

# 2025 Progress Report

Tracking progress against the NSW  
Government Principles for Partnership  
with the Construction Sector

December 2025



A young Indigenous Australian woman with dark, curly hair is the central figure. She has white body paint in circular patterns on her forehead, cheeks, and chest. She is holding a boomerang in her hands. The background is a blurred outdoor setting with green foliage and a person in a red shirt partially visible on the left.

### **Acknowledgement of Country**

Infrastructure NSW acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.


We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this Report.



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# Fostering a more collaborative, productive, and sustainable construction sector

Image: Sydney Metro West, Sydney Metro



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# Foreword



The NSW Government released the Principles for Partnership with the Construction Industry (the Principles) in December 2024. Developed by the NSW Government's Construction Leadership Group (CLG), the Principles aim to foster a more collaborative, productive, and sustainable construction sector. The Principles set a clear path for transforming infrastructure delivery in NSW.

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Implementing the Principles is critical to delivery of the NSW Government's \$118.5 billion infrastructure pipeline, while meeting important government objectives to improve resilience, sustainability, local manufacturing and to decarbonise our infrastructure program.

The NSW construction sector is currently operating in a period of uncertainty.

- Global and local pressures have placed strain on the sector's capacity to deliver infrastructure at the scale and pace forecasted by the NSW Government.
- Financial stress across the construction sector is acute. The 12 months to June 2025 saw the highest number of construction insolvencies in over a decade. During this period, 3,596 construction companies entered external administration or controller appointments for the first time.<sup>1</sup> At the same time, labour shortages are intensifying. NSW faced an anticipated shortfall of nearly 98,000 skilled construction workers in 2025, particularly in critical roles such as construction managers, carpenters, and civil engineers.<sup>2</sup>
- Inflationary pressures, natural disasters, and trade uncertainty have made material availability, pricing, and project timelines difficult to predict.

The last few years have also been a period of significant transformation.

- The NSW infrastructure pipeline is shifting from large, complex megaprojects to a more sustainable mix of investments, including asset renewal, operations and maintenance.

- The infrastructure sector is also being asked to do more. There is growing pressure to deliver on broader policy objectives, including decarbonisation, social inclusion, and local industry development. Technological advancements offer new opportunities, but also require new skills, systems, and ways of working.

Despite pressure from these dynamics, significant progress has been made implementing the Principles since December 2024. Advances in design and building technology have led to project delivery using modern methods of construction (MMC). On-site reforms are emphasising the importance of mental health and improving culture. The release of standardised carbon valuation requirements marks a shift from voluntary to mandated action on net zero.

The Principles provide a framework for navigating uncertainty, improving delivery outcomes, and building a more resilient, capable and collaborative infrastructure sector.

This Progress Report reinforces the NSW Government's commitment to a transparent, collaborative partnership with the construction sector. Only through continued partnership can government and industry deliver infrastructure that is fair, inclusive, and aligned with the long-term needs of industry and communities across NSW.

**The Hon. Daniel Mookhey MLC**  
Treasurer



# Executive summary

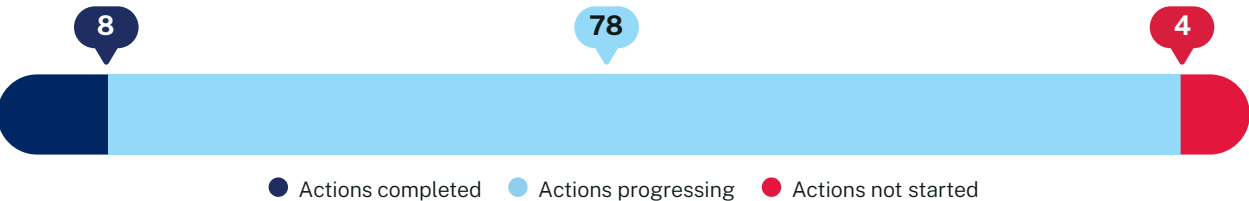
Published in December 2024, the Principles outline the NSW Government’s approach to working collaboratively with the construction industry. This report outlines progress against the seven Principles ranging from boosting productivity to improving financial sustainability.

The Progress Report reviews NSW Government performance against the commitments set out in the Principles, and documents progress that has occurred between release of the Principles in December 2024 through to 1 December 2025.

The Progress Report aims to highlight best practices and case studies and, importantly, to promote transparency and accountability for how government is implementing the Principles and associated actions.

This report reaffirms the NSW Government’s commitment to a collaborative, sustainable, and productive partnership with the construction sector.

## Key progress updates



## Progress updates

### Build up domestic manufacturing

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Early steps have been taken to increase the uptake of modern methods of construction (MMC). Examples include Landcom's nine two-storey terraces in Schofields, Homes NSW's housing program, and Building 1 at Bradfield City Centre. Regulatory reform, revised procurement frameworks, a clearer infrastructure pipeline and workforce capability building are required to enable broader uptake of MMC and advanced manufacturing.

### Ensure safety and wellbeing

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Significant reforms are underway to prioritise safety including mental health and wellbeing. This includes the establishment of SafeWork NSW as an independent regulator, the launch of the Healthy Minds, Safer Sites campaign, and the adoption of the Culture Standard on several NSW Government projects. Improving consistency and integration of mental health considerations across the project lifecycle will be a continued area of focus.

### Boost productivity

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The NSW Infrastructure Digitalisation and Data Policy was introduced, along with initiatives such as Transport for NSW's 'Gateway to Innovate' program. Updated Business Case Guidelines have been introduced to encourage early market engagement and allow collaboration with industry before the final investment decision. Sector-wide productivity remains largely stagnant, and digital maturity is uneven across agencies and contractors.

### Invest in skills and local jobs

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The 2025–26 NSW Budget aimed to address workforce shortages through the funding and delivery of TAFE and educational programs. Three Manufacturing Centres of Excellence are being established at TAFE NSW campuses in the Hunter, Illawarra and Western Sydney.<sup>3</sup> Yet, the projected shortfall of skilled workers, particularly for housing construction, underscores the need for future action.

### Enhance industry culture and diversity

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Momentum has been building through initiatives such as the Construction Industry Culture Taskforce and the NSW Women in Construction Program, which are beginning to challenge and shift traditional construction sector workplace norms. However, structural barriers, such as rigid work hours and low female participation, persist across the sector.<sup>4</sup>

### Improve financial sustainability

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Progress has been made in reforming commercial frameworks, improving guidance and implementing stronger payment security measures. These measures rebalance risk, support early market engagement and enhance tender transparency. Further action is needed to ensure project continuity and safeguard the capacity to deliver critical infrastructure without disruption.

### Decarbonise to achieve Net Zero target

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NSW Government has embedded decarbonisation requirements into infrastructure planning and delivery. This includes requirements to track, measure and report embodied carbon in accordance with detailed technical guidance. The next phase of implementation will require addressing capability gaps within agencies and industry, as well as ensuring supply chain readiness.



# Methodology

The NSW Government has taken an evidence-based approach to assess progress against the Principles. This was achieved through a combination of desktop research, stakeholder consultation, and data analysis.


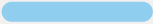

The examples of progress in this report are not exhaustive. Examples have been selected to highlight where progress is occurring and where further attention is needed to align with commitments.

This report focuses on actions assigned to the NSW Government. Industry progress has been considered in some sections, using publicly available information. We encourage our partners in industry to consider their own progress against these actions.

## Measuring progress

This report assesses progress against the 90 actions outlined in the Principles. Progress is determined based on the below criteria.

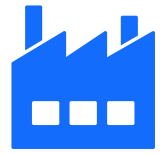
**Table 1: Action progress criteria**

<div></div> <div>Completed</div>	<div></div> <div>Progressing</div>	<div></div> <div>Not Started</div>
<ul style="list-style-type: none"><li>• The action has been fully implemented.</li><li>• Verified evidence of outcomes, such as a published policy or an implemented program.</li><li>• No further work is required beyond business-as-usual support and monitoring.</li></ul>	<ul style="list-style-type: none"><li>• The action is underway but not yet fully implemented.</li><li>• There is evidence of activity, such as pilot projects, draft policies, or consultation.</li><li>• Outcomes are emerging, but work is required to achieve them.</li></ul>	<ul style="list-style-type: none"><li>• The action has not commenced.</li><li>• No evidence of activity, such as policy drafting, consultation, or pilot activity.</li></ul>

The following sections of this report provide a more detailed overview of progress against each of the Principles.



# Build up domestic manufacturing



## Key messages

- The NSW Government is actively embedding MMC and advanced manufacturing through new policies and updated procurement frameworks, funding, capability uplift and regulatory reform.
- Homes NSW and Landcom are integrating and accelerating the use of MMC within their portfolios.
- NSW Department of Education and the NSW Government Architect have released Pattern Books that increase opportunities for standardised design and local manufacturing.
- The NSW Government has announced it will introduce legislation establishing a Local Jobs First Commission and a local procurement policy. The policy will set requirements for assessing local content commitments and support for local workforce development in tenders.<sup>5</sup>

## Progress indicators

Six NSW Government agencies are already using MMC in project delivery.

Two NSW Government agencies have released Pattern Books to increase standardisation.

In 2025, 60% of surveyed construction businesses in NSW reported 'project uncertainty' as a main challenge affecting their business.<sup>6</sup>

## Action tracker

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● Actions completed ● Actions progressing ● Actions not started



Image: Home in Wollongong Local Government Area, Homes NSW

## Progress updates

The NSW Government has made investments to uplift domestic manufacturing capability, including:

- Increased funding for the Industry Capability Network (ICN) to strengthen and improve accessibility to government projects for the manufacturing supply chain. Increased ICN capacity will enhance supply chain matching services for NSW manufacturing businesses, particularly in Western Sydney and regional NSW.<sup>7</sup>
- The Lean Manufacturing Pilot Program provides support and resources to regional manufacturers to improve their operations and competitiveness.<sup>8</sup> The program is focused on regional manufacturing and assists regional businesses in overcoming challenges like rising costs and supply chain issues.<sup>9</sup>
- The 2025–26 NSW Budget allocated \$79.2 million for the NSW Innovation Blueprint. This includes \$20 million specifically for emerging housing technologies and \$2 million for a new Housing Innovation in Construction program to promote industrialised construction, MMC and advanced manufacturing.<sup>10</sup>
- Empire Vale PS, Wardell PS, Condong PS and Tumbulgun PS took less than nine months. Compared to traditional methods, expedited construction times are also expected for Lismore PS, Richmond River High School (HS), and Cabbage Tree PS.
- Landcom is delivering nine two-storey terrace homes in Schofields using MMC. This project will act as a test case to support future MMC housing developments at other Landcom sites, including Edmondson Park and Glenfield.
- Homes NSW aims to deliver approximately 13 secondary dwelling demonstration projects using MMC and volumetric construction by June 2026, and a further 80 dual occupancies using a range of MMC methods by June 2027.
- In March 2025, Building 1, part of the Advanced Manufacturing Readiness Facility, at Bradfield City Centre was completed using an MMC approach. It strategically combined advanced building techniques, sustainable design, off-site manufacturing and decommissioning.<sup>11</sup>
- Health Infrastructure utilised MMC to deliver 51 housing modules for health workers in regional NSW under the NSW Government's \$45.3 million Key Worker Accommodation Program. Prefabricated off-site to a prototype design, the modules were installed on hospital grounds across seven sites with minimal disruption to operational health services. Constructed from UV-resilient materials, the units are durable and require minimal maintenance over their lifecycle. NSW Health is also continuing to roll out further modular solutions as part of the \$200.1 million Key Worker Accommodation program on selected sites.

## Project exemplars

- The Department of Education is utilising MMC to undertake rebuilds of nine schools impacted by the 2022 floods. These projects will employ offsite manufacturing using modular construction to improve efficiency, quality, and speed of delivery. The on-site construction of Broadwater Public School (PS), Blakebrook PS,

## Case Study

### NSW Department of Education – Educational Facility Standards and Guidelines

The Department of Education has updated its Educational Facility Standards and Guidelines (EFSG) to support more consistent, efficient, and innovative school delivery. The 2025 EFSG release marks the beginning of a staged rollout that helps users gradually understand and apply the updated standards.<sup>12</sup>

The revised EFSG:

- Promotes standardisation and repeatable components, enabling greater certainty in design and delivery.
- Supports both traditional and MMC delivery approaches, encouraging flexibility and innovation across the sector.
- Improves industry productivity by providing clear, consistent guidance that supports scalable and efficient school construction.

Key tools within the EFSG include:

- The Functional Design Brief that outlines required spaces, quantities, and design elements to meet project needs.
- The Pattern Book and Data Sheets that provide pre-designed, spatially compliant components and layouts.

These tools help industry partners understand design requirements, and collaborate early and more efficiently to reduce project costs and speed up delivery.

## Action status

Legend		
Actions assigned to NSW Government and industry	Actions assigned to NSW Government	Actions assigned to industry

Action	Status
Collaborate early in the design process to increase opportunities for modern methods of construction and encourage the development of local industry.	 <b>Progressing</b>
Signal early opportunities for local manufacturing in NSW Government infrastructure projects coming to market.	 <b>Progressing</b>
Pilot approaches on appropriate projects in consultation with industry.	 <b>Progressing</b>
Increase opportunities for local content, local jobs, local manufacturing and small business engagement in NSW Government infrastructure projects.	 <b>Progressing</b>
Consider investing in new and expanding existing initiatives that have successfully increased local manufacturing skills, capability and capacity.	 <b>Progressing</b>
Understand NSW Government priorities for infrastructure investment and opportunities to optimise local content outcomes within projects.	 <b>Progressing</b>
Work with local suppliers and partners where possible to develop local industries and businesses	 <b>Progressing</b>



# Ensure safety and wellbeing



## Key messages

- The construction industry remains one of the highest risk industries in NSW.
- Increased health and safety requirements have been embedded into planning, procurement, and delivery of infrastructure projects.
- The NSW Government's support for and application of the Construction Industry Culture Standard has improved the prioritisation of mental health and worker wellbeing on worksites. This progress has been enhanced by an increased focus on psychosocial hazards in the workplace.
- The NSW Government is updating the Workplace Health and Safety Guidelines for Construction Procurement to embed safety considerations throughout the entire project lifecycle and ensure the document is clear, user friendly and easily understood.
- By implementing longer-term structural changes that align with the Principles, safety and wellbeing outcomes are likely to improve. These changes include the integration of mental health considerations across the project lifecycle.

## Progress indicators

Workplace injuries, mental health issues, suicide, long hours, and lack of diversity cost the national economy \$8 billion annually.<sup>13</sup>

75% of the construction industry report moderate to high stress levels.<sup>14</sup>

From November 2024 to March 2025, 14% of improvement notices issued to construction businesses by SafeWork NSW were related to psychosocial risks.<sup>15</sup>

## Action tracker



## Progress updates

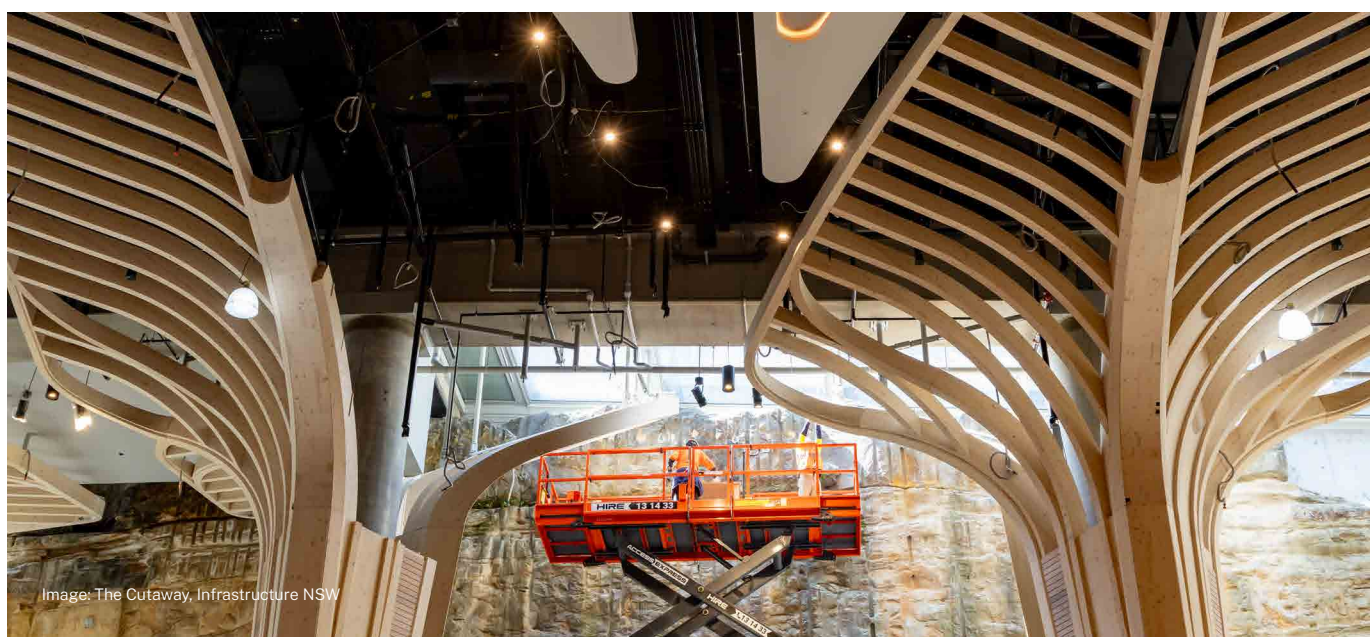
The NSW Government supports the psychosocial and physical health of construction workers.

- The *Work Health and Safety Amendment (Standalone Regulator) Act 2025* formally established SafeWork NSW as an independent regulator from 1 July 2025.<sup>16</sup> This reform strengthens its enforcement powers, including expanded capacity for complex investigations and prosecutions, and the authority to issue on-the-spot fines via penalty notices.
- The 2025–26 NSW Budget announced a \$127.7 million investment over four years to strengthen SafeWork NSW's capacity.<sup>17</sup> This included the 'Irreplaceable' campaign that highlights the importance of staying safe at work and the impact of workplace injuries and fatalities on families, communities, and businesses.<sup>18</sup>

## Project exemplars

- Many NSW Government projects have adopted the Culture Standard, which enhances safety through improving physical site conditions and underlying cultural factors that contribute to unsafe environments. For example, Health Infrastructure requires tenderers to base proposals on a five-day working week and address a Wellbeing Schedule as part of standard procurement practice.

- Transport for NSW's Mulgoa Road Stage 1 project team implemented a range of initiatives to improve wellbeing, including:
  - A MyTime Calendar for staff to block out hours for personal use.
  - Training mental health first aiders to support staff with their mental health and wellbeing.
  - Regular surveys and discussions to track staff wellbeing.
  - Flexible and capped working hours.
- The Department of Education has implemented the Culture Standard on eight school projects, including Jerrabomberra HS Stage 2, Googong new HS, Gledswood Hills new HS, Melrose Park new HS, Medowie new HS, Jordan Springs new HS, Leppington new HS, and Schofields-Tallawong new HS. The Culture Standard has been contracted with successful tenderers in execution of the main works contract.
- Throughout 2025, the NSW Government introduced a suite of reforms in response to the health risks associated with respirable crystalline silica in tunnelling projects. These reforms included the establishment of a Silica Expert Taskforce to oversee enhanced controls and the introduction of a worker register for those exposed to silica.<sup>19</sup> SafeWork NSW began revising the Tunnels Under Construction Code of Practice to embed consistent safety standards.<sup>20</sup> Developed in collaboration with industry, these reforms aim to reduce exposure, enhance compliance, and strengthen early intervention through improved data and health monitoring.



## Case Study

### NSW Government – Healthy Minds, Safer Sites<sup>21</sup>

The NSW Government launched the Healthy Minds, Safer Sites campaign in December 2024 to give mental wellbeing the same priority as physical safety on construction sites. The initiative aims to strengthen support for mental and psychological health across the industry.

Inspectors from the program provide advice and resources to manage psychosocial hazards. These include aspects of work and situations that may cause a stress response, which in turn can lead to psychological, and sometimes physical harm.

The initiative is part of the NSW Government's Psychological Health and Safety Strategy 2024–26 Plan, which is backed by \$5.6 million over the next two years to deliver workplace mental health programs.<sup>22</sup>

## Case Study

### NSW Department of Education – Time for Life Research Project

The Department of Education commissioned the Time for Life Research Project to assess the impact of a 5-day work week on school infrastructure projects. Delivered in partnership with the University of Wollongong and the Construction Industry Culture Taskforce, the pilot aimed to improve workforce wellbeing and productivity through cultural reform.

The survey involved more than 250 workers across six construction projects, representing a range of roles. Surveys focused on trades working on-site for extended periods, enabling insights into their experiences with a shorter work week and comparative analysis against engineering and project management teams.

Key findings include:

- Labour productivity remained largely unchanged between five-day and six-day schedules.
- Preferences for a five-day work week varied by age and language background, with younger workers seeking additional hours and older workers prioritising rest and family time.

Qualitative analysis is ongoing to assess cost and schedule implications. Findings will inform future procurement and delivery models for school infrastructure projects.

The Time for Life initiative exemplifies the NSW Government's commitment to driving innovation and reform across the infrastructure sector. By embedding cultural change into project delivery, the initiative supports broader objectives around workforce sustainability, industry resilience, and value for public investment.

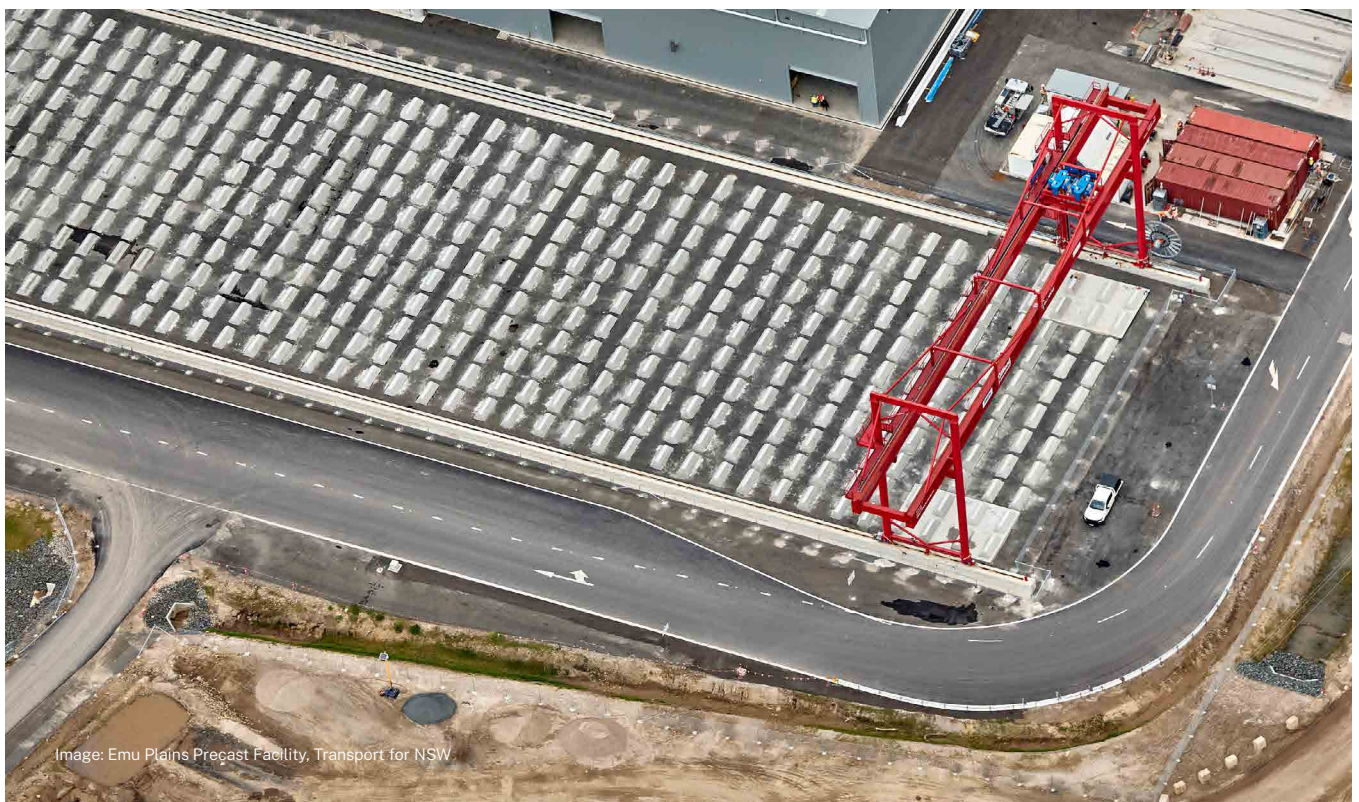


## Action status

Legend		
Actions assigned to NSW Government and industry	Actions assigned to NSW Government	Actions assigned to industry

Action	Status
Be proactive in ensuring worker health, safety and wellbeing is a priority on our sites and in our organisations.	<div></div> Progressing
Continue to prioritise good mental health in a stigma free space.	<div></div> Progressing
Being a model client and advocating for improved worker safety and wellbeing, and initiatives that improve safety and culture on site.	<div></div> Progressing
Update the WHS Management Guidelines for Construction to reflect new requirements and expectations for worker health, safety and wellbeing, including protecting psychosocial safety and wellbeing.	<div></div> Progressing
Take into account high performing contractors with respect to opportunities for further work.	<div></div> Progressing
Propose innovative ideas to promote improved safety and wellbeing on sites.	<div></div> Progressing
Advise clients if proposed project requirements might introduce avoidable safety and wellbeing risks.	<div></div> Not started
Principal contractors should incorporate updated safety and wellbeing expectations within subcontractor and supply chain arrangements.	<div></div> Progressing



# Boost productivity



## Key messages

- Construction productivity has remained largely stagnant for over two decades, posing a significant risk to achieving housing and infrastructure targets.
- The NSW Government is actively addressing infrastructure sector productivity challenges through policy reform, digital transformation, and industry collaboration. Progress is occurring in procurement, digitalisation, and early engagement. However, achieving meaningful productivity gains will require continued effort and collaboration from both the NSW Government and industry.
- Significant progress has been made on the NSW Infrastructure Digitalisation Program, including the release of the NSW Infrastructure Digitalisation and Data Policy. The policy will expedite widespread adoption of digital practices, systems and technologies across the NSW infrastructure program to improve productivity, reduce waste, promote safety, and support sustainable project delivery and asset management.
- Work is occurring to update the GC21 standard contract suite and to reduce re-work during the procurement and tender phases.
- The NSW Government is also taking steps to harmonise requirements and standards with other jurisdictions through the National Competition Policy.

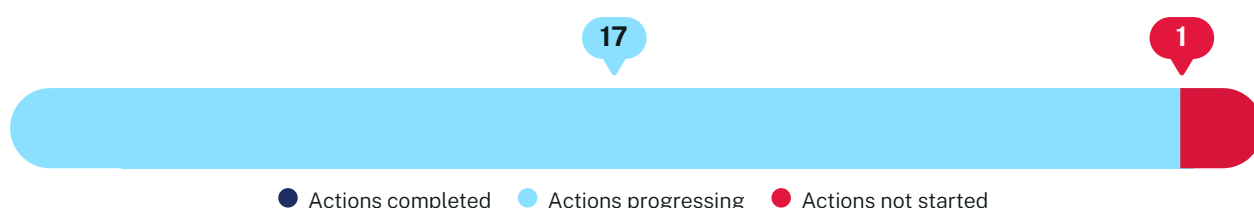
## Progress indicators

Multifactor productivity for the construction sector rose by 2% in FY24.<sup>23</sup>

Only 21% of industry survey respondents said they were confident in NSW Government's ability to effectively apply and use infrastructure digitalisation practices across the asset lifecycle.<sup>24</sup>

Only 51% of industry respondents said they regularly saw NSW Government contracts specifying requirements for spatially enabled data (including 3D models).<sup>25</sup>

## Action tracker



● Actions completed ● Actions progressing ● Actions not started





Image: Sydney Metro West – Tunnel Boring Machine 'Dorothy', Sydney Metro

## Progress updates

The NSW Government has sought to simplify procurement processes and boost productivity.

- In January 2025, the NSW Government released updated Business Case Guidelines designed to simplify the structure, process and contents. The guidelines further embed early market engagement as a core part of the business case process, allowing collaboration with industry before final investment decisions are made.
- Updates to the GC21 Edition 2 contract suite are being progressed in consultation with the Construction Leadership Group to include updated provisions for infrastructure digitisation, data management and sustainability. Working towards a standardised contract will improve efficiency within the construction industry and make it easier to work with government.

Progress has been made in enabling the use of digital tools, data, processes and uplifting capability.

- The NSW Infrastructure Digitalisation and Data Policy and the accompanying Overview and Foundational Concepts Guide were released in September 2025. The Policy establishes the principles and actions necessary to drive the adoption and use of digital practices, systems, and technologies and associated data across all stages of the public infrastructure lifecycle. The Policy and Guide together drive robust infrastructure data management practices that will advance standardisation, reliability and interoperability of infrastructure data between different parties throughout the asset lifecycle.
- Transport for NSW created the Infrastructure Common Data Model as part of its Sustainable Infrastructure Program. The model provides a standard digital language that helps different teams share and use data consistently across transport projects. It covers key areas such as cost, timelines, risk, and carbon impact over the life of the asset, making collaboration and decision-making more efficient.<sup>26</sup>
- In early 2025, all state and territory transport ministers endorsed the Sustainable Procurement in Infrastructure Guideline, making it the standard approach for all Australian transport agencies. The guideline supports transport agencies across Australia to harmonise the decarbonisation requirements and improve productivity.<sup>27</sup>



## Project exemplars

- Sydney Metro West applied lessons from earlier projects to improve procurement efficiency and productivity. This included:
  - Refining technical specifications, focusing on reducing unnecessary detail to give contractors more flexibility for innovation.
  - Using early tenderer involvement to share 30% complete designs with bidders in a confidential setting, encouraging industry-led improvements and cost-saving ideas. This collaborative approach was adopted across multiple packages, including Trains, Systems, Maintenance & Operations, Line-wide, Stations Package West, and Hunter Street Precinct Development Partner, and will continue for the Integrated Station Development packages in late 2025.
  - Streamlining returnable information requirements on Expressions of Interest and Request for Tender to avoid requesting information already received at an earlier stage of the process.
- Health Infrastructure has launched a design standardisation program to enhance quality, user experience, and long-term operational efficiency across its portfolio. The initiative provides clear, accessible guidance on commonly used design elements to streamline processes. In May 2025, the program created new resources, including a Finishes Catalogue to support consistent material selection, and guidance on MMC to encourage efficient, scalable building practices.

### Case Study

#### Sydney Water - Delivery Contractor Panels

Sydney Water has introduced a collaborative, commercial, and programmatic approach to delivering its pipeline, focusing on efficiency, reducing duplication, and leveraging program-wide opportunities. This new way of working has been enabled by creating Delivery Contractor Panels and refreshing the Major Projects Engineering Design Service and Professional Services Panels.

Delivery Contractors will be engaged through a suite of Delivery Panels using standing framework contracts with performance-based work allocations. Initial work will be competitively awarded within the panels. Using Sydney Water's standard NEC contracts, delivery can occur under Lump Sum, Bill of Quantities, or Incentivised Target Cost models.

This approach better reflects asset type, demand, growth, and market conditions. This provides greater timing certainty and improved value for customers through competition and benchmarking.

Upskilling Tier 2 and Tier 3 contractors in NEC4 contracts strengthens capability and ensures engineering and performance outcomes as the panels deliver Sydney Water's significant pipeline.



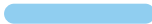















## Action status

### Legend

Actions assigned to NSW Government and industry

Actions assigned to NSW Government

Actions assigned to industry

Action	Status
Collate and publish standardised data and baseline productivity metrics on key project performance measures, to better identify areas of productivity improvement, and areas for improvement.	 <b>Not started</b>
Accelerate adoption and application of digital practices and tools in project design, procurement and delivery.	 <b>Progressing</b>
Collaborate on appropriate data management to facilitate improved productivity.	 <b>Progressing</b>
Investigate ways to enhance government tender processes to incorporate innovation and reduce the cost of bidding, for example, reliance on technical documentation.	 <b>Progressing</b>
Do less design internally up front (for example, capping at 30%), where appropriate, in order to involve industry early in the design process and promote innovative solutions.	 <b>Progressing</b>
Review of project specifications, design standards and review processes to streamline requirements and promote innovation.	 <b>Progressing</b>
Where possible, harmonise requirements and standards with other jurisdictions.	 <b>Progressing</b>
Explore the harmonisation of qualifications across jurisdictions, recognition of trade qualifications obtained overseas for critical skills areas, and the transferability of skills across adjacent sectors to address skills shortages.	 <b>Progressing</b>
Updates to and promotion of the whole-of-government GC21 standard form construction contracts.	 <b>Progressing</b>
Enhance the effectiveness of early market interactions and stakeholder engagement (including community engagement) by exploring how these Principles can be implemented on projects.	 <b>Progressing</b>
Better engagement of relevant market participants early in project development to avoid overengineering and focus on performance or outcomes-based specifications.	 <b>Progressing</b>
Explore greater use of modern methods of construction (MMC) such as prefabricated or design for manufacture and assembly (DFMA).	 <b>Progressing</b>
Encourage innovation in contractual arrangements, where appropriate.	 <b>Progressing</b>
Consider innovative ideas from industry as part of the tender process, and benefit sharing arrangements where appropriate.	 <b>Progressing</b>
Be an active participant in early market engagement sessions to deliver high quality infrastructure outcomes for the people of NSW.	 <b>Progressing</b>
Identify opportunities for innovation that align with government objectives.	 <b>Progressing</b>
Digitalise practices on construction projects in line with whole-of-government data and information management practices.	 <b>Progressing</b>
Provide standardised data in line with new project requirements, and continue to suggest areas for data streamlining.	 <b>Progressing</b>

# Invest in skills and local jobs



## Key messages

- There have been a number of strategic investments in skills development, planning and policy alignment, and enhanced collaboration with industry.
- The NSW Government has increased collaboration with industry to increase opportunities for local content, local jobs and local manufacturing on NSW Government infrastructure projects. More work is required to uplift local skills, increase industry capacity to assess local job capacity and align implementation with government's strategic objectives.
- Apprenticeship completion rates remain low relative to other sectors, influenced by factors such as workplace culture. The NSW Government is investing in skills development and retention initiatives while exploring broader actions to address structural challenges in the industry.

## Progress indicators

In 2025, 50% of surveyed construction businesses in NSW reported attracting and retaining appropriately skilled staff as a main challenge affecting their business.<sup>28</sup>

In 2023, the attrition rate for apprentices and trainees in trade occupations was 51% compared to 41.8% for those in non-trade occupations.<sup>29</sup>

In 2025, construction infrastructure and housing was designated as one of six NSW Government critical skills areas.<sup>30</sup>

## Action tracker







## Progress updates

Construction has been recognised as a critical skill area for a future-ready workforce.

- The Department of Education released the NSW Skills Plan 2024–28: Building Skills and Shaping Success in December 2024, which aims to ensure a future-ready workforce for NSW. A focus of the plan is to drive targeted skill investment and improve skills planning to support critical skills areas in NSW Government priority sectors and industries facing shortages. Construction infrastructure and housing is one of six critical skills areas in the Skills Plan, which will prioritise the development of industry, workforce and place-based skilling responses. Net zero and the energy transition is also a critical skills area within the Skills Plan.<sup>31</sup>

The NSW Government is investing in construction skill development, attraction and retention strategies.

- To alleviate financial barriers to education and training, the NSW Government, in partnership with the Australian Government, has expanded Fee-Free TAFE places in construction-related courses.<sup>32</sup> In 2025, \$40.2 million was allocated over two years that will support 23,000 additional fee-free apprenticeships in trades such as plumbing, carpentry, and electrotechnology.<sup>33</sup>
- A \$13.8 million initiative will upskill up to 4,800 workers. This will support up to 4,000 workers to upskill and transition into trades. It will also assess and provide gap training for up to 700 existing workers and up to 100 skilled migrants to assist them to gain formal trade qualifications, and deliver construction taster programs to up to 3,000 school students.<sup>34</sup>

## Project exemplars

- In partnership with the Australian Government, the NSW Government is establishing three Manufacturing Centres of Excellence at TAFE NSW campuses in the Hunter, Illawarra and Western Sydney. Alongside currently available free face-to-face and online courses, these centres will address skills shortages through microskills, microcredentials and higher apprenticeships.<sup>35</sup>
- In May 2025, Transport for NSW hosted the Pave the Way, Building Western Sydney Roads workshop with over 50 industry representatives.<sup>36</sup> Industry was invited to provide feedback on six key themes to enhance the delivery of the \$5.2 billion pipeline of road projects in Western Sydney. The theme of ‘skills and diversity’ focused on practical initiatives for people and businesses in the local area to participate.<sup>37</sup>
- Pre-employment programs continue to grow the construction workforce on government projects. In the last 12 months pre-employment programs on Transport for NSW projects achieved employment outcomes greater than 80%. This includes the Hunter Indigenous Pre-Employment Program. The initiative upskilled 12 local Aboriginal people with ten participants completing the program and later being offered full-time employment with the principal contractors across three Lower Hunter Major Infrastructure projects.<sup>38</sup>
- Sydney Metro partnered with delivery partners to identify and deliver critical skillsets to enhance opportunities for women working on Sydney Metro projects. Following valuable insights gathered from focus groups, delivery partner consultation, and a review of current industry skill shortages, four tailored training programs were developed and delivered between April and May 2025. These programs were designed to build capacity, enhance safety, and support career progression for women across a range of roles.
- DCCEE Water is delivering the Sustainable Diversion Limit Adjustment Mechanism Acceleration program to achieve equal or better environmental outcomes for rivers, wetlands, and wildlife, using less water. The program comprises six projects delivered through approximately 22 work packages across 85 sites in south-west NSW. To support local industry, DCCEE Water has engaged small to medium regional contractors and suppliers through targeted engagement and business information sessions. Work packages are structured to attract local businesses and manage liquidity risk by assessing contractors’ financial capacity before awarding contracts.

### Case study

#### Transport for NSW - Local Procurement Targets

Transport for NSW Future Fleet Program established a 50% local content target during the procurement of the replacement of the Tangara fleet of suburban passenger trains. This ensures that local businesses and skilled workers will play a substantial role in designing, building and maintaining the fleet.

\$87.7 million in the 2025–26 NSW Budget has been allocated to the development of a Full Business Case for the Future Fleet Program and the start of the long-lead procurement activities, including design and planning, to build the first double-deck suburban passenger train replacements in NSW.<sup>39</sup>

During 2024–25, the NSW Government started a comprehensive market analysis and engagement campaign with ICN, manufacturers and suppliers to gather insights, identify key considerations, and help it shape the direction of further engagement. This industry engagement will continue through 2025–26.



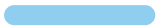
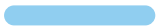

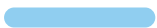
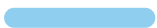


Through the long-term fleet pipeline, the NSW Government aims to leave a strong legacy of secure and skilled rail manufacturing jobs and apprenticeships in a revitalised NSW and Australian rail manufacturing industry.

Passengers can expect to see the first new locally made trains in use across Sydney’s suburban network in the early 2030s.

## Action status

Legend		
Actions assigned to NSW Government and industry	Actions assigned to NSW Government	Actions assigned to industry

Action	Status
Invest in our people, upskilling and building capability across the workforce, for all of the priority areas.	 <b>Progressing</b>
Provide opportunities for diverse and underrepresented groups in skills and training programs.	 <b>Progressing</b>
Increase employment opportunities and pathways on our infrastructure projects for people living locally.	 <b>Progressing</b>
Make construction an industry of choice through attraction and retention strategies, particularly working to change perceptions and improve the culture in the industry.	 <b>Progressing</b>
Ensure high quality products and appropriate level of skills and capabilities exist in industry.	 <b>Progressing</b>
Include construction as a priority area in the upcoming NSW Skills Plan.	 <b>Completed</b>
Implement further evidence-based programs and supplier requirements which deliver improved diversity outcomes for underrepresented groups.	 <b>Progressing</b>
Work with industry to identify opportunities to identify future skills needed for construction.	 <b>Progressing</b>
Ensuring high quality training through apprenticeships, traineeships and other vocational education and training courses.	 <b>Progressing</b>
Invest in skills development to build capability and capacity to support the delivery of these Principles, address skills shortages and increase productivity.	 <b>Progressing</b>
Work with local communities to maximise skills and employment opportunities for local people and businesses.	 <b>Progressing</b>
Engage with local First Nations communities to ensure First Nations people and First Nations owned businesses benefit from skills development and local employment opportunities through local investment in projects.	 <b>Progressing</b>

# Enhance industry culture and diversity



## Key messages

- The NSW Government has taken a leadership role, working collaboratively with industry, to improve industry culture and model best practice as a major client, including implementation of cultural reform pilots, and gender and diversity-focused reporting.
- The construction industry has the highest gender pay gap in Australia at 31.8%, where women represent only 13% of the construction workforce and fewer than 4% in on-site roles.<sup>40</sup>
- Structural challenges persist, including rigid work schedules, limited flexible work options, lack of support for transitions in and out of parental leave, and fewer women in leadership roles.
- Programs including the NSW Women in Construction initiative and piloted work-hour reforms are helping to shift perceptions and conditions. Sustained culture change will require stronger accountability, consistent implementation and measurement of reform outcomes.

## Progress indicators

A 2025 survey found that 25.4% of men and 16.7% of women work in the construction sector more than 51 hours per week.<sup>41</sup>

In 2025, 62% of surveyed NSW construction businesses reported that they had implemented equal pay policies, up from 47% in 2023.<sup>42</sup>

70% of women surveyed (74% for site-based and 68% for office-based) reported experiencing workplace discrimination within the last 12 months.<sup>43</sup>

## Action tracker

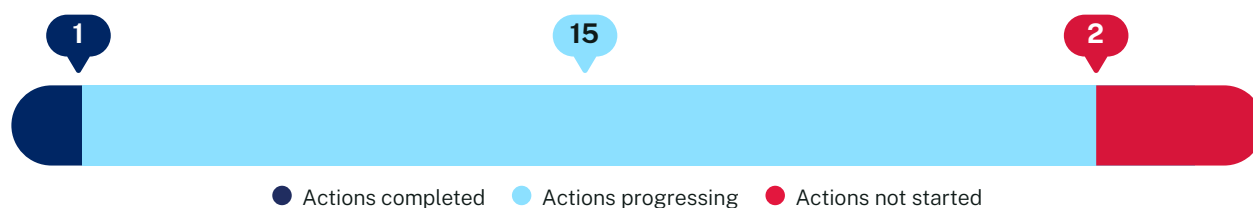






Image: NSW Women in Construction Program

## Progress updates

The NSW Government has encouraged diversity through inclusive practices and guidance:

- In August 2025, the NSW and Victorian governments, the Australian Constructors Association, and RMIT University released the Construction Industry Culture Taskforce Final Report.<sup>44</sup> The report champions and provides evidence for the Construction Industry Culture Standard, which is designed to tackle the industry's most persistent cultural issues, such as excessive working hours and fatigue, poor mental health, and the lack of workforce diversity.<sup>45</sup>
- In August 2025, Transport for NSW released the Skills, Diversity, Aboriginal and Culture Requirements.<sup>46</sup> This document consolidates existing NSW Government policy commitments with the principles of the Culture Standard. It creates a clear and consistent reference point for industry, and a 'one-stop shop' for Transport for NSW's expectations. This helps industry partners understand requirements and how to achieve meaningful cultural and diversity outcomes when bidding for and delivering projects. Progress towards Workplace Gender Equality Agency (WGEA) gender equitable employer of choice citation is considered in the tender evaluation process.
- From September 2025, tenderers on Transport for NSW projects valued over \$10 million will be required to nominate a percentage of the total contract value to be awarded to social enterprises as part of their tender submission.<sup>47</sup>

Steps have been taken to increase First Nations participation in the construction sector.

- Under the Aboriginal Participation in Construction Policy, Health Infrastructure directed over \$500 million towards Aboriginal employment, businesses, training, and engagement in the 2024–25 financial year. Several projects significantly exceeded targets. The Sydney Children's Hospital, Randwick Stage 1 directed 10% total contract value (\$34.9 million) and The Children's Hospital at Westmead Stage 2 directed 9.3% total contract value (\$29.9 million) against a 1.5% target.
- Between May and September 2025, NSW Treasury worked with Department of Primary Industries and Regional Development, Department of Community Services, Health Infrastructure, Transport for NSW and Sydney Metro to host Gather and Grow sessions across regional and metropolitan NSW. These sessions connected local Aboriginal businesses with procurement information, resources, and support to help them participate in major NSW Government projects, developments, and supply chains.<sup>48</sup>
- NSW Treasury updated the First Nations Investment Framework (TPG 24-28) in 2025.<sup>49</sup> The framework guides the design, appraisal, and evaluation of initiatives involving First Nations people and communities. It aims to establish conditions for building long-term, well-resourced relationships based on mutual trust, and provides advice on how to embed First Nations cultural values into economic evaluations.

## Project exemplars

- In a first for the NSW Government, Infrastructure NSW is working closely with head contractor BESIX Watpac on the Bank Street Park Project to achieve a minimum target of 40% and a stretch target of 50% women working on the project. The Women in Construction pilot project aims to address the underrepresentation of women in the NSW construction industry - an imbalance that limits diversity, reduces the available talent pool, and makes it harder to meet the state's infrastructure needs. Bank Street Park will be the first project in NSW to proactively work towards 50% participation of women throughout the project lifecycle.
- Sydney Metro has adopted procurement models that promote culture-focused initiatives through their “bid-back” process, where tenderers commit to diversity and culture practices beyond compliance.
- 19 project officers were embedded across 23 NSW Government major infrastructure projects as part the NSW Women in Construction Program. The project officers sit within the principal contractor and work closely with sub-contractors to achieve increased targets for women in trade (4%) and women in non-traditional roles (7%). These projects collectively tracked well against the increased targets, averaging 4% for women in trades and 6.3% for women in non-traditional roles.

### Case study

#### NSW Women in Construction – Industry Innovation Program

Over two years, the Industry Innovation Program (IIP) awarded \$5.9 million in grant funding across 34 industry initiatives that support and encourage the participation and retention of women in the construction industry.

These include programs such as Acciona’s KidsCo Vacation Care pilot, a program which fully funded care for employees’ children during school holidays. The program was so successful, it is now being rolled out across Acciona projects nationally.

The Industry Innovation Program was a finalist for the Innovation Excellence category at the 2025 Infrastructure Partnerships Australia National Infrastructure Awards, recognising the benefits and opportunities the program created for women.

## Action status

Legend		
Actions assigned to NSW Government and industry	Actions assigned to NSW Government	Actions assigned to industry

Action	Status
Model inclusive and collaborative behaviours, and leave behind the traditional, adversarial ways of working in construction.	 <b>Progressing</b>
Take positive action to increase diversity on sites and in our organisations.	 <b>Progressing</b>
Be open and collaborative with all members of the construction supply chain to foster a culture of trust.	 <b>Progressing</b>
Complete pilot programs for the draft Culture Standard for the Construction Industry on major government infrastructure projects and report back findings to government and industry.	 <b>Completed</b>
Implement key recommendations emerging from the Culture in Construction Taskforce pilot projects into business-as-usual project management.	 <b>Progressing</b>
Consider innovative ideas from tenderers for culture improvement initiatives.	 <b>Progressing</b>
Implement an updated whole-of-government contractor performance reporting system to deliver enhanced insights, emphasising the importance of collaborative behaviours.	 <b>Progressing</b>
Consider project timelines to reduce pressure on project workforce and consider approach to fatigue management for government infrastructure projects.	 <b>Not started</b>
Continue the NSW Women in Construction Program, including increased targets for women in non-traditional roles and reporting on government infrastructure projects.	 <b>Progressing</b>
Consider progress towards Workplace Gender Equality Agency (WGEA) gender equitable employer of choice citation as part of the tender process.	 <b>Progressing</b>
Consider recognition of prior learning or other relevant experience rather than typical 'years of experience' requirements where appropriate to enable development of emerging and diverse leaders.	 <b>Progressing</b>
Implement further evidence-based programs and supplier requirements which deliver improved diversity outcomes for underrepresented groups.	 <b>Progressing</b>
Co-design innovative ideas with clients to promote improved culture and diversity on sites.	 <b>Progressing</b>
Advise clients if proposed project requirements might introduce avoidable negative impacts to improving culture and diversity on sites.	 <b>Not started</b>
Commit to inclusive workplaces and sites by ensuring there are appropriate amenities, culture and behaviour on sites.	 <b>Progressing</b>
Develop and implement workforce flexibility plans to target that all workers work ≤50 hours / week.	 <b>Progressing</b>
Where possible, operate the site on a 5-day work week, or where this is not viable, demonstrate why and where possible ensure workers are working a 5 in 7 program.	 <b>Progressing</b>
Work with clients to achieve diversity outcomes to attract and retain underrepresented groups.	 <b>Progressing</b>

# Improve financial sustainability



## Key messages

- The construction industry has experienced a period of instability and financial strain. 3,596 companies entered external administration or had a controller appointed for the first time in 2024-2025, representing a 21% increase from the previous year.
- Cost pressures and margin erosion have led to more contractors being unable to deliver projects under existing terms.<sup>50</sup> This has resulted in renegotiations or contract terminations.
- Cost escalation remains a challenge for NSW construction projects in 2025. Transport for NSW forecasted road construction cost escalation at 3.5% in 2024–25 and rail at 2.6%. Cost escalation is predicted to ease but remain above long-term averages.<sup>51</sup>
- Progress has been made in reforming some commercial frameworks, with enhanced guidance and stronger payment security introduced to rebalance risk and improve outcomes in government-industry engagement.

## Progress indicators

The construction sector accounted for almost 28% of insolvencies in NSW in the 12 months to May 2025.<sup>52</sup>

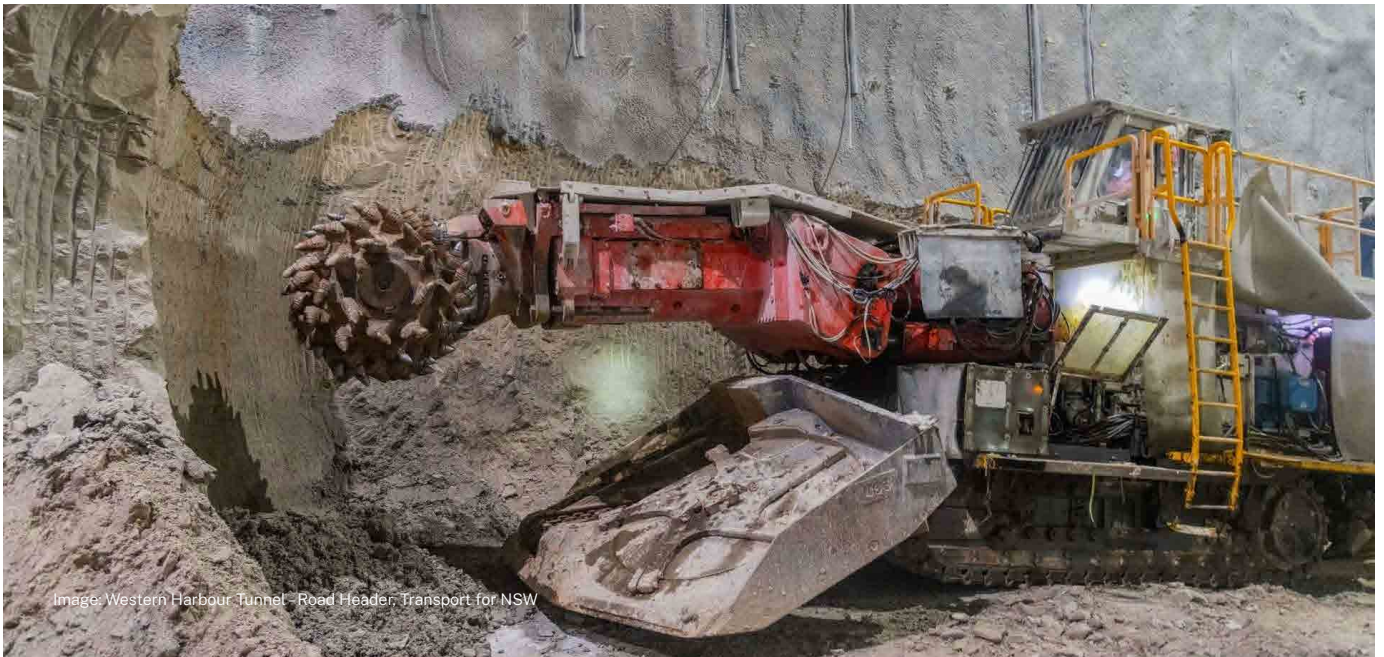
Building materials used in construction increased in cost by 1.6% in the year to June 2025, with figures stabilising from peak annual growth of 17.3% in 2022.<sup>53</sup>

In 2025, 47% of surveyed construction businesses in NSW reported ‘financial concerns’ as a main challenge affecting their business, down from 58% in 2023.<sup>54</sup>

## Action tracker







## Progress updates

Updated guidance on procurement and securities includes the following:

- The NSW Government Construction Leadership Group released three new guidance notes to support best practice in early market engagement, transparency on criteria weighting in tenders, and effective post-tender debriefs.<sup>55</sup> The guidance aims to improve procurement outcomes and create stronger collaboration between the NSW Government and industry.<sup>56</sup>
- The NSW Government released TPG25-05: Guidance on Security for Construction Projects. The guidance aims to strengthen risk management across the lifecycle of construction projects by ensuring security arrangements are proportionate and tailored to each project's financial and performance-related risks. It also promotes a consistent approach to security across NSW Government agencies, supporting more predictable and transparent procurement practices.<sup>57</sup>
- The NSW Government is implementing processes to better understand the state's exposure to specific contractors, through improved financial capacity risk identification, mitigation and monitoring of contractors delivering the state's major infrastructure projects. These processes are being implemented in consultation with government agencies and key industry stakeholders to ensure they are practical, transparent and fit for purpose.

## Project exemplars

- The Western Harbour Tunnel project pioneered an asset manager model. This approach involved the early procurement of the asset manager to integrate whole-of-life operational and maintenance expertise into the design and construction phases. This focus on long-term outcomes and sustainability, rather than just upfront capital cost, enabled the design and construction contractor to develop an alternative design using tunnel-boring machines. This significantly reduced above-ground environmental impacts, reduced financial risk and demonstrated the benefits of an outcome-focused, collaborative process.<sup>58</sup>
- Sydney Metro West has adopted a disaggregated delivery model, developed following extensive industry feedback. This model breaks the mega-project into multiple packages based on scale and technical requirements of each project, and the market's ability and capacity to respond. This approach fosters a collaboration, improves risk allocation and supports a more sustainable industry.

## Case study

### Construction Industry Leadership Forum

Construction Industry Leadership Forum (CILF), a partnership between the state governments of NSW, Victoria, Queensland, Western Australia as well as the Australian Government and the Australian Constructors Association held a forum in May 2025 to address financial sustainability in the sector.

The forum established enhanced understanding of state and territory budget contexts, upcoming infrastructure pipelines, and potential approaches to address key financial challenges.

## Case study

### Sydney Water – Malabar Project

Sydney Water's Malabar Project adopted a collaborative contracting model to encourage transparency and joint, early problem-solving. Using an outcomes-based procurement approach, proponents were required to meet or exceed performance specifications within a set affordability envelope.

Shortlisted proponents received reference designs and affordability parameters early, allowing innovation while ensuring compliant solutions within defined financial parameters. To support proponents, Sydney Water introduced milestone-based bid cost reimbursements, improving cash flow and reducing financial barriers to participation.

The alliance model adopted a risk allocation strategy that prioritised financial sustainability through equitable risk sharing. Sydney Water retained high-impact uncertainties while managing price escalation. Contractor cash flow was supported through advance and monthly payments based on actual and forecast costs.

A KPI framework incentivised performance, rewarding milestone achievements. Early Warning Notices, aligned with NEC principles, enabled proactive issue resolution. The Gateway Review Report (Gate 4) confirmed the success of this approach.

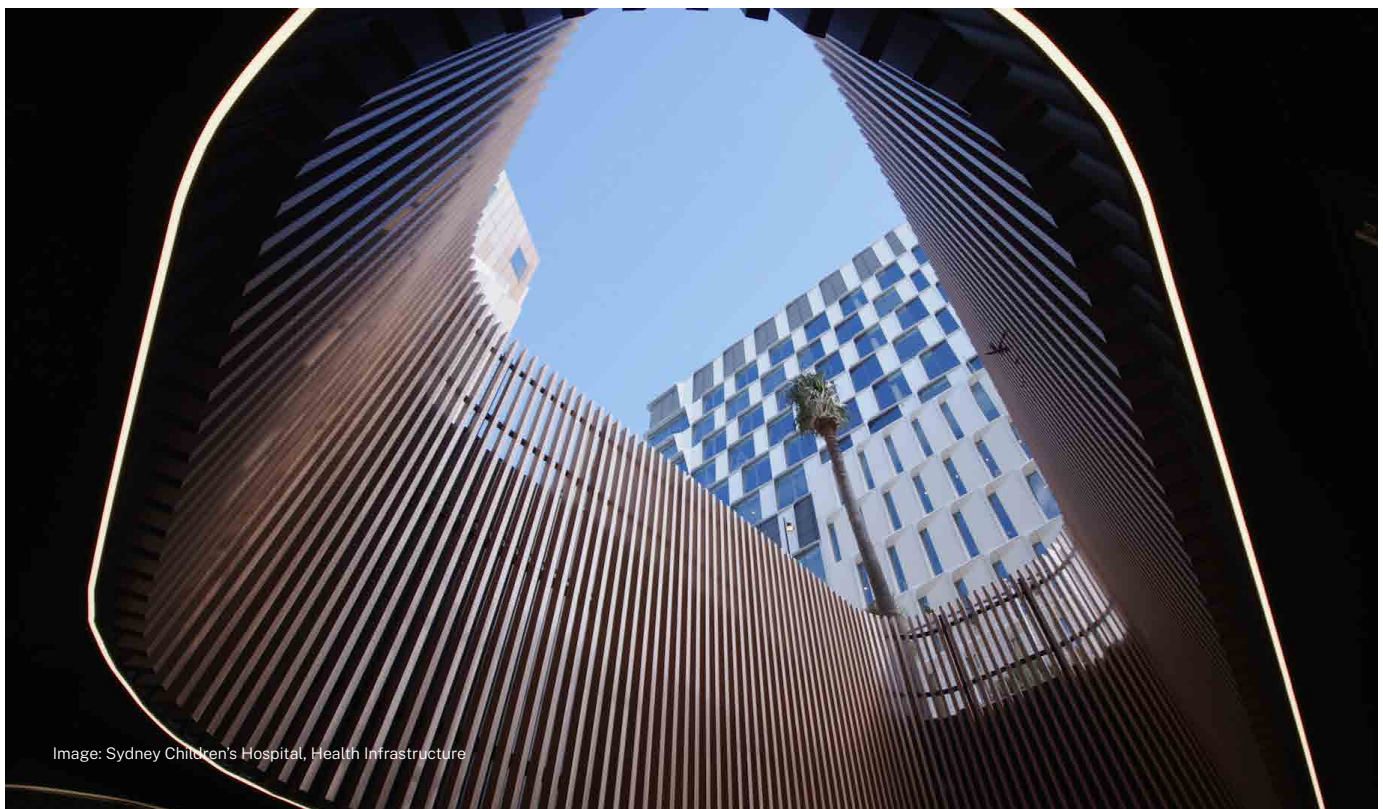


Image: Sydney Children's Hospital, Health Infrastructure

## Action status

Legend		
Actions assigned to NSW Government and industry	Actions assigned to NSW Government	Actions assigned to industry

Action	Status
Explore options for ongoing collaboration between government and industry and identification of appropriate actions to support financial sustainability.	 <b>Progressing</b>
Commit to exploring collaborative approaches to risk allocation with particular regard to key areas where risk is hard to quantify.	 <b>Progressing</b>
Promptly resolve commercial issues and claims raised on projects.	 <b>Progressing</b>
Explore sizing of contract packages capable of being more readily priced and managed by a diverse range of contractors.	 <b>Progressing</b>
Improve guidance to contractors in respect of information requirements and processes for financial capacity assessment throughout the project lifecycle.	 <b>Progressing</b>
Develop an understanding of security requirements on construction projects and tailor those requirements to align with financial capacity risk profiles.	 <b>Completed</b>
Consider updating payment measures where appropriate e.g. increased payment frequency or advance payments.	 <b>Progressing</b>
Consider what structural changes are required in industry to innovate and foster financial sustainability throughout the supply chain.	 <b>Progressing</b>
Transparently provide high quality and sufficiently detailed information to government when requested in a timely manner to facilitate appropriate financial capacity assessments.	 <b>Progressing</b>
Proactively report financial capacity risks to government.	 <b>Progressing</b>
Ensure timely payments to subcontractors.	 <b>Progressing</b>
Collaboratively engage with government to address financial capacity issues.	 <b>Progressing</b>

# Decarbonise to achieve Net Zero targets



## Key messages

- The NSW Government has embedded decarbonisation requirements into infrastructure planning and delivery. This includes requirements to track, measure and report embodied carbon in accordance with detailed technical guidance.
- Work is occurring across jurisdictions to improve standardisation and consistent measurement of embodied carbon by government agencies and delivery partners.
- The maturity and capacity of both industry and government will influence the construction sector's ability to reduce greenhouse gas emissions and achieve the NSW Government's net zero targets. Gaps remain both in data quality and technical expertise.

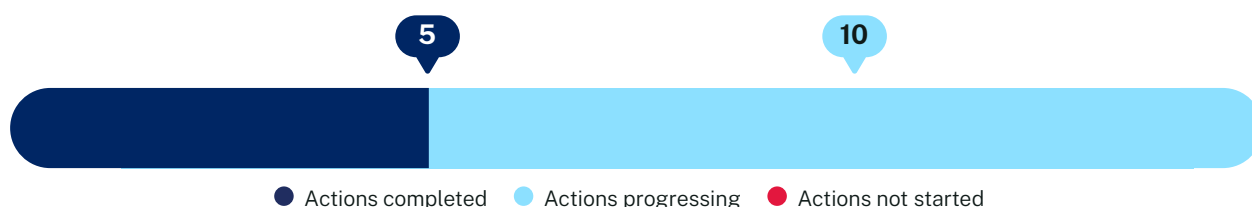
## Progress indicators

100% of NSW agencies are now considering carbon in major project design and delivery.

Four Australian jurisdictions now have consistent decarbonisation measurement and/or policies.

Sydney Metro has committed to offsetting 100% of carbon emissions associated with electricity consumption during operations.

## Action tracker





## Progress updates

- The Decarbonising Infrastructure Delivery Policy became effective in April 2025. It embeds consideration of embodied carbon emissions into NSW Government infrastructure decision-making processes. All NSW Government building projects with a capital cost over \$50 million and linear infrastructure projects over \$100 million must measure and report on embodied carbon.<sup>59</sup> This represents a key step towards providing a market signal for low-carbon materials and solutions.
- In April 2025, the NSW Government released a Decarbonising Infrastructure Toolkit to support the implementation of decarbonisation on construction projects. This includes fact sheets, templates, case studies, and an Embodied Carbon Databook.<sup>60</sup> This was accomplished using a common methodology, emissions factors, assumptions, and reporting approaches.
- In May 2025, Infrastructure NSW and Transport for NSW released the updated Decarbonising Infrastructure Roadmap. The roadmap outlines activities and milestones related to infrastructure decarbonisation over the 2024–26 period. It aims to provide transparency and clarity to industry.<sup>61</sup>
- NSW Treasury released the Carbon Emissions in the Investment Framework TPG24-34 in December 2024, which sets out how to incorporate carbon emissions into business cases and CBAs for capital projects exceeding \$100 million.<sup>62</sup> The framework includes a requirement to consider non-build options or minimum viable product options on an ‘if-not, why-not’ basis. This encourages NSW Government agencies to consider carbon emissions at the earliest project stages, where there is the greatest potential to reduce carbon emissions.
- The Net Zero Manufacturing Initiative has supported NSW businesses and industries by increasing their competitiveness, attracting investment and opening new growth opportunities. The initiative has funding streams of up to \$100 million for low-carbon product manufacturing and up to \$150 million for renewable manufacturing. It is aimed at establishing local industrial facilities and building the capacity to produce components for the clean energy transition.<sup>63</sup> Projects awarded funding will begin implementation from late 2025.
- The NSW Government has been collaborating with the Australian Government and other states and territories on a policy framework to drive national policy consistency, drawing on the NSW Decarbonising Infrastructure Delivery policy. This work is acknowledged as a priority under the Australian Government’s Infrastructure and Transport sector plan. This is a key step towards national policy consistency, which is a priority for industry and will support efficiency in the sector.

## Project exemplars

- Sydney Metro’s Western Sydney Airport project committed to being certified carbon neutral from the start of construction, all the way through to operations. All carbon emissions generated during construction and operations will be reduced and offset. The project will also use solar panels onsite and renewable energy as part of the operational electricity offset commitment. All Sydney Metro projects have committed to offsetting 100% of carbon emissions associated with electricity consumption during operations, thereby managing about 70% of carbon emissions generated over the project lifecycle.
- Health Infrastructure’s Sydney Children’s Hospital, Randwick Stage 1 and Minderoo Children’s Comprehensive Cancer Centre project, which reached construction completion in late 2025, targeted minimum 30% cement content replacement and minimum 50% reclaimed water and manufactured sand use in all concrete poured on site. Bio-fuels, electric cranes and at least 15% green power on site helped reduce carbon emissions and more than 90% of construction waste was diverted from landfill.

Case study

NSW Government – New Sydney Fish Market<sup>64</sup>

The NSW Government has incorporated carbon considerations into design and construction to reduce upfront carbon. The \$750 million project will create 6,000m<sup>2</sup> of new public space and will be the largest fish market in the Southern Hemisphere.

The project has reduced the emissions associated with the facility’s construction by selecting low-carbon materials, optimising transport to the site, utilising local material sourcing, and using renewable diesel.

Early concept design specified the use of timber, which has a lower carbon footprint than traditional steel frames. Concrete was designed to meet sustainability requirements by using high recycled content.

Case study

Transport for NSW – Engineering Cost and Carbon Library<sup>65</sup>

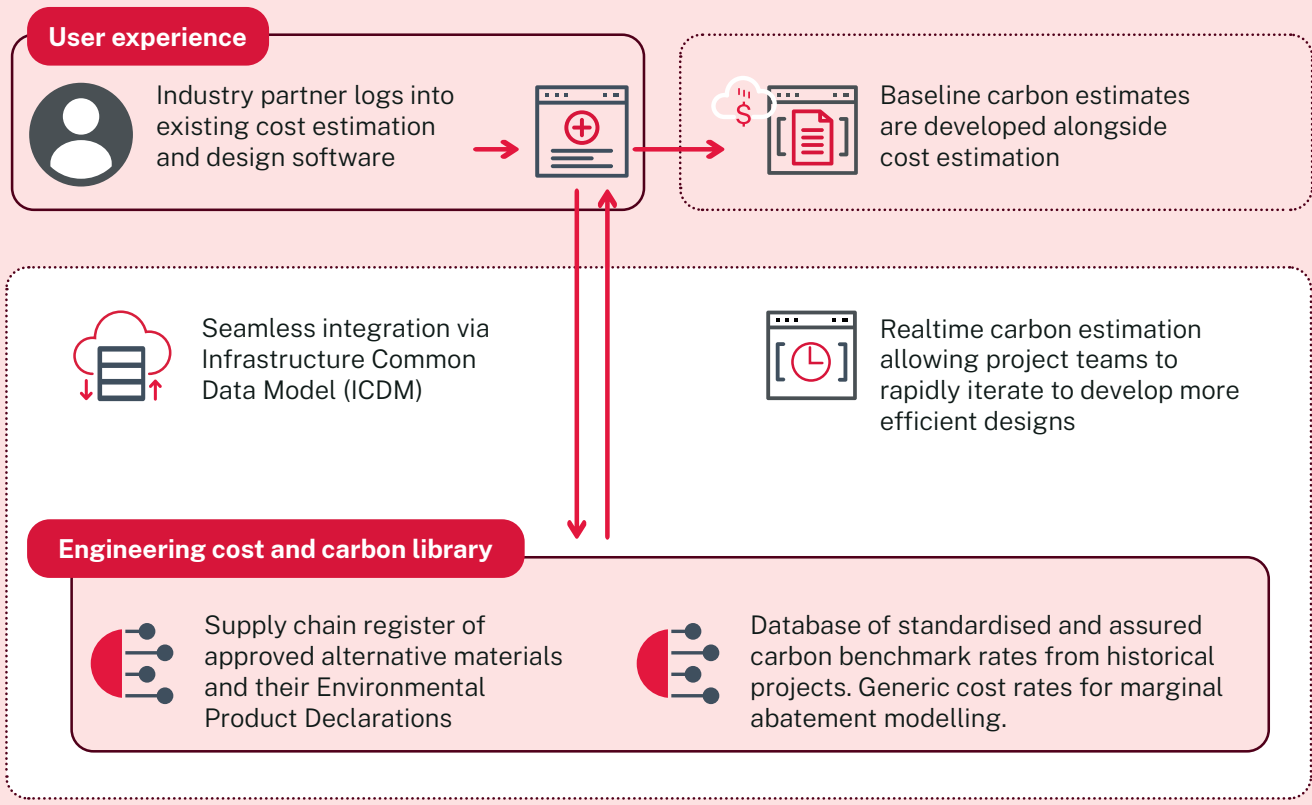
Transport for NSW’s Engineering Cost and Carbon Library (ECCL) classifies and defines over 5,000 construction resources, including plant, labour, materials and fuels, for baseline carbon assessment.

The classification covers roads, motorways, bridges, maritime, rail, buildings and integrated precincts for whole life cost and carbon aligned to international standards.

This allows systems to be configured to automate baseline carbon estimates as part of existing engineering design and cost estimation processes.

The ECCL is currently in draft following industry consultation in 2024. Transport for NSW is incorporating industry feedback prior to finalising and publishing the ECCL.

Figure 1: A conception view of how industry will use and benefit from the ECCL



## Action status

Legend		
Actions assigned to NSW Government and industry	Actions assigned to NSW Government	Actions assigned to industry

Action	Status
Collaborate to uplift existing carbon management maturity and capability.	<div></div> Progressing
Collaborate early on projects to avoid unnecessary rework and engage early with the supply chain.	<div></div> Progressing
Consider design for deconstruction/disassembly.	<div></div> Progressing
Embed consideration of carbon into existing infrastructure decision-making processes, focusing on early project stages where the ability to reduce emissions is greatest.	<div></div> Completed
Challenge the need for new infrastructure where possible, considering options to upgrade or repurpose existing assets, and consider low carbon design and construction methods.	<div></div> Progressing
Provide a consistent approach to measuring carbon across different asset types.	<div></div> Completed
Mandate measurement of embodied carbon emissions at 3 key stages in the project lifecycle: business case, planning approval, design and procurement, and practical completion.	<div></div> Completed
Ultimately, enable future tracking and target setting to reduce carbon emissions.	<div></div> Completed
Incorporate government requirements in standard form construction contracts.	<div></div> Progressing
Collaborate to expand the Decarbonising Infrastructure Delivery Policy and Measurement Guidance to cover whole life carbon.	<div></div> Progressing
Improve visibility of estimated material quantities for planned projects.	<div></div> Progressing
Embed consideration of carbon into industry building and infrastructure decision-making processes.	<div></div> Progressing
Engage with government on the consistent approach to measuring carbon across different asset types.	<div></div> Completed
Engage with government on sharing intellectual property to allow publication of project embodied carbon data increasing transparency and promoting innovation in decarbonising construction.	<div></div> Progressing
Prepare for climate-related financial disclosures.	<div></div> Progressing

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Image: New Sydney Fish Market, Infrastructure NSW





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