.au/infrastructure-priority-list

CIS scope

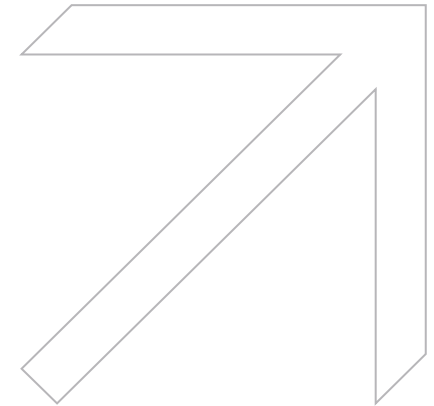
The CIS examines only those new projects that are large in terms of capital value, generally greater than \$50 million. It also builds upon and provides an update on implementation of recommendations made in the previous CIS. Smaller capital value projects or those anticipated to commence business case development or implementation beyond the five-year time horizon have been excluded from consideration and may not appear in this document.

Existing infrastructure commitments not in scope

The CIS does not assess public projects that have commenced implementation or are currently included within the forward estimates, or those funded by the private sector. It is, however, worthwhile to outline large capital projects that are currently funded as this provides additional context and background to the recommendations made, particularly in terms of budget and market capacity to deliver further infrastructure initiatives.

Of particular note, the current forward estimates include significant funding allocations in relation to the Women's and Children's Hospital and the North-South Corridor (Torrens to Darlington). While these are not within the scope of the CIS, they are subject to ISA's project assurance process.

Refer to **Attachment 1** for further details of existing capital commitments.



INFRASTRUCTURE MARKET CAPACITY CONSTRAINTS

In 2020, IA was requested by the Council of Australian Governments (COAG) to monitor and report on infrastructure market conditions and capacity. IA has produced the Infrastructure Market Capacity report,² which was developed in close consultation with state and territory governments and industry. The report concludes that unprecedented growth in investment is unmatched by industry confidence, that significant demand for skills will not be met by supply and there will be large increases in demand for materials, plant and equipment over the next three years.

Specifically, the report identifies the following main themes emerging on a national level:

- Australia is currently experiencing a record level of investment in infrastructure with shortages expected in skills, labour and materials creating risk of cost escalation and delivery delays.
- These shortages will have downstream implications across the economy in competing demands for labour and materials with flow-on effects for operations and maintenance, migration and related supply chains.
- Known investment will peak at \$52 billion in 2023.
- A forecast average annual growth rate of 33% outstrips industry's confidence of their capacity to deliver on-time and on-budget. Industry indicates a high degree of confidence in delivering 10–15% annual growth, but low confidence in growth exceeding 18%.

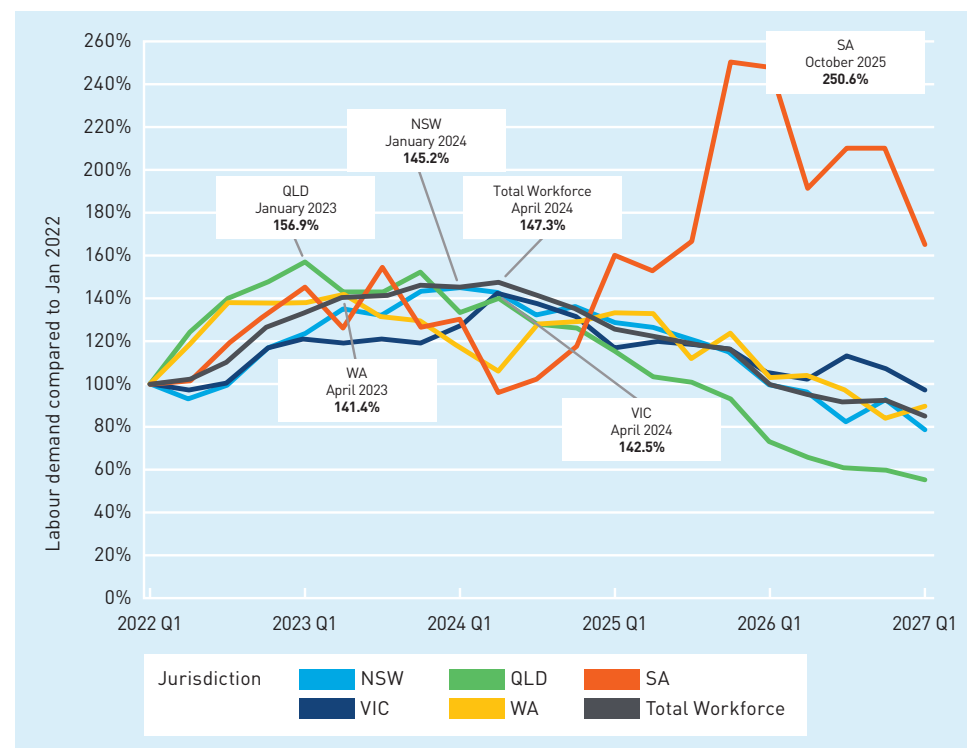


Figure 1:
Forecast labour demand by State
Source: Infrastructure Partnerships Australia, Dec 2021

² Infrastructure Australia, 2021, infrastructureaustralia.gov.au/infrastructure-market-capacity

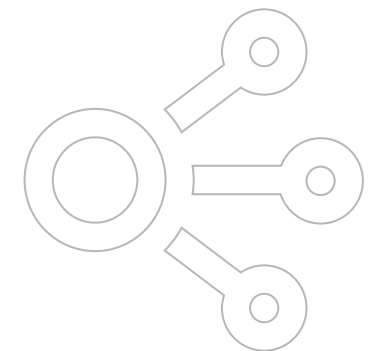
- Demand for plant, labour, equipment and materials will be two-thirds higher than the previous five years. Over the next three years it is expected there will be:
 - 120% average growth in demand for materials
 - 125% growth in demand for equipment
 - 140% growth in demand for plant.
- The peak of demand for skills is 48% higher than supply. Meeting this demand would require annual growth of 25% over the next two years – more than eight times higher than projected annual growth rate of 3.3%.
- Of the 50 public infrastructure occupations identified, 34 are potentially in shortage.
- In mid-2023 the expected shortfall in jobs being filled is forecast to exceed 105,000, with one in three jobs advertised going unfilled.

Infrastructure Partnerships Australia (IPA) labour forecasts have also shown a significant surge in labour demand for South Australia, peaking around 2025/26, which is driven by the North-South Corridor and Women's and Children's Hospital projects commencing at similar times.

It is important that both government and the private sector remain cognisant of market conditions and capacity when planning major infrastructure implementation. Furthermore, government is encouraged to implement policy settings to address these emerging market conditions. ISA will work with Government to this end.



Truro
 Photographer: Isaac Forman



RECOMMENDATIONS

ISA received a wide variety of submissions from agencies and other stakeholders for the 2022 CIS. Those that identified specific, well-defined problems or opportunities that could be addressed by an infrastructure response have been included. While these are not considered to be immediately investment ready, ISA recommends further planning so that informed investment decisions can be made.

Submissions relating to projects primarily in their formative stages and which have not undergone a suitable level of analysis have not been included.

The following comprises:

- **new projects** recommended to be prioritised for further planning and/or business case development as they have demonstrated a strategic case for change with a degree of clarity and have considered possible options to address the need, and
- an update on progress for priority **projects identified through previous CIS releases**.

Projects overview

Click on the project name or location marker to navigate to the detailed project description.

Note, projects with undetermined location are not shown on the map.

Transport

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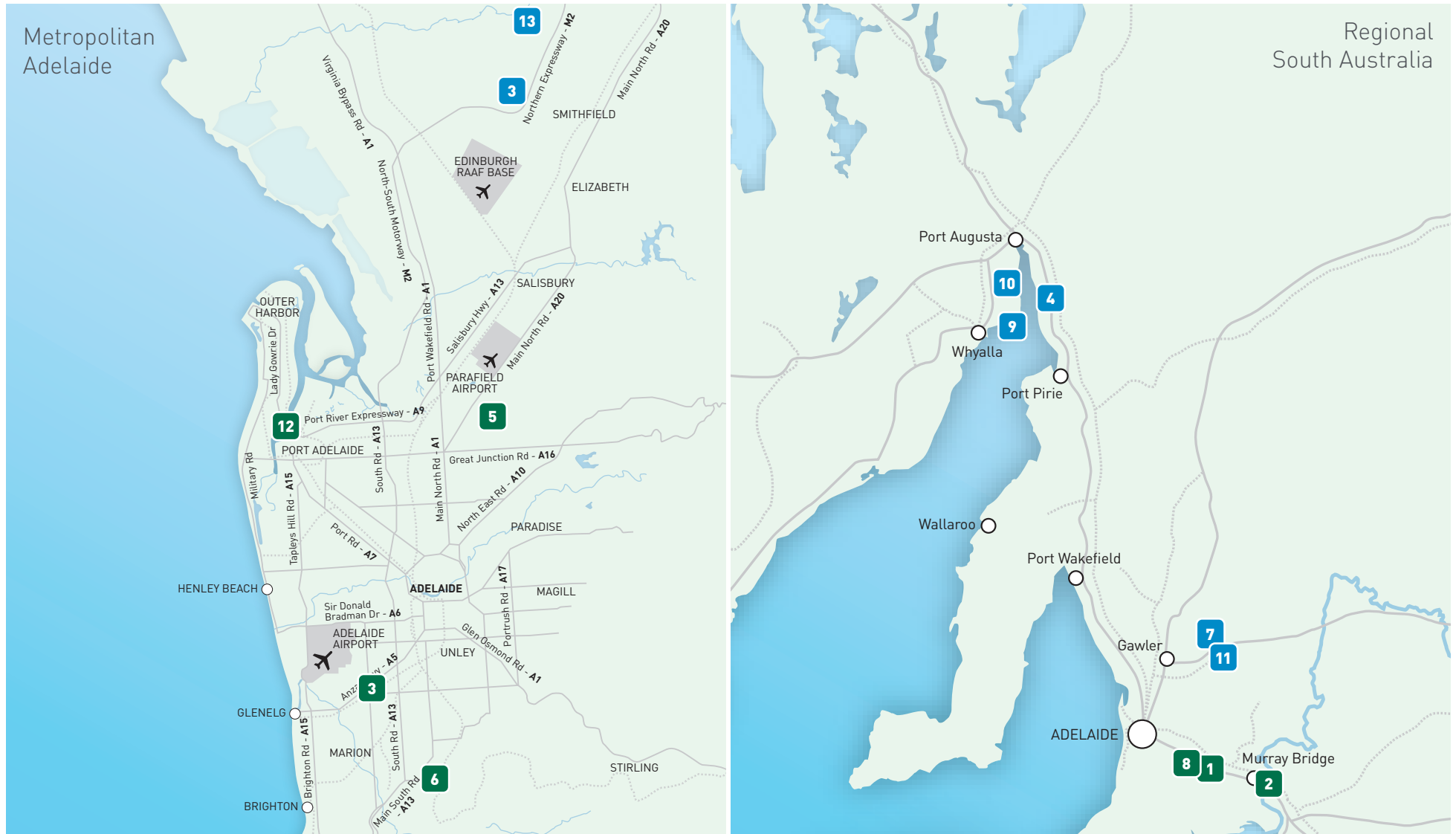
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Projects map



Map is illustrative only and not drawn to scale.



Bridgeport Hotel
Photographer: Richard Lyons

Transport

Transport infrastructure has a key role in improving freight productivity, accessibility to jobs and services and maintaining the liveability of our communities. The Government has a significant program of committed transport infrastructure projects. This includes most notably, the completion of the North-South Corridor, as well as projects such as Augusta Highway duplication, Main South Road duplication, a number of intersection and rail crossing upgrades to improve traffic flow and capacity and the Adelaide Hills Productivity and Road Safety package. Three key considerations are represented by the new transport projects selected for further development – accommodating the demands of growth areas, enabling more efficient freight supply chains and putting in place the foundations necessary for a low carbon future.

Mount Barker Growth Roads

Initiative scope

The population of Mount Barker, the largest region in the Adelaide Hills, has been seeing high rates of growth since 1,300 hectares of greenfield land was rezoned for urban growth in 2010. Population projections for the Adelaide Hills identify that an increase by a further 10,000 people to reach close to 80,000 by 2036, the majority of which will be in the Mount Barker catchment. Based on current zoning, population may peak at around 107,500 across the region.

In 2021, ISA undertook a holistic, independent review and provided direction for options to address the passenger transport need between Adelaide and Mount Barker. This study concluded that there is a lack of viable alternative routes for both commuter and freight vehicles and

identified the need for a more integrated approach to corridor planning that considers the needs of the growing community around Mount Barker. ISA acknowledges that the Government has committed \$500,000 to undertake a corridor study and recommends this should consider the needs of both passenger transport and the freight industry.

In addition to the Mount Barker corridor study, the Government has also committed to the \$120 million for the Adelaide Hills Productivity and Road Safety Package. A key link to the longer term transport planning around Mount Barker is the completion of the Heysen Boulevard that will serve as the key local connector road intended to provide critical access for new residential developments to arterial roads as well as access for emergency services and public transport. Only 3.9 km of the 7.7 km of the connector road has been completed in a piecemeal approach as developments progress. While Heysen Boulevard will ultimately be under Council management, the infrastructure deeds have not been able to efficiently deliver the important connector road and this is limiting the efficient development and movement of people around Mount Barker.

Recommendation

Government to work with Council and developers to determine a way to more efficiently complete the delivery of Heysen Boulevard.

Status

Current – new.

Swanport Bridge duplication

Initiative scope

The Swanport Bridge, approximately four kilometres southeast of Murray Bridge, spans the Murray River and links the South Eastern Freeway to the Princes Highway, Dukes Highway and Mallee Highway, forming an integral part of the national freight supply chain and a key link between Adelaide and Melbourne and the South East. The Bridge is the only land crossing over the River Murray in the area, with the nearest alternative approximately 126 kilometres away in Blanchetown. Its current specification does not meet current AustRoads Standards and presents limitations in terms of configuration and road width. This results in lower productivity, increased road safety risks and poor resilience to the freight network and, in the event of incidents, requires rerouting freight vehicles, adding 190 km to an Adelaide trip.

Recommendation

Undertake further work to build the evidence base to better understand the potential to improve efficiency, productivity and resilience of the freight supply chain and to undertake an options analysis that links in with the freight bypass study and is consistent with Infrastructure Australia's IPL listing for an SA High Productivity Vehicle Network.

Status

Current – new.

Zero Emissions Public Transport Infrastructure

Initiative scope

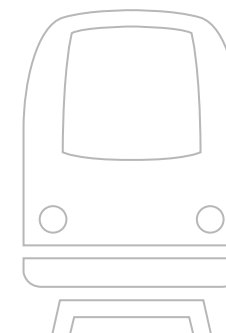
A modernised public transport system includes ambitions toward meeting net zero emissions targets and cost effectiveness by transitioning to new vehicle technologies. The initiative considers an opportunity to plan and construct the necessary electric bus charging infrastructure at three SA Government owned bus depots to enable government to move to purchasing zero emissions buses from 2025 onwards. This initiative directly responds to specific actions in the Electric Vehicle Action Plan and the Climate Change Action Plan.

Recommendation

Undertake a business case to identify the most efficient infrastructure response to enable the introduction of electric buses into the public transport fleet to help meet net zero emissions targets.

Status

Current – new.



Curtis Road duplication

2021 Recommendation

Further studies to be undertaken to validate traffic analysis, substantiate the need and determine the most appropriate solutions.

Progress

A business case is required to be developed to support a road reclassification and funding options.

Status

Current – progressing.

Sturt Highway and Truro Bypass

2021 Recommendation

Planning study to inform the completion of a full business case as a priority to enable works to commence in a timely manner.

Progress

A concept design for the Truro Bypass alignment was released for public consultation and a business case is due to be completed in the third quarter of 2022. The Australian and South Australian governments have committed \$202m towards the design and construction of the Bypass.

Status

Closed – funded.

Augusta Highway

2021 Recommendation

Planning study to inform completion of a full business case as a priority to enable works to commence in a timely manner.

Progress

Funding of \$260m has been confirmed over the next four years to complete the next stage of the duplication of the Augusta Highway from Nantawarra and Lochiel, which includes funding of \$148m committed by the Australian Government in the 2021/22 Federal Budget.

Status

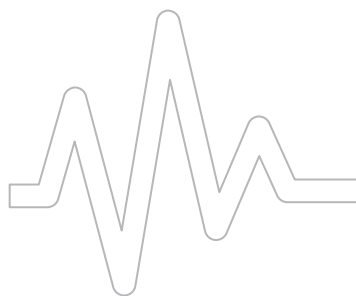
Current – existing. While this section has been fully funded, an additional budget allocation of \$5m has been approved to prepare a business case for the Port Pirie to Crystal Brook section to complete the full program.



Joy Baluch Bridge, Port Augusta
Artist impression
Department for Infrastructure & Transport

Health

Health is an unambiguous priority for the State Government and new proposed investments focus on delivering strategically planned health services to meet the needs of a growing and ageing population. It is envisioned that investing in additional bed capacity will lessen the burden on ambulance services and deliver better health outcomes for the community. The Department for Health and Wellbeing has identified the need to integrate new system-wide investments in virtual care with in-patient care to help meet projected demand. A new Mount Barker Hospital, new Women's and Children's Hospital, a major upgrade to the Flinders Medical Centre and additional bed capacity across the metropolitan and regional network have been funded.



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Northern Adelaide Local Health Network (NALHN) future investment strategy

Initiative scope

South Australian Government population projections forecast 12.4% growth in NALHN's catchment over the next 10 years. Without strategic health service planning and investment, projected population growth will outstrip the capacity and capability of health services in northern Adelaide, leading to corresponding impacts on population health and wellbeing.

Inpatient services across NALHN acute sites at Lyell McEwin (LMH) and Modbury Hospitals operate at above 100% capacity most of the year. The proposal responds to NALHN's service challenges and through the investment required will be able to deliver improved health outcomes for the Northern Adelaide community. The initiative provides an approach that will deliver an integrated and strategic investment approach across NALHN.

This initiative considers the investment in modern contemporary infrastructure through an expansion of the LMH, enhanced by virtual/digital care enablers to limit the demand on hospitals in northern Adelaide.

Recommendation

Develop a full business case to clearly articulate the requirements and the most suitable solution and mix of services.

Status

Current – new.

Southern Adelaide Local Health Network (SALHN) future investment strategy

Initiative scope

The catchment population for the SALHN is growing and significantly ageing, with 11% total population growth and a 75% increase in the over 75+ age group projected over the next 20 years, resulting in one of the oldest demographics in Australia. Older demographics tend to be the highest consumers of healthcare services and Southern Adelaide's growing and ageing population will place acute pressure on the provision of health services, significantly exceeding SALHN's existing physical and operational capacity.

SALHN is faced with an existing infrastructure portfolio that does not enable a contemporary person-centred model of care. It is not pandemic-proof and insufficient to meet the current and growing health demand in Southern Adelaide.

Funding of \$400 million has been provided to Flinders Medical Centre that will add capacity but how healthcare services are provided needs to be reviewed to mitigate against long term growth in demand on the system. SALHN has a well-considered concept to significantly reshape how it delivers care, providing 50% of the projected growth in beds virtually or in the community and the remaining 50% of projected growth required to be delivered in contemporary, consumer centred, acute hospital facilities.

Recommendation

Progress to a business case to determine the preferred approach to minimising demand on the health system through providing home-based care to compliment the investment in additional capacity.

Status

Current – new.



Berri MRI facility
SA Health

Barossa Hospital

2021 Recommendation

Develop a full business case to identify the preferred solution.

Progress

Confirmed funding of \$1m was allocated in the 2021/22 State Budget for the development of a business case, along with \$5m funding for early works in 2024/25 once the site is confirmed.

Status

Current – existing.

Northern Adelaide Older Persons Mental Health Facility

2021 Recommendation

Develop a full business case to clearly articulate functional requirements and the most suitable solution.

Progress

Funding of \$48m was announced in the 2021/22 State Budget to construct a new 20-bed older person's acute mental health unit at Modbury Hospital.

Status

Closed – funded.

SA Pathology facilities

2021 Recommendation

Explore any possible synergies in relation to pathology and forensic science facility requirements to determine if they should be implemented as a joint project.

Progress

Following an assessment of possible synergies between the requirements for SA Pathology and Forensic Services SA facilities, a decision was made to pursue these as separate initiatives. A Forensic Services SA and South Australian Police Forensic Services Branch relocation is outlined as a new initiative under the Justice section with a separate recommendation.

The business case is currently being finalised to identify the preferred solution. SA Health commenced a market process inviting expressions of interest for a new purpose-built facility housing SA Pathology's main laboratory. The outcomes of this process are currently under consideration.

Status

Current – existing.



Lyell McEwin Hospital
Artist impression SA Health

Education

New investments are required to meet growth in demand in key areas. While the expansion to Botanic High school was proposed and approved between the 2021 and 2022 CIS evaluation process, it has nevertheless been independently examined through ISA's project assurance process. The Government has committed to five new technical colleges (though these may fall under the threshold for the CIS) and will convene a Royal Commission into Early Childhood Education and Care to inform the roll out of universal access to pre-school for three- year-olds by 2026.



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Future education infrastructure requirements for Mount Barker

Initiative scope

Due to population growth and increasing market share, enrolment demand for government schools within the Mount Barker township will exceed the current capacity. Additional secondary school capacity is anticipated to be required over the next 10 years, noting that high schools in the area serve students living in the smaller township areas including Littlehampton, Nairne and Hahndorf.

While the non-government sectors could accommodate some of this demand, a scenario where public sector capacity is not increased will result in educational disadvantage for students who either wish to attend a government school or cannot attend a non-government school for various reasons.

Recommendation

Undertake a planning study which incorporates and considers population projections and updated school enrolment forecasts to determine the location, size, configuration and timing of the optimum solution.

Status

Current – new.

Rostrevor High School

2021 Recommendation

Further work to be undertaken to refine and confirm the best solution.

Update

Business case subsequently finalised, with the State Government announcing a new public secondary school – Morialta Secondary College – to be built on the vacated Norwood Morialta High School Middle Campus. The school will cater to 1200 students from Years 7–12.

An investment of \$84.4 million will see the current site's ageing buildings removed and replaced with contemporary learning facilities.

Status

Closed – funded.

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Botanic High
Artist impression Department for Education



Energy

The State Government’s commitment to a hydrogen hub in Whyalla is helping build momentum towards developing a potential new supply of clean energy for both domestic use and export. This will be further aided by the Government commitment to the Hydrogen Jobs Plan which will see the construction of a hydrogen power station, electrolyser and storage facility within the Whyalla City Council.

Hydrogen export facility

2021 Recommendation

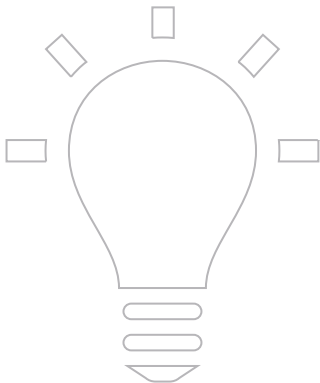
Development of a clean hydrogen industrial hub in the Upper Spencer Gulf (Port Bonython) is central to supporting the State’s vision to attract significant private investment in hydrogen projects. Further analysis and planning to be undertaken to determine the required infrastructure solution.

Progress

A Port Bonython Strategic Industrial Land EOI (EOI Process) has resulted in a number of respondents being identified, with the potential to produce over 1.5 million tonnes of clean hydrogen annually for domestic and export consumption. A masterplan of Port Bonython including necessary common user infrastructure is being developed.

Status

Current – existing.



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Water

The following potential investments attest to the criticality of water to the healthy functioning of the State's natural systems and the necessity for security of supply to social and economic development.

Northern South Australia Productive Water Security

2021 Recommendation

Undertake further planning.

Progress

An options analysis identified that a new sustainable water supply in the northern region of the State could provide significant economic benefits while adding resilience to the water supply and easing pressure on the culturally significant mounds springs in the Great Artesian Basin. Funding of \$15m was announced in February 2022 to undertake a business case which is currently underway.

Status

Current – existing.

Barossa Valley Region New Water Supply

2021 Recommendation

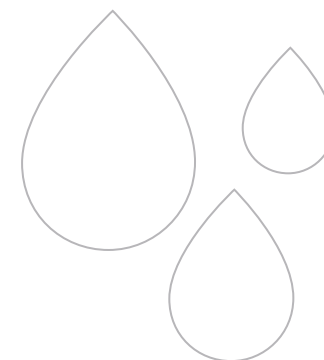
Funding for a business case, including further technical studies to confirm the economic case and identify the preferred solution.

Progress

The Federal Government has committed \$3.5 million in the 2021/22 Federal Budget, adding to the State's \$1.5m to develop a business case for the Barossa New Water project, to be led by PIRSA. The business case will explore demand for water, economic viability and supply and delivery of new, secure, climate-independent water infrastructure for the region. It is well progressed and due to be completed in 2022.

Status

Current – existing.



Justice

New investment directions and service planning point to the need to plan and build critical infrastructure to enable the State to respond effectively in the event of a major disruption, as well as maintain well-functioning resources relied upon day-to-day.

Forensic science facilities relocation

Initiative scope

This initiative is to determine the best performing and most cost-effective option for Forensic Services SA and South Australian Police Forensic Services Branch to address existing problems in service provision driven by ageing and constrained accommodation. There are serious concerns about the standard of the current Divett Place facility and, as a result, the inability for South Australia to adopt new forensic technologies.

Recommendation

A business case for this to be progressed to identify the optimal solution.

Status

Current – new.

New State Emergency Coordination Centre

Initiative scope

This initiative relates to a new facility that incorporates the State Emergency Centre, South Australia Police Communications Centre and Police Operations Centre to provide for future resilience.

The current facility does not satisfy the requirements of an Importance Level 4 (IL4) Post Disaster building required for such critical infrastructure. It is also at full capacity and does not provide required back-up redundancy to essential services such as South Australia Ambulance Service (SAAS) and Police Call Centre. Further, the aged building and associated infrastructure no longer supports modern day security requirements, technologies and space for a growing and modern workforce.

Recommendation

Complete the business case currently in progress to identify the future infrastructure needs for these critical services. State Government should give consideration to forming a holistic view on potential IL4 synergies across similar critical infrastructure initiatives, including the new ambulance headquarters.

Status

Current – new.



Correctional Services' rehabilitation services

2021 Recommendation

Further work required to understand the rehabilitation service model, quantify demand and consider delivery options.

Progress

A business case is in development that will consider the most cost-effective solution to expand South Australia's male prison capacity to meet the projected demand and provide targeted rehabilitation programs.

Status

Current – existing.

Forensic Mental Health Services facilities

2021 Recommendation

Develop a full business case that considers future demand and options for facilities that address therapeutic concerns and consider opportunities for consolidation of services from other sites.

Progress

Funding of \$12m was provided in the 2021/22 State Budget to support the fit-out required to create additional psychiatric intensive care bed capacity in the public hospital system. This work will provide additional capacity at James Nash House that will incorporate and consolidate capacity currently located at Glenside.

A business case is under development with a view to consider a long-term solution for FMHS facilities.

Status

Closed – remains a priority for State Government but falls under the CIS threshold.



Supreme Court, Adelaide

Resilience and climate change adaptation

A changing climate presents a high degree of uncertainty and potential disruption to our way of life and timely investments must be made to mitigate potential impacts. There is a need to embed resilience considerations into all stages of infrastructure planning and investment decisions. The provision of infrastructure that can withstand increasing disruption and climate events will support the State's longer term economic, social and environmental objectives.



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Port Adelaide Sea Flood Mitigation

Initiative scope

This initiative considers the increasing risk of disaster from coastal flooding posing a risk of repeated damage to existing key industry and real estate assets and the disruption of existing community and commercial activity. There is an opportunity to consider providing preventative sea flood protection and create a well-adapted disaster resilient future Port Adelaide. Without addressing these risks and without the level of certainty that comes from a well-adapted and resilient future, there is a risk that future livelihoods and investments in the region will be impacted.

This issue is complicated by a complex range of stakeholders and no clearly defined lead agency or organisation responsible for driving development of the solution. Further, the processes and frameworks for assessing and valuing resilience projects are at an embryonic stage in both the Commonwealth and state and territory governments, although this agenda is now being actively pursued.

Recommendation

Local government, through the Port Adelaide Enfield Council, to continue to work with State and Federal Governments to support the establishment of governance structures and project resources to progress this initiative.

Status

Current – new.

Gawler River flood mitigation

2021 Recommendation

Further design and investigations, as well as cost benefit analysis, required for the most feasible mitigation options to identify most economically effective solution.

Progress

An options analysis is in progress and flood modelling is also required before a business case can be progressed.

Status

Current – existing.

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Hart's Mill, Port Adelaide
Image courtesy of Michael Waterhouse Photography



Sport, tourism and culture

While there are no new projects for 2022, recent investments in the State's cultural and sport domains include Tarrkarri – Centre for First Nations Cultures at Lot Fourteen, Cultural Institutions Storage facility and the Memorial Drive Tennis Centre Redevelopment.

Inner city multi-purpose arena

2021 Recommendations:

Further work required to refine costs in order to proceed to a final investment decision.

Further analysis required to determine project timing considering the significant capital commitment required and current State budget priorities.

Status

Closed - this project is not a policy priority for the State Government.

South Australian Sports Institute (SASI)

2021 Recommendation

Develop a full business case to determine the most suitable solution and location.

Progress

The 2021-22 State Budget confirmed funding of \$49 million for a new SASI facility to be located at Mile End next to the existing Netball SA Stadium.

Status

Closed – funded.

Digital

Ubiquitous and affordable digital access is key to activating regional commerce including for agricultural and tourism operators and enabling liveability through access to education, healthcare and other services and enabling social connection and inclusion.

Digital infrastructure

2021 Recommendation

Further work required to identify areas across South Australia where investment in digital infrastructure should be prioritised to maximise socio-economic benefits.

Progress

The State Government has established a Regional Connectivity Steering Committee to lead the development of a State Digital Connectivity Strategy, which will identify priority areas for future investment.

Status

Closed – digital infrastructure remains a priority of the State Government, but investment for individual projects is anticipated to be under the CIS threshold.



Monarto Safari Park
Courtesy of SA Tourism Commission
Photographer: David Sievers

ATTACHMENTS

Attachment 1: Current forward estimates

The table below sets out those significant infrastructure projects for which funding has been approved in the budget for the forward estimate period on four years to 2025–26.

	2021-22 Estimate	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
General government sector	2,958	3,502	4,254	3,721	3,834
Non-financial public sector	3,681	4,443	5,172	4,444	4,537

Table 1:
Investing expenditure aggregates as at the 2022-23 Budget (\$ million)

Source: Department of Treasury and Finance

	Actual Expenditure \$'000	2021-22 Estimate \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Spend beyond Forward Estimates \$'000	Total Project Cost \$'000
General government sector								
Attorney-General								
SA Government Radio Network	101,951	25,318	6,007	—	—	—	—	133,276
Correctional Services								
Yatala Labour Prison Expansion – 270 beds and infrastructure upgrade	61,045	90,776	7,344	—	—	—	—	159,165
Education								
Adelaide Botanic High School and Roma Mitchell Secondary College – additional accommodation	—	8,081	69,496	41,254	—	—	—	118,831
Five New Technical Colleges	—	—	15,000	50,000	70,000	40,000	—	175,000

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	Actual Expenditure \$'000	2021-22 Estimate \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Spend beyond Forward Estimates \$'000	Total Project Cost \$'000
Riverbanks College B 12 and Aldinga Payinthe College PPP (Previously Northern and Southern Suburbs Schools PPP – Includes capital works undertaken by other agencies e.g. water sewerage costs)	220,625	53,785	84	—	1,570	—	—	276,064
Sustainable enrolment growth and other school projects*	510,534	339,065	110,759	—	—	—	—	960,358
Improved internet services for South Australian Government schools (Stage 1)*	40,712	14,406	14,410	14,416	5,570	—	—	89,514
Energy and Mining								
Hydrogen jobs plan – powering new jobs and industry	—	—	50,000	225,000	225,000	93,000	—	593,000
Health and Wellbeing								
Country Health SA Sustainment and Compliance	46,588	9,023	20,058	4,200	3,346	8,100	28,000	119,315
Flinders Medical Centre Upgrade and Expansion	—	—	6,000	15,000	40,000	100,000	239,000	400,000
Lyell McEwin Hospital Emergency Department Expansion	22,294	22,924	12,600	100	—	—	—	57,918
Metropolitan mental health beds	—	—	10,000	54,000	44,000	16,000	—	124,000
Modbury Hospital – Upgrades and Additional Services	73,911	21,675	500	—	—	—	—	96,086
New Mount Barker Hospital	—	—	5,000	21,000	45,000	56,000	93,000	220,000
New Women's and Children's Hospital	21,369	43,556	156,853	252,880	450,914	577,946	538,805	2,042,323
Repatriation Health Precinct Reactivation	59,726	47,650	9,353	—	—	—	—	116,729
The Queen Elizabeth Hospital Redevelopment Stage 3	34,477	25,000	102,800	130,985	15,265	—	—	308,527
Upgrade to existing Women's and Children's Hospital	56,660	5,793	750	—	—	—	—	63,203
Infrastructure and Transport								
Adelaide Aquatic Centre	—	—	5,000	55,000	20,000	—	—	80,000
Adelaide Festival Centre Precinct - Plaza and Integration	78,275	54,880	6,000	10,226	—	—	—	149,381
Augusta Highway Duplication – Stage 2 (Nantawarra to Lochiel)	—	25,000	79,500	74,676	824	—	—	180,000
Augusta Highway Duplication – Stage 1	8,113	15,000	41,500	15,387	—	—	—	80,000

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Adelaide Hills Productivity and Road Safety Package	—	—	15,000	35,000	35,000	35,000	30,000	150,000
Bus Fleet Replacement Program	310,082	24,925	25,325	21,996	25,315	23,154	—	NA
Duplication of Joy Baluch AM Bridge	58,481	64,000	38,000	24,519	15,000	—	—	200,000
Extension of the Tonsley Rail Line to the Flinders Medical Centre	136,615	1,000	—	—	—	1,385	—	139,000
Fleurieu Connections Improvements Package	14,112	58,000	228,000	207,202	53,058	—	—	560,372
Fullarton and Cross Roads Intersection Upgrade	12,068	15,000	17,000	1,000	1,000	14,932	—	61,000
Gawler Line Electrification	396,335	205,000	64,430	1,665	—	—	—	667,430
Gawler Line Electrification – Railcars	70,376	56,000	48,624	—	—	—	—	175,000
Goodwood, Springbank and Daws Road Intersection Upgrade	45,913	3,000	3,000	2,000	2,000	5,487	—	61,400
Greater State Bypass – Truro	556	2,500	40,000	60,000	69,500	29,444	—	202,000
Hahndorf Traffic Improvements	107	3,000	40,000	32,500	35,000	139,393	—	250,000
Heysen Tunnel Refit and Safety Upgrade	1,691	5,500	40,000	27,809	—	—	—	75,000
Horrocks Highway	19,170	25,500	30,330	30,000	—	—	—	105,000
LeFevre Peninsula Upgrades	—	1,000	30,000	40,000	29,000	—	—	100,000
Main South Road additional lane	—	—	—	50,000	75,000	—	—	125,000
Majors Road on-off ramp	—	—	—	60,000	60,000	—	—	120,000
Marion Road and Sir Donald Bradman Drive Intersection Upgrade	—	500	—	—	—	5,000	79,500	85,000
Marion Road – Anzac Highway to Cross Road	—	—	5,000	80,000	120,000	145,000	50,000	400,000
North East Public Transport Park 'n' Rides	28,395	23,000	1,500	6,976	—	—	—	59,871
North-South Corridor – Northern Connector	831,123	3,500	3,000	1,000	18,377	—	—	857,000
North-South Corridor – Darlington Upgrade	703,085	5,000	2,000	415	17,400	—	—	727,900
North-South Corridor – Regency Road to Pym Street	253,852	19,500	1,000	17,798	2,000	—	—	294,150
North-South Corridor – River Torrens to Darlington	47,448	231,700	390,000	754,000	828,000	1,221,000	6,477,652	9,949,800

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Port Bonython Jetty Refurbishment	27,761	1,800	16,225	14,661	—	—	—	60,447
Port Wakefield Overpass and Highway Duplication	59,708	53,000	7,000	4,792	—	—	—	124,500
Portrush Road and Magill Road Intersection Upgrade	66,376	12,000	4,500	3,000	3,000	9,124	—	98,000
Princes Highway Corridor	44,842	15,000	75,000	55,158	—	—	—	190,000
Port Rail Spur	—	—	21,000	30,000	—	—	—	51,000
Road Safety Package	114,465	105,375	95,160	—	—	—	—	315,000
Road Safety Package – Regional	75,747	26,000	48,753	5,000	—	—	—	155,500
Roads Of Strategic Importance – Cockburn to Burra	14,629	17,000	17,500	13,371	—	—	—	62,500
Roads of Strategic Importance – Eyre Highway - Port Augusta to Perth	13,189	45,000	34,000	1,561	—	250	—	94,000
Roads Of Strategic Importance – Eyre Peninsula Road Upgrades	14,165	20,585	16,500	—	—	—	—	51,250
Roads Of Strategic Importance – Renmark to Gawler	14,000	10,000	45,700	17,800	—	—	—	87,500
South Eastern Freeway Managed Motorways – Stage 2	—	—	1,000	14,000	40,000	20,000	—	75,000
Strzelecki Track	20,770	27,000	66,000	65,000	36,230	—	—	215,000
Targeted Investments to Improve National Supply Chain Resilience	—	—	12,500	31,250	31,250	—	—	75,000
Targeted Road Safety Works	27,641	31,859	3,125	—	—	—	—	62,625
Torrens Road, Ovingham Level Crossing Upgrade	44,783	105,000	27,000	54,217	—	—	—	231,000
DIT Annual Program	731,535	140,670	143,957	136,982	144,622	145,548	—	NA
Police								
Police Records Management System – Stages 2 to 4	28,381	7,463	12,800	7,433	—	—	—	56,077
Premier and Cabinet								
Cultural Institution Collections Storage	184	15,128	43,826	32,344	—	—	—	91,482
Digital Technologies Academy	—	500	29,143	30,000	—	—	—	59,643
Tarrkarri – Centre for First Nations Culture	1,871	60,129	68,000	70,000	—	—	—	200,000

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Public non-financial corporations sector								
Adelaide Venue Management Corporation								
Riverbank Precinct Development	394,984	300	2,300	—	—	—	—	397,584
SA Water								
Eyre Peninsula Desalination Augmentation	10,854	5,502	20,000	49,000	14,235	—	—	99,591
Kangaroo Island Desalination Plant	3,983	36,647	24,114	69	—	—	—	64,813
Morgan Whyalla Pipeline No 1 Replacement	2,581	17,000	29,189	13,030	—	—	—	61,800
Mount Bold Dam Safety	9,624	14,894	10,949	35,794	80,794	124,195	—	276,250
Northern Adelaide Irrigation Scheme	127,576	1,441	26,583	—	—	—	—	155,600
Tea Tree Gully sustainable sewers program	1,254	12,483	29,072	18,457	—	—	—	61,266
Third Party Works – South Road Tonsley to Torrens	—	1,001	7,743	15,801	14,107	16,668	—	55,320
South Australian Housing Authority								
Affordable Housing Initiative	10,487	39,377	114,699	122,300	49,700	9,926	—	346,489
Better Neighbourhoods Program	258,896	22,594	19,105	13,823	16,971	17,395	—	NA
Public Housing Improvement Program	—	—	35,500	53,250	53,250	35,500	—	177,500
Neighbourhood Renewal Initiative	4,244	8,411	30,881	19,597	2,263	960	—	66,356
Playford North Urban Renewal	128,117	6,737	7,448	5,089	—	—	—	147,391
Public Housing Maintenance*	—	138,682	130,146	132,656	132,030	131,313	—	NA
Remote Indigenous Housing	204,633	7,711	12,585	14,033	—	—	—	238,962

Table 2:
Infrastructure spending – Total project cost greater than \$50 million and other significant programs (\$'000s)

Source: Department of Treasury and Finance

* Includes associated operating expenditure

Figure 2 below shows the comparative government infrastructure spend since 1999-2000. It excludes the NRAH in 2017. The last four periods equate to the current forward estimates and demonstrate a considerable increase in spend over and above the previous five-year period.

Note: Non-financial public sector represents government investment in non-financial assets.

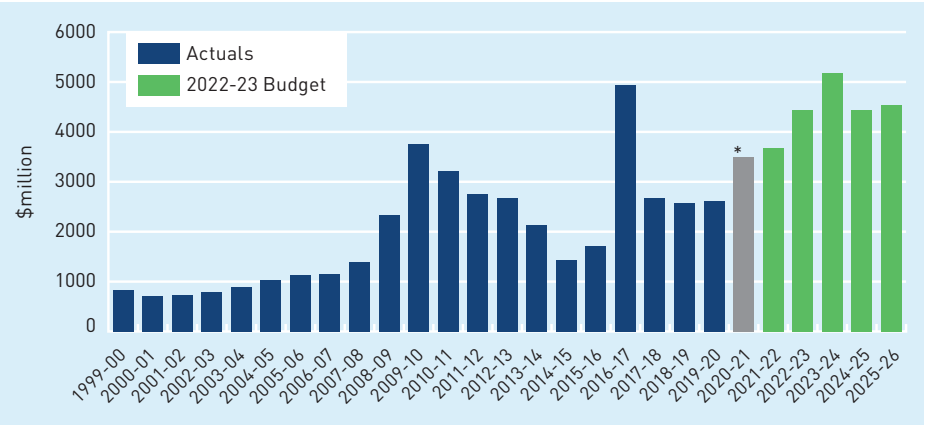
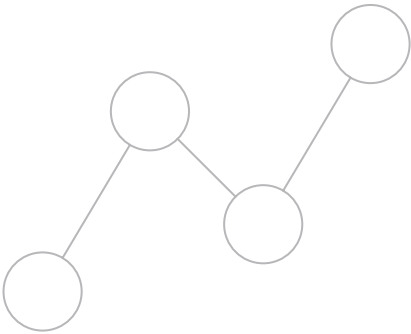


Figure 2:
Non-Financial Public Sector Investing Expenditure

Source: Department of Treasury and Finance

* The data for 2021-22 was not finalised at time of publication.



Attachment 2: Infrastructure Australia Infrastructure Priority List – South Australian projects

The Infrastructure Priority List is a pipeline of projects that have been assessed by the Infrastructure Australia Board as a pipeline of *unfunded* nationally significant proposals.

The Priority List contains proposals in the key stages of project development, from:

- Early-stage (Stage 1),
- Potential investment options (Stage 2), and
- Investment-ready proposals (Stage 3).

2.1 Early-stage (Stage 1) projects

Adelaide Inner and Outer Ring Route capacity improvements – Increasing population growth in Adelaide is expected to increase congestion and travel times in the suburbs surrounding inner-Adelaide, to the CBD, as well as impact freight productivity and safety for pedestrians and cyclists. A potential investment options analysis is to be completed.

Adelaide Level Crossings Congestion and Safety – A program of identifying, prioritising and removing level crossings in Adelaide to improve network safety, efficiency and amenity. The South Australian Government has identified 31 level crossings as posing the highest risk to users and creating the greatest disturbances on the network.

Adelaide public transport capacity and access – The initiative is for public transport network improvements to and from the Adelaide CBD. This could include recommendations from the City Access Strategy being developed by the City of Adelaide and State Government detailing public transport requirements. The South Australian Government has established the South Australian Public Transport Authority to coordinate and improve public transport services. The next step is to identify options for further assessment by IA.

Barossa Valley Region Water Supply – Providing improved water security and additional water to the Barossa Region. This includes optimising and upgrading existing water infrastructure assets and the provision of new infrastructure to enable access to non-climate-dependent water supply sources. The next step is to develop the business case.

Gawler Craton resources access – The initiative proposes that infrastructure corridors are developed in the region to support access to resources, efficient processing and export pathways. Options analysis is to be completed.

Northern South Australia Productive Water Security – Potential options to address the initiative include new sustainable water sources such as desalination, and associated pipeline and distribution infrastructure to the Gawler Craton and Upper Spencer Gulf regions. A business case is to be developed.

South Australian High Productivity Vehicle network access – The initiative will include options to address improving mass limits and road geometry, improving bridge capacities and duplicating lanes on the South Australian regional freight network including the Augusta Highway, Dukes Highway and the Sturt Highway. The next step is to complete an options analysis.

South Australian Road Network Maintenance – potential options to address the initiative include a program of works to prioritise and invest in maintenance upgrades across the South Australian road network, which addresses the significant maintenance backlog. The prioritisation of road maintenance projects will consider technical, economic, risk, safety and policy criteria to optimise economic benefit and economies of scale.

2.2 Potential investment options (Stage 2)

South Australian regional bulk port development – Options for the development of bulk commodity port capacity in the Spencer Gulf region. There are a range of sites for ports and associated investment/operating models that could meet potential demand. The next step is to complete an options analysis and business case.

Strzelecki Track upgrade and mobile coverage – Upgrading 426 km of the Strzelecki Track between Lyndhurst and Innamincka, and 26 km of the Nappa Merrie Access Road. The South Australian Government commenced works to seal the first 50 km of the Strzelecki Track in October 2020, beginning immediately north of Lyndhurst. The remaining section, locally known as Della Road (50km) is currently in the design phase.

2.3 Investment-ready proposals (Stage 3)

Eyre Infrastructure Project (Iron Road) – Currently there is Stage 3 project listed for South Australia, which is the Eyre Infrastructure 'Iron Road' Project, comprising development of an iron ore mine in the central Eyre Peninsula and export port facilities at Cape Hardy.

IA recommended the business case as a priority project, subject to the mine development proceeding. Development may be implemented in stages, with the initial stage being the development of a deep-water port at Cape Hardy. The proposed infrastructure would be available for other users (open access), including grain exporters and other miners in the region. This is a private sector development.



Oodnadatta Track

Image courtesy of South Australian Tourism Commission

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