

Information on Infrastructure Projects - A Guide

Governments seek to keep the community informed of proposed new infrastructure projects, often from the time of inception. There is public interest in community impacts, benefits, costs and delivery timetables.

An early announcement of intent naturally creates questions, and, in the case of small and simple projects, those questions can often be answered from the beginning. However, in the case of larger and more complex projects, the level of reliable detail about community impacts, project scope, costs, benefits and delivery program increases over time and project stages. Confidence in project details grows as options are considered, concepts are refined, site conditions are investigated, planning and environmental consultation processes are completed, designs are progressed and construction contractors are engaged in the process.

This Guide, (Premier's Memorandum M2022-06) explains the stages of project development and the level of detail that may be confidently provided to the public at each stage.

The guiding principles for providing reliable project information are as follows:

- Confidence in cost, scope and delivery timeframes increases as project progresses.
- Where specific detail is not yet available, there is still useful information that can be provided to the public.
- In early stages, Government can clearly communicate its intent to address a need and the steps it proposes to take to provide a solution.
- Premature provision of detail on solutions, scope, costs and timeframes may lead to disappointment in the community and counterproductive pressure on project delivery teams. Early detail on project scope can undermine project teams' assessment of alternative investment options which limits long-term value creation.
- By contrast, effective communication as stages proceed provides confidence that decision making is sound, that public funds are being well managed and that project benefits will be delivered.
- In some cases, Government may decide to defer a decision to proceed with a large, complex infrastructure project until after environmental consultation processes (e.g. the Environmental Impact Statement) are complete to ensure a reliable cost estimate supports the decision to proceed with the project.

Project stage	What happens at this stage and what reliable information is available?	What can confidently be said about scope, cost and timeframe
First announcements of Government intent or commitment	At this stage, Government identifies a need and makes an early commitment to a solution. It is too early to estimate cost or delivery timeframes as project scope is still being developed. However, there is useful information that can be provided about the need, options and commitment to provide a solution.	<p>SCOPE</p> <ul style="list-style-type: none"> - Explain the need the Government is trying to address. - Set out some of the concepts and options that will be considered. <p>COST</p> <ul style="list-style-type: none"> - Be clear on commitment of funds for early planning and investigation. - Caution should be taken with cost estimates as they are not reliable at this stage. <p>TIMELINE</p>

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		<ul style="list-style-type: none"> - The timeframe for delivery will be further explored in the next stage of planning. - Explain when more information might be available.
Strategic options / Strategic business case	<p>At this stage, a range of options to have been identified and analysed. However, there is still further work needed to identify the preferred option, develop scope and understand delivery approach. Planning and environmental consultation processes are yet to be completed which may impact project options. At this stage, cost estimates and delivery timeframes are indicative only and, at best, would be known as a wide range.</p>	<p>SCOPE</p> <ul style="list-style-type: none"> - Confirm the problem to be solved. - Outline the high-level options that have been considered, and which will be progressed. <p>COST</p> <ul style="list-style-type: none"> - Confirm commitment to fund the next stage of investigation and evaluation, but caution should be taken with project cost estimates as they are not reliable at this stage. <p>TIMELINE</p> <ul style="list-style-type: none"> - Confirm the timeframe for finalising a decision.
Final business case / Investment decision	<p>A Final Business Case is a developed analysis that evaluates options and proposes a preferred solution, including estimates of costs, benefits and delivery approach. It provides sufficient information for a Government to make an investment decision to commit funds and proceed to the next stage. This will generally be recognised by a provision in the State Budget.</p> <p>However, some steps, such as site investigation and design may not yet have been undertaken as they can be expensive and disruptive. Environmental and planning consultation processes (e.g. the Environmental Impact Statement) may be underway but not complete. The project budget and delivery timetable are still subject to confirmation through further design and planning work, and a tender process.</p> <p>In some cases, Government may decide to defer a decision to proceed with a large, complex infrastructure project until after environmental consultation processes to ensure a reliable cost estimate supports the decision to proceed with the project.</p> <p>It is also important that cost estimates are expressed as a range in order to</p>	<p>SCOPE</p> <ul style="list-style-type: none"> - A final business case for the project has been completed and identified a preferred option. - Feasibility of the preferred option or the project (as a whole) will be further explored through detailed design, environmental assessment and community engagement. <p>COST</p> <ul style="list-style-type: none"> - Government has committed to funding the project, and costs have been estimated within a range. - Costs will be better understood once the project has been subject to further design, site investigation, community consultation and planning approval, and engagement with the construction industry. <p>TIMELINE</p> <ul style="list-style-type: none"> - A timeframe can be provided for design and planning work, and for the procurement process. - Final delivery timeframes will be known following engagement with the construction industry to determine the best delivery strategy and construction timeframes.

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	<p>preserve commercial competitiveness in the procurement stage and to keep the community informed. This is separate to the provision in the State Budget.</p>	
Planning Application	<p>At this stage, statutory planning documentation and supporting environmental impact assessment reports are published for community input. Much of the information released relates to impacts on the community, heritage and the natural environment.</p> <p>Information about concepts, designs and cost estimates is also included in statutory planning documentation. Most of that information is based on the final business case, sometimes with further work undertaken during preparation of the environmental impact assessment.</p>	<p>SCOPE</p> <ul style="list-style-type: none"> - A design sufficient for the planning process has been released for community consultation. - The design will be progressed to a more detailed stage following environmental assessment and community engagement. <p>COST</p> <ul style="list-style-type: none"> - A cost range estimate has been developed during the business case stage. - Costs will be better understood once the project has been subject to further design, site investigation, community consultation and planning approval, and engagement with the construction industry. <p>TIMELINE</p> <ul style="list-style-type: none"> - A timeframe can be provided for planning process. - Final delivery timeframes will be known following engagement with the construction industry to determine the best delivery strategy and construction timeframes.
Procurement	<p>At this stage, designs have been developed to a more advanced stage and initial site investigation has generally taken place to the extent possible prior to commencement of works.</p> <p>As a result, scope and delivery approaches are well defined, with the procurement process ready to commence to select a contractor for the delivery of the package / works.</p> <p>A statutory planning process is generally underway, and outcomes of that process could change scope and timings.</p> <p>At this stage, estimates of costs and timing are more developed. However, they are both subject to tender responses from the market and remain subject to risk / contingency.</p>	<p>SCOPE</p> <ul style="list-style-type: none"> - Scope can be described in more detail, although it may need to be amended as a result of tender responses or planning process outcomes. - The community is likely to be most interested in a description of the features that will be meaningful to users and visitors to a facility. <p>COST</p> <ul style="list-style-type: none"> - A more accurate cost range for the total project budget can be provided, still subject to response from tenderers. - Estimates of costs for the construction contract sum should not be provided to avoid influencing commercial outcomes. <p>TIMELINE</p> <ul style="list-style-type: none"> - A timeline for the procurement can be provided, along with the participants in the Expression or Interest or tender process.

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Contract Award	<p>At this stage, a contractor has been selected to deliver the project. Even when a contract has been awarded, some details may remain to be resolved during the course of the project. A planning consent has generally been received, incorporating community feedback and conditions of consent.</p> <p>Most contracts require further design work, and some involve ongoing collaborative or open-book costing of specific elements. Even for comprehensive lump sum contracts, there are some risks that cannot be known until works commence, such as underlying site conditions.</p>	<ul style="list-style-type: none"> - A timeline for the project should be expressed only as a range, or at most as a target that is subject to tender responses. <p>SCOPE</p> <ul style="list-style-type: none"> - Scope can be well described, focusing on benefits and features that are meaningful to the community (rather than technical descriptions). - It is useful to acknowledge known risks (services, utilities, heritage), be clear that further investigation work is required. <p>COST</p> <ul style="list-style-type: none"> - An overall budget is usually known at this stage, including the cost of the construction as well as an appropriate amount for an adequate contingency and costs for further planning, design and project management. - Freedom of information laws generally require details of major contracts to be published. For example, the NSW GIPA Act requires details of major contracts to be published within 45 days. <p>TIMELINE</p> <ul style="list-style-type: none"> - <i>For straight forward/smaller builds:</i> It will usually be possible to provide target date for commencement of operations. It is still sensible to provide a range or a period, rather than a specific date. - <i>For projects with known risks:</i> Some program details for commencement and stages can be provided, but construction timeframes will be clearer once the contractor has completed further investigation work / design work.
Readiness for Service	<p>The project is largely complete and ready to go into service. There is a high level of certainty in final expected costs and timing. However, there are often some contractual claims that require resolution and usually defects that need to be identified and remedied. Exact opening dates may depend on testing and commissioning activities.</p>	<p>SCOPE</p> <ul style="list-style-type: none"> - Scope and benefits are well known and can be confirmed. <p>COST</p> <ul style="list-style-type: none"> - Compliance with budget can be confirmed, subject to any outstanding matters or claims. <p>TIMELINE</p> <ul style="list-style-type: none"> - A target opening month or quarter can be identified. - An opening date can be announced following final testing and commissioning.

Information disclosure for transactions with the private sector

Transactions being undertaken with the private sector such as unsolicited proposals, other direct deals and investment attraction proposals will not be announced until a binding transaction has been completed, except where there are existing information disclosure requirements for the proponent.

Information disclosure requirements relating to unsolicited proposals and direct deals are currently available in NSW Unsolicited Proposals: Guide for Submission and Assessment and other guidance on direct dealing, including the ICAC publication Direct Negotiations: Guidelines for Managing Risks and NSW Government Direct Dealing Guidelines.