

1. OVERVIEW

The 2023-24 Budget provides for a \$116.5 billion investment in public infrastructure over four years to deliver new schools, hospitals and transport projects, and catalyse housing supply.

The infrastructure program has been targeted toward essential services through the Essential Infrastructure Plan, with additional funding for new schools, hospitals, transport and clean energy projects across the State. The Essential Infrastructure plan is being delivered without privatising any public assets.

\$116.5 billion Essential Infrastructure Plan



Hospitals and health facilities¹

\$13.8 billion



Schools and educational facilities

\$9.8 billion



Transport

\$72.3 billion



Energy infrastructure

\$3.6 billion

The 2023-24 Budget balances what is fair and responsible with meeting the needs of growing communities to achieve this critical infrastructure investment. Key recommendations from the Strategic Infrastructure Review are being implemented to stabilise the infrastructure program and support a renewed focus on infrastructure that supports essential services.

The Government is directing much needed funding towards essential schools and hospitals. This is demonstrated through a new \$1.4 billion investment over four years to support the planning and delivery of 34 new and upgraded schools and over \$1.4 billion over four years in new funding for hospitals and health facilities.

There is also a strong focus on regional NSW with a \$3.8 billion investment over four years in regional health facilities and a \$1.4 billion investment over four years in regional schools. In addition, over 30 per cent of new Restart NSW reservations will be spent on projects and programs in the regions.

The Government's infrastructure program is the beginning of a new era of responsible long-term investment to rebuild essential services that support quality of life for all people in New South Wales.

¹ Health Capital Expenditure includes capital expensing amounts. Further information is provided at footnote (c) of Table 1.2

Chart 1.1: Health capital expenditure 2015-16 to 2026-27

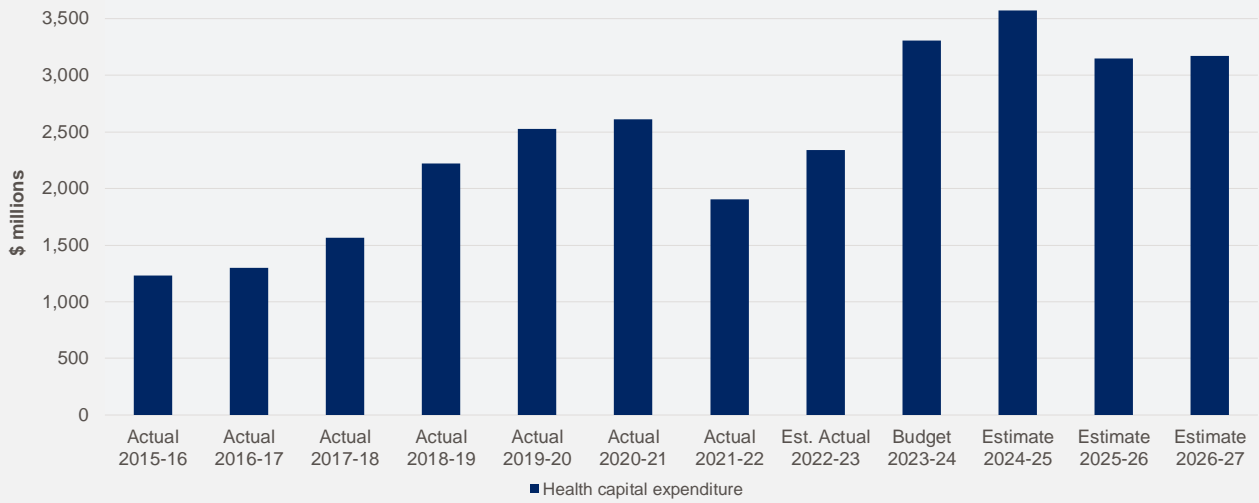
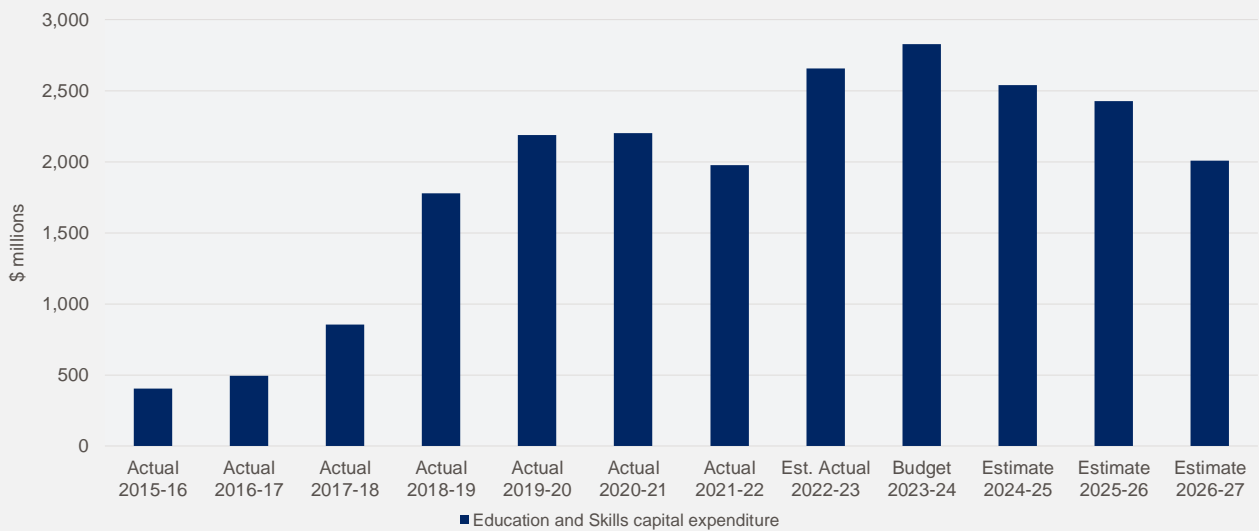


Chart 1.2: Education and skills capital expenditure 2015-16 to 2026-27



1.1 The Essential Infrastructure Plan

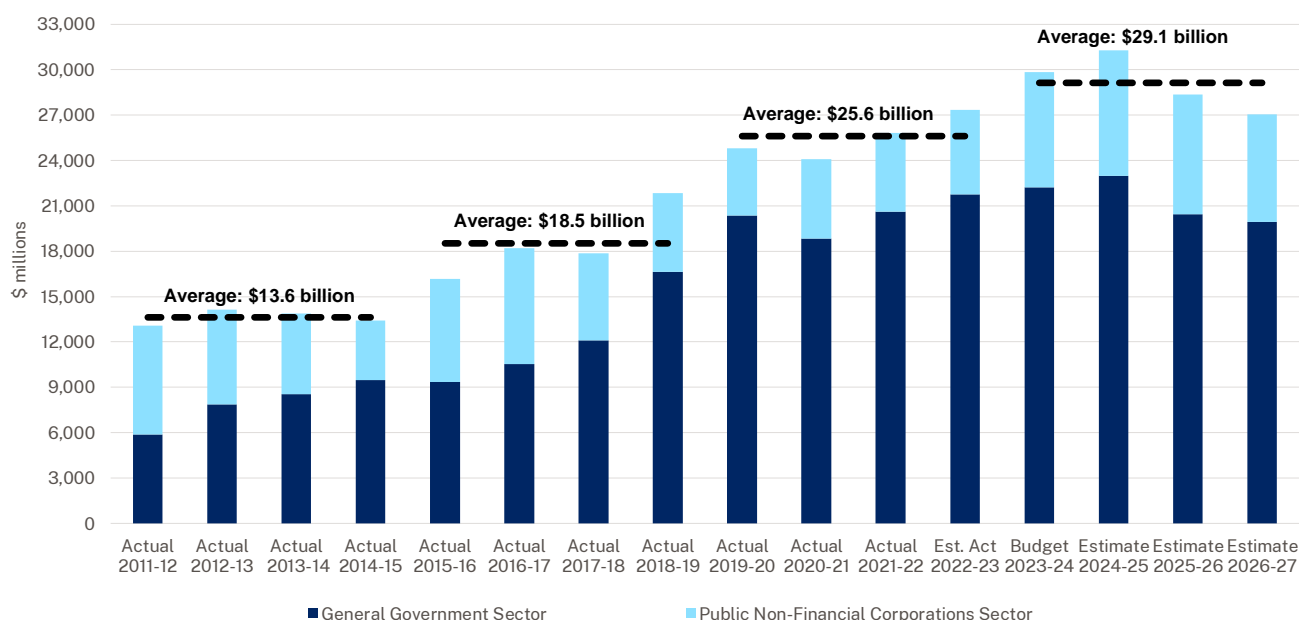
The 2023-24 Budget includes new funding to rebuild essential services and catalyse new housing supply through the Essential Infrastructure Plan. By balancing what is fair and sustainable, this Budget delivers a significant investment in schools, hospitals, and other infrastructure without privatising public assets.

A sustained high level of infrastructure investment across the country is presenting challenges to both project deliverability and affordability. Local and global supply constraints for key materials, including timber, metals and steel, alongside high freight costs and skilled trade shortages means more competition for these scarce resources, driving cost escalation. A rise in the number of large and complex megaprojects is also challenging the construction sectors capacity to deliver.

In acknowledging these challenges, the Government has rebalanced the infrastructure program. Funding for new projects has been partially offset through deferring lower priority projects and programs, based on the advice of the independent Strategic Infrastructure Review.

The Budget includes \$116.5 billion in capital expenditure over the four years to 2026-27 for essential infrastructure projects. The average estimated infrastructure investment of \$29.1 billion per annum over four years is 13.8 per cent higher than the average four-year investment of \$25.6 billion across the four years 2019-20 to 2022-23. Chart 1.3 shows the projected growth in the State’s capital program from 2011-12 to 2026-27.

Chart 1.3: Infrastructure program from 2011-12 to 2026-27



Box 1.1: Health and Education infrastructure commitments

The 2023-24 Budget includes new funding to deliver on the Government's commitment to new and upgraded schools and hospitals that are the foundation of our vital education and health services.

By redirecting funds from low priorities, the 2023-24 Budget increases the four year infrastructure investment on hospitals and health facilities by 15.6 per cent and education facilities by 6.6 per cent compared to the four year forecast announced in the 2022-23 Budget².

New funding has been allocated for hospitals and health facilities including:

- more than doubling the funding for the new Rouse Hill Hospital, from \$300.0 million to \$700.0 million, to expand the facility and include an Emergency Department, maternity and women's health services and a day surgery unit
- \$550.0 million for the Fairfield Hospital Redevelopment to deliver more medical and rehabilitation beds and increase the capacity of emergency and critical care services
- \$538.0 million for a major redevelopment of Albury Wodonga Regional Hospital to improve patient safety and increase the capability and responsiveness of the health service to meet future health needs
- \$350.0 million for the Canterbury Hospital Redevelopment to ensure the facility is able to respond to the health needs of the growing local community
- \$120.0 million for an expansion of Blacktown and Mount Druitt Hospitals to increase bed capacity.

\$1.4 billion in new funding over four years has also been allocated to support the planning and delivery of 34 new and upgraded schools. This investment will target the replacement of demountables and meet the needs of growing communities by providing additional classrooms. Projects being delivered include:

- a new primary school will be built near Sydney Olympic Park and planning will commence for three new primary schools at Huntlee, West Dapto and Calderwood
- new high schools at Medowie, Googong, Jordan Springs, Melrose Park and Gledswood/Gregory Hills
- upgrades to Northmead Public School, The Ponds High School, Kingswood Public School, Katoomba High School, Jerrabomberra High School and Eagle Vale High School.

This significant health and education investment is the foundation of the Government's plan to rebuild essential services.

² The four year infrastructure Health infrastructure investment was forecast to be \$11.9 billion in the 2022-23 Budget. The four-year Education infrastructure investment was forecast to be \$9.2 billion.

Significant projects continuing or commencing delivery as part of the 2023-24 Budget are detailed below.³

\$72.3 billion for transport and infrastructure, including:

- \$13.7 billion over four years for Sydney Metro West⁴
- \$7.9 billion over four years for Sydney Metro – Western Sydney Airport⁴
- \$4.7 billion over four years for the Western Harbour Tunnel Upgrade
- \$3.3 billion over four years for Sydney Metro City and Southwest⁴
- \$3.0 billion over four years for Connecting Sydney Roads
- \$532.7 million over four years for the Newell Corridor Upgrade
- \$46.6 million over four years for the Regional Roads Fund (as part of a total \$334.0 million investment)
- \$43.0 million over four years for Parramatta Class ferries.

\$13.8 billion for health infrastructure⁵ to plan and deliver new and upgraded hospital builds, including:

- \$1.3 billion for the new Bankstown Hospital
- \$1.0 billion for the Nepean Hospital and Integrated Ambulatory Services Stage 1 and 2
- \$740.0 million for the Liverpool Health and Academic Precinct
- \$669.8 million for the Statewide Mental Health Infrastructure Program
- \$438.0 million for the Shoalhaven Hospital Redevelopment.

\$9.8 billion for education and skills infrastructure, including:

- \$767.1 million for four new primary schools and 10 new high schools.

\$3.6 billion to support the clean energy transition, including:

- \$3.5 billion over four years for the Transmission Acceleration Facility
- \$1.0 billion reserved in Restart NSW for the Energy Security Corporation
- \$95.5 million over four years for Zero and Low Emission Vehicle Reform.

Investment in social housing and enabling infrastructure, including:

- \$610.1 million for an increase of around 1,500 permanent social housing dwellings as part of the Australian Government funded Social Housing Accelerator Agreement

³ The estimated total cost (ETC) of projects identified in this chapter may include prior year expenditure and expenditure beyond the budget and forward estimates.

⁴ Sydney Metro projects that are in delivery are being reviewed through the Sydney Metro Review. For further information see Box 1.4.

⁵ Health Capital Expenditure includes capital expensing amounts. Further information is provided at footnote (c) of Table 1.2.

- \$400.0 million reserved within Restart NSW for the Housing Infrastructure Fund.

Chapter 2 of this *Infrastructure Statement* provides further details on infrastructure projects the Government is delivering.

Box 1.2: Aligning housing and infrastructure delivery

Housing affordability and availability is the biggest single pressure facing the people of New South Wales, with mortgage payments and rent the largest expense for most households.

New South Wales is experiencing an unprecedented housing crisis, driven by higher interest rates, escalating rental costs and an insufficient supply of social and affordable housing.

Between the start of 2020 and May 2023, dwelling prices have grown 27.6 per cent in Greater Sydney, 33.2 per cent in Western Sydney, and 47.6 per cent in the Regions. In comparison, median rents have grown by 18.9 per cent in Greater Sydney, 21.8 per cent in Western Sydney, and 34.6 per cent in the Regions.

Infrastructure is a key enabler of increased housing supply, with timely provision critical to supporting housing delivery and creating communities that meet the needs of residents for years to come.

The Government is committed to increasing housing supply to support the State's growing population and to help alleviate the housing affordability crisis.

In its first two months, the Government introduced the new Housing and Productivity Contribution (the HAP) to support housing and productivity in key growth areas of New South Wales. The HAP will help deliver essential state infrastructure such as roads, public transport and regional open space in Sydney, Illawarra-Shoalhaven, the Lower Hunter and the Central Coast.

New reservations have also been created in the Restart NSW Fund to support the delivery of enabling infrastructure in priority areas, with \$400.0 million set aside for the Housing Infrastructure Fund. An additional \$9.1 million has also allocated to assess housing supply opportunities across government-owned sites, with 30 per cent of surplus government land to be set aside for social, affordable and universal housing.

New public transport infrastructure is being directed to support new housing that is well connected to neighbouring communities and jobs.

The 2023-24 Budget also includes a new investment in social and affordable housing. See Box 1.3 of this budget paper for further information.

These initiatives will help ensure that NSW has the homes needed for a growing population.

Delivering for regional communities

The 2023-24 Budget delivers infrastructure in regional and rural NSW. Important projects being delivered for regional communities include:

- \$1.5 billion over four years for the Pacific Motorway (M1) to Raymond Terrace and Hexham Straight Widening to connect the M1 Pacific Motorway and the Pacific Highway
- \$1.3 billion over four years for the Coffs Harbour Bypass to improve connectivity and safety for local and interstate motorists
- \$263.8 million for the Grafton Base Hospital Redevelopment to support timely access to healthcare and improve patient outcomes in the region
- \$260.0 million for the Eurobodalla Regional Hospital Redevelopment to deliver a sustainable, modern and purpose-built facility with level 4 capacity to meet the needs of the Eurobodalla Shire
- \$222.0 million for new and upgraded schools in regional areas including Googong Public School, Medowie High School, Jerrabomberra High School and Vincentia High School
- \$200.0 million for the Bathurst Hospital Redevelopment which will ensure the local community and wider Central West region have access to high quality health care
- \$100.0 million over four years for the Bells Line of Road Upgrade program to enable a safer journey on the scenic route between the Blue Mountains and Richmond
- \$100.0 million reserved within Restart NSW for the regional component of the Housing Infrastructure Fund, to provide the enabling infrastructure required for additional housing in the regions.

For more detailed information on the Government's investment in regional areas, see the *Our plan for Regional NSW* budget publication.

Box 1.3: Building more social and affordable housing

The 2023-24 Budget includes additional funding to deliver more social and affordable housing, providing homes for key workers and vulnerable members of the community. More social and affordable homes are needed urgently, to address a decade of underinvestment and ensure that everyone has a safe and affordable place to call home.

This investment will help tackle the State's housing crisis and assist New South Wales in meeting its commitments under the National Housing Accord to build more homes.

The Budget includes⁶

- \$610.1 million from the Australian Government under the Social Housing Accelerator Agreement to deliver a permanent increase of around 1,500 social homes over the next five years, in partnership with community housing providers
- \$300.0 million in reinvested dividends to enable Landcom to deliver an additional 1,409 affordable homes and 3,288 market homes to 2039-40
- \$70.0 million interest-free debt financing for NSW Land and Housing Corporation (LAHC) to accelerate the delivery of social, affordable and private homes primarily in regional New South Wales
- \$60.0 million for Landcom to deliver around 100 build-to-rent homes on the South Coast and Northern Rivers, targeting 20 per cent affordable rental housing
- \$35.0 million to LAHC to support critical maintenance of State-owned social homes
- \$20.0 million reserved in Restart NSW to deliver residential accommodation for those with long-standing mental health challenges, in partnership with The Haven Foundation
- \$10.0 million for LAHC to pilot the delivery of modular social homes and investigate how off-site manufacturing can deliver more homes sooner.

The Government is also establishing Homes NSW to deliver better outcomes for social housing tenants, deliver more affordable and social housing, and reduce homelessness.

These investments are in addition to initiatives to accelerate private market housing supply, detailed in Box 1.2.

⁶ Housing measures include a mix of recurrent and capital expenditure in the general government and public non-financial corporation sectors.

1.2 Strategic Infrastructure Review

In April 2023, the Government commissioned an independent expert, Mr Ken Kanofski, to undertake a review of the State's Infrastructure program – the Strategic Infrastructure Review. The Review was commissioned in response to significant challenges facing the NSW infrastructure program, driven by substantial cost escalation, the ongoing impacts of COVID-19 and the need for a fairer distribution of investment.

The construction industry's capacity to deliver is being challenged by the scale of investment not just in New South Wales, but across Australia and globally, while supply chains issues and skills shortages continue to be an issue.

Projects are experiencing delays more often, leading to an increase in capital slippage. Additional funding has had to be provided to projects, such as the Sydney Metro City and Southwest, to ensure they can be completed following multiple occurrences of cost escalation (see Box 1.4 for further information).

Increasing infrastructure delivery costs are having a direct impact on the State's debt levels. A return to a more sustainable infrastructure investment is a key step in stabilising the Government's debt position.

Strategic Infrastructure Review – Findings

The Review was tasked with identifying infrastructure projects and programs that should no longer proceed, or should be delayed or de-scoped, to get the State's infrastructure pipeline back on stable footing.

Following the Review, the Government has agreed to delay or descope projects worth more than \$2.5 billion, including:

- the Great Western Highway Duplication
- Ultimo Powerhouse Museum
- the Fast Rail Program
- Wyangala Dam Wall Raising and the New Dungowan Dam and pipeline augmentation.

As a result of reprioritising funding, the Government has been able to increase investment in new and upgraded schools, hospitals and public transport infrastructure without the privatisation of public assets.

The Review also recommended more coordinated decision making for future infrastructure investment, stronger central oversight and coordination of the infrastructure program, and to strengthen the alignment between infrastructure planning and housing completions.

The Government will review and streamline the business case and planning processes to ensure that the State's finite resources are being directed toward developing the highest priority proposals that demonstrate strong value for money.

Box 1.4: Sydney Metro Review

In April 2023, the Government announced a comprehensive review into the Sydney Metro project, the Sydney Metro Review, conducted by independent experts Mr Mike Mrdak and Amanda Yeates. The Review considers all Sydney Metro projects in delivery including:

- Sydney Metro West
- Sydney Metro - Western Sydney Airport
- Sydney Metro City and Southwest.

Due to ongoing cost and delivery challenges, the Sydney Metro Review is to examine value for money, delivery models, project governance and passenger impacts. It is evaluating the delivery of Sydney Metro to date, the current state of progress against delivery targets and making recommendations for getting the maximum value out of the project and better integration with the wider transport network.

The Review is expected to have several crucial recommendations, including opportunities where Sydney Metro could make a stronger contribution to delivering broader government social and economic objectives.

The Review's Interim Report was released on 1 August 2023, with the findings focused on overall budget pressures and key decisions for the 2023-24 Budget. In line with the findings of the Interim Report, the Government allocated an additional \$1.0 billion to Sydney Metro City and Southwest to ensure the project can be delivered despite cost escalation and time delays.

Final findings and recommendations will be tabled by the end of 2023 for consideration by the Government.

1.3 Four-year capital program

The Government's capital investment program is forecast to be \$116.5 billion over the four years to 2026-27. Table 1.1 provides a reconciliation of capital expenditure between the 2023 Pre-election Budget Update and the 2023-24 Budget.

The timing and cost of infrastructure projects can often change due to factors outside the control of government. Examples of this include changes in economic conditions, variations to Australian Government grants and accounting and technical adjustments (including accounting standard changes).

Variation estimates also take into account central adjustments for capital slippage, as informed by historical data. Capital slippage occurs when there are delays in spending compared to a project's forecast profile. This requires the expenditure to instead be spent in future years.

Table 1.1 shows that capital expenditure has increased from \$27.3 billion in 2022-23 to \$29.9 billion in 2023-24. Drivers of this increase include new funding of \$1.4 billion for health facilities over four years and \$1.4 billion in new funding over four years for new and upgraded schools.

Table 1.1: Capital expenditure reconciliation

	2022-23 Est Actual \$m	2023-24 Budget \$m	2024-25 \$m	2025-26 Forward Estimates \$m	2026-27 \$m
Capital – 2023 Pre-election Budget Update	29,795	29,858	29,875	27,390	N/A
Variations since 2023 Pre-election Budget Update	(2,453)	8	1,409	953	n.a
Capital – 2023-24 Budget	27,341	29,865	31,284	28,342	27,043

Breakdown of the capital program

Table 1.2 details the breakdown of capital expenditure by agency group. The majority of the program is comprised of the Government's investment in transport infrastructure, which includes large scale projects such as Sydney Metro City and Southwest and the Western Harbour Tunnel. The program also includes a significant investment in Health and Education infrastructure over the four years to 2026-27.

More information on individual agency capital programs is provided in Chapter 2.

Table 1.2: Non-financial public sector capital spending by agency group^(a)

	2023-24 Budget \$m	2024-25 \$m	2025-26 Forward Estimates \$m	2026-27 \$m	Four-year total \$m	%
Transport ^(b)	19,263	20,820	17,839	14,383	72,306	62.0
Health ^(c)	3,307	3,571	3,146	3,171	13,195	11.3
Education and Skills	2,829	2,538	2,426	2,007	9,799	8.4
Environment and Planning	1,844	1,389	849	602	4,684	4.0
Treasury (including Office of Energy and Climate Change)	1,770	1,707	535	456	4,468	3.8
Communities and Justice	848	699	589	543	2,679	2.3
Customer Service	480	333	305	109	1,227	1.1
Jobs and Tourism	513	271	97	64	944	0.8
Regional NSW	334	229	65	23	652	0.6
Other ^(d)	(1,324)	(272)	2,492	5,685	6,580	5.6
Total^(e)	29,865	31,284	28,342	27,043	116,535	100.0

(a) Numbers represented in the table are on an eliminated Government Sector basis. This table does not align with individual agency reporting elsewhere in these Budget Papers which is done on an uneliminated basis.

(b) Includes Transport PNFC agencies.

(c) Health uneliminated spending on capital is forecast to total \$13.8 billion over the four years to 2026-27. Table 1.2 does not include \$137.0 million in 2023-24, \$166.0 million in 2024-25, \$141.0 million in 2025-26 and \$117.1 million in 2026-27 for minor capital spending for the construction of health capital projects which fall below a capitalisation threshold and are not reported as capital expenditure.

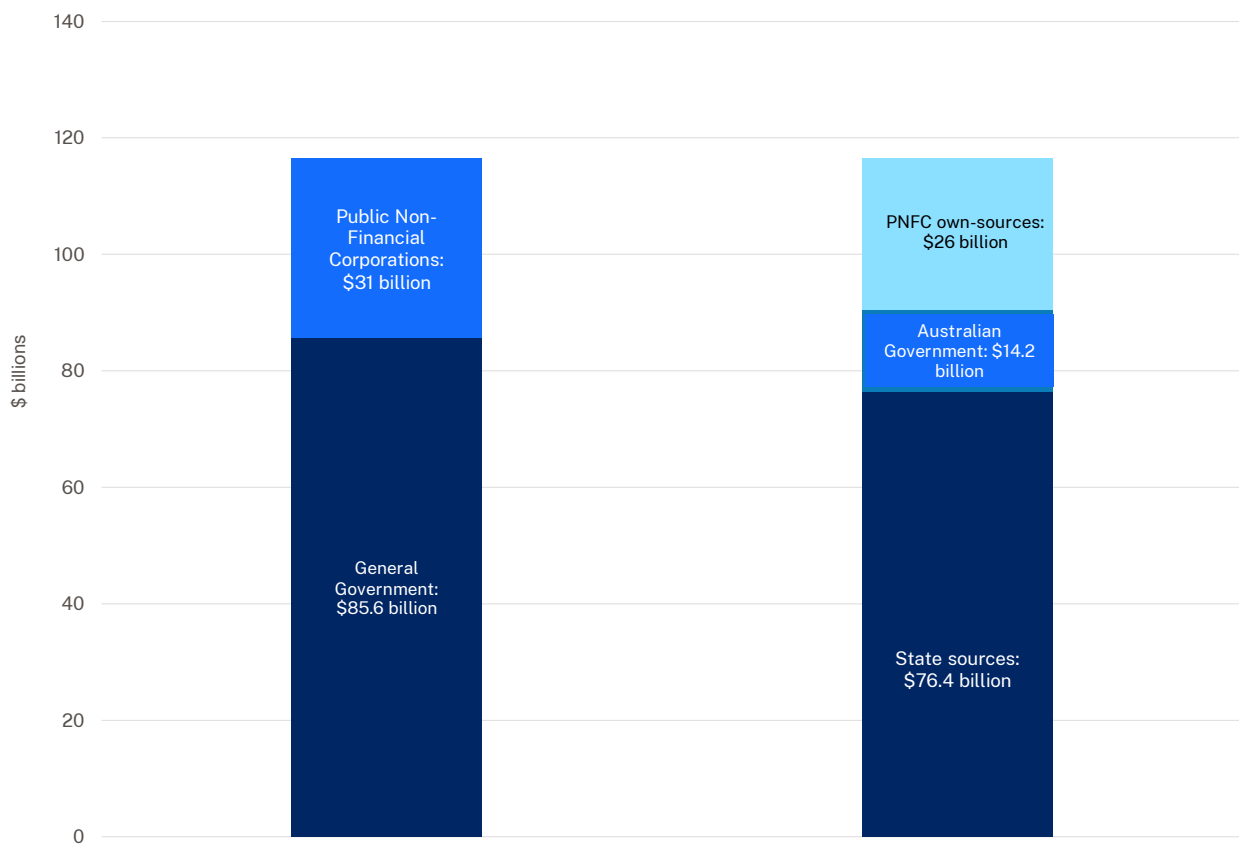
(d) Comprises energy, water and property PNFC agencies. 2023-24 budgets are set out in Chapter 6. Also includes provisions and slippage forecasts not allocated to an agency.

1.4 Funding the delivery of infrastructure

The State’s capital program of \$116.5 billion over four years to 2026-27 is funded by a range of sources including:

- State funding, comprising borrowings, taxation, Restart NSW and other own-source State revenues (\$76.4 billion)
- public non-financial corporations (PNFC) sources (including from own source revenue, equity, retained earnings and borrowings) (\$26.0 billion)
- Australian Government grants (\$14.2 billion).

Chart 1.4: Summary of capital expenditure and funding sources – 2023-24 to 2026-27



As shown in Chart 1.3, the capital program comprises \$85.6 billion from the general government sector and \$31.0 billion from the PNFC sector.

State funding

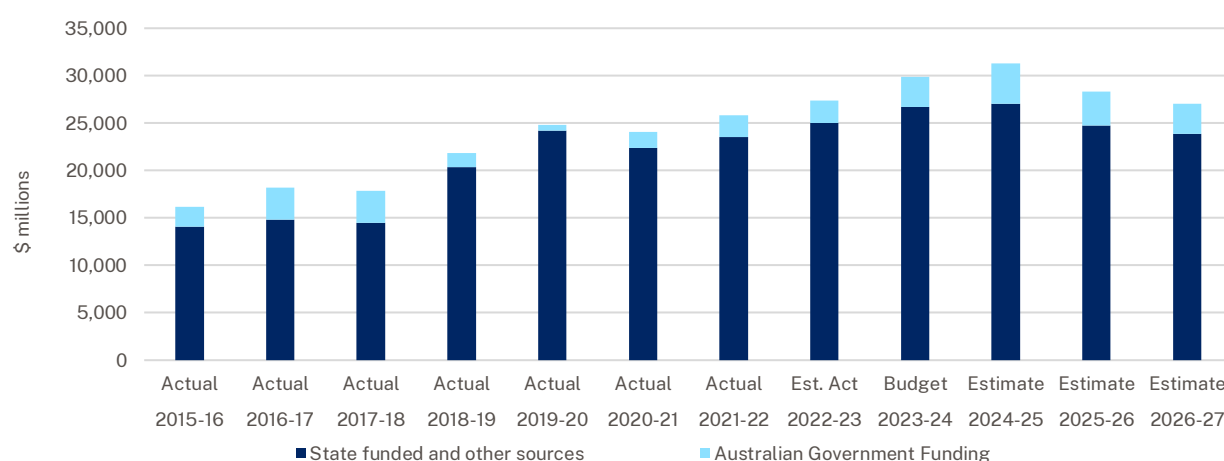
The total State funded program is forecast to be \$76.4 billion over the four years to 2026-27. State sources are predominately comprised of borrowings, highlighting the need for sustainable investment to stabilise the State's debt levels.

Australian Government funding

The Australian Government co-funds infrastructure projects across New South Wales and is forecast to contribute \$14.2 billion to NSW's infrastructure program over the four years to 2026-27. The funding for these projects is subject to the Australian Infrastructure Investment Program Strategic Review (see Box 1.5 for more information), with decisions to be finalised once the Australian Government Review is complete.

Chart 1.5 shows the Australian Government's contribution as a proportion of the total state capital program over the years 2015-16 to 2026-27.

Chart 1.5: Australian Government contribution to the State capital program 2015-16 to 2026-27



Box 1.5: Australian Government Infrastructure Investment Program Strategic Review

In May 2023, the Australian Government announced the Infrastructure Investment Program Strategic Review. The Australian Government Review is examining the \$120 billion Australian Government funded infrastructure program to ensure it is investing in projects that are nationally significant.

The outcomes of the Australian Government Review will have significant implications for the State's infrastructure program, with many NSW projects reliant on Australian Government funding. The continuation of these projects is contingent on the outcomes of the Australian Government Review.

The NSW Government will engage closely with the Australian Government to confirm that high priority projects continue and ensure the best outcome for New South Wales residents.

1.5 Existing assets and maintenance program

Existing assets

The Government's asset base plays a critical role in the provision of high-quality services. Asset management by agencies is the cornerstone of a sustainable infrastructure investment. It enhances the reliability, efficiency, resilience and longevity of critical infrastructure, equipment and systems necessary for services provided to the community.

Table 1.3 shows that the State's asset base will grow as a result of the Government's Essential Infrastructure Plan. The State's physical assets are estimated to have a value of \$492.6 billion as at 30 June 2023, representing an increase of \$55.9 billion from 30 June 2022.

Table 1.3: State owned physical assets: value by sector^{(a)(b)}

As at 30 June	2020 Actual \$m	2021 Actual \$m	2022 Actual \$m	2023 Est. Actual \$m	2024 Budget \$m
General Government Sector	254,874	272,058	302,257	349,416	366,207
Public Non-Financial Corporations	134,929	118,886	134,465	143,183	147,736
Total^(c)	389,803	391,487	436,785	492,647	513,990

(a) Net of accumulated depreciation.

(b) Includes investment properties.

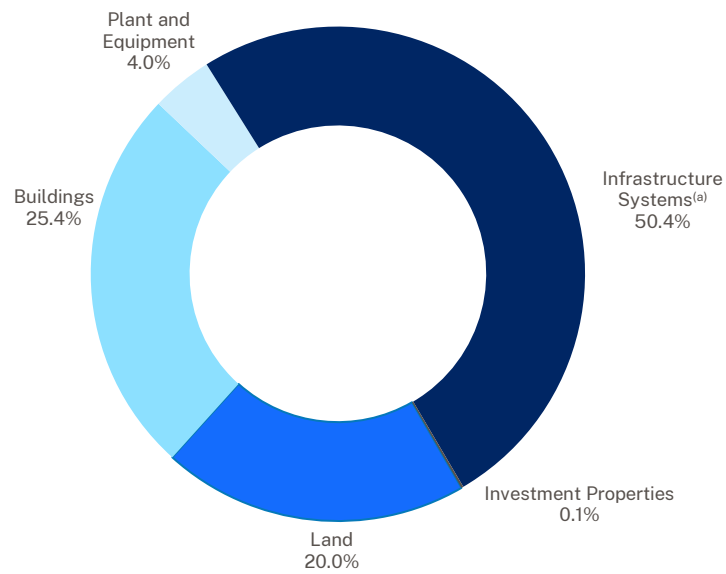
(c) Consolidated total may not equal the sum of the individual sectors due to differences in classification between the individual sectors and the consolidated sector.

NSW Government agencies are continuing to implement the *Asset Management Policy for the NSW Public Sector (TPP19-07)*. The policy seeks to enable agencies and the Government to use data and evidence to effectively balance cost, risk and asset performance in decision making. The increasing size of the State's asset base reinforces the need for strong asset management capability to ensure the asset base remains fit for purpose and can support the needs of NSW residents.

The State of Infrastructure Report, prepared annually by Infrastructure NSW, examines the performance of the State's physical asset base, informed by findings from Infrastructure NSW's assurance of the *Asset Management Policy for the NSW Public Sector*. For further information on the 2022-23 State of Infrastructure Report, see Box 1.6.

Chart 1.6 details the components of the State's physical assets. The largest component as at 30 June 2022 was infrastructure systems (\$220.3 billion). The remaining components comprise buildings (\$110.9 billion), land (\$87.4 billion), plant and equipment (\$17.5 billion) and investment properties (\$0.6 billion).

Chart 1.6: State owned physical assets: value by type, as at 30 June 2022



- (a) Infrastructure Systems are assets that comprise public facilities and provide essential services. They also enhance the productive capacity of the economy, including roads, bridges, and water infrastructure and distribution works.

Box 1.6: State of Infrastructure Report 2022-23

The State of Infrastructure Report is an evidence-based performance assessment of the Government's physical and digital asset portfolio. The Report, prepared annually by Infrastructure NSW, summarises the performance of the asset base and highlights risks and opportunities related to service delivery.

While the Government's physical asset base has increased, investment in recurrent maintenance expressed as a percentage of the asset base has declined from 1.4 per cent to 1.0 per cent over the period 2013-14 to 2022-23.

In this light, the 2022-23 Report identified five key challenges and opportunities impacting the physical asset portfolio:

Infrastructure investment needs to be balanced to deliver optimised outcomes – sustainable infrastructure investment should consider an holistic range of options, including both investment in the existing asset base and new assets. This will allow Government to maximise the value of assets by ensuring they are properly maintained and replaced, opportunities to extract more value are realised and capabilities are enhanced through more minimal, lower-risk interventions. Investment in the existing asset base can also assist in improving service delivery and increasing resilience.

Measurement of the maintenance liability must be standardised – maintenance requirements should be calculated in a consistent manner and be aligned to the delivery of service outcomes. Better information on maintenance needs will allow the Government to prioritise funding to where it is needed most, ensuring continuity of service while balancing a tight fiscal environment.

Assets remain vulnerable to shocks and stresses – natural and human induced hazards challenge the resilience of the asset base, testing its ability to withstand and absorb loads and exposing vulnerabilities.

The nature of infrastructure is dynamic – the increased cost of living, hybrid working, technological advances, changing customer expectations and climate change are examples of factors that are changing how customers use assets. Combined with the increasing size and interconnectivity of the asset portfolio, these trends are escalating the complexity of asset management.

The existing asset base can be leveraged to deliver improved outcomes – mature asset management practices help to identify opportunities to use assets differently and unlock latent capacity in agency portfolios by using assets in new ways or by working across government to share spare capacity.

Infrastructure maintenance

Agencies maintain their physical assets to support the delivery of high-quality services. Ongoing investment in maintenance is vital to ensure the State's asset base is able to provide the services people need.

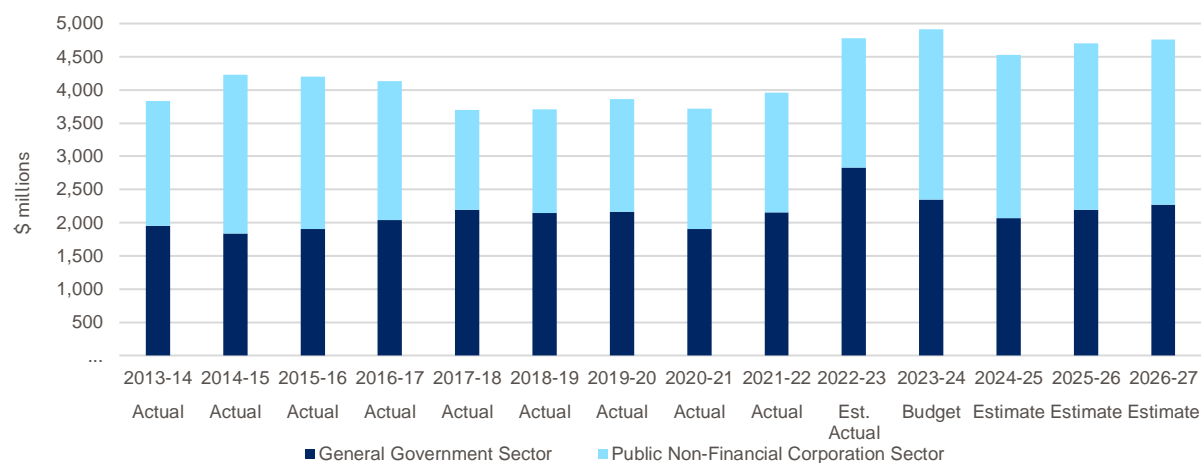
Table 1.4 shows the forecast maintenance expenditure estimates for the general government and PNFC sectors across the four years to 2026-27, while Chart 1.7 shows recurrent maintenance expenditure from 2013-14 to 2026-27.

Table 1.4: Maintenance expenses^(a)

	2022-23		2023-24	2024-25	2025-26	2026-27
	Budget \$m	Est Actual \$m	Budget \$m	\$m	Forward estimates \$m	\$m
General Government Sector	2,498	2,826	2,346	2,070	2,194	2,273
Public Non-Financial Corporation Sector	2,393	1,954	2,566	2,457	2,511	2,484
Total	4,891	4,767	4,910	4,520	4,699	4,750

(a) Total spending may not equal the total of general government and PNFC expenditure due to intra-sector purchases.

Chart 1.7: Recurrent maintenance expenditure 2013-14 to 2026-27



1.6 Restart NSW Fund (Restart NSW)

The 2023-24 Budget includes a new focus for Restart NSW, with funding redirected towards the Government's Essential Infrastructure Plan to rebuild essential services and provide the infrastructure needed to support housing supply and thriving communities. These investments will support job growth and economic productivity, improve regional liveability and deliver sustainable community assets.

In 2023-24, new Restart NSW reservations have been approved for the Government's commitments including:

- \$1.0 billion for the Energy Security Corporation
- \$400.0 million for the Housing Infrastructure Fund, including \$100.0 million for regional projects
- \$385.0 million for the Urban Roads Fund (as part of a total \$770.0 million investment)
- \$302.7 million for Buses and Rapid Buses for Western Sydney Airport
- \$250.0 million for the Working Regions Fund
- \$200.0 million for Parramatta Light Rail Stage 2
- \$60.0 million for Western Sydney Metro business cases
- \$30.0 million to establish a Truck Stop in Greater Sydney
- \$25.0 million for planning for the Blue Mountains Hospital Redevelopment
- \$21.9 million for Wollongong Hospital Upgrades
- \$20.0 million to deliver residential accommodation for those with long standing mental health issues
- \$15.0 million for planning and site selection for a new public hospital in the Western Parkland City region.

The 2023-24 Budget allocates more than 30.0 per cent of all new Restart reservations to the regions. This includes \$250.0 million for a new Working Regions Fund and \$100.0 million for the regional component of the Housing Infrastructure Fund.

The majority of remaining reservations target new transport projects to support new housing supply in Western Sydney. This includes \$302.7 million for Buses and Rapid Buses for Western Sydney Airport and \$200.0 million for Parramatta Light Rail Stage 2.