# 3. The Restart NSW fund

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| * The Government established the Restart NSW Fund (Restart NSW) in 2011 to enable the funding and delivery of high-priority infrastructure projects. * Of the $35.3 billion of inflows into Restart NSW to 31 October 2020[[1]](#footnote-2), $30.1 billion has been committed to specific projects and programs, representing an increase of 9.9 per cent since the 2019-20 Half-Yearly Review. Of the remaining balance, $4.4 billion has been reserved to enable further project development and assurance, prior to final funding decisions. * As at 31 October 2020, Restart NSW has funded 743 commitments to local governments and non-government organisations, 333 of which have already been delivered as at 31 August 2020. * The Government is on track to achieve its target of 30 per cent of Restart NSW funding to regional areas outside the metropolitan areas of Sydney, Newcastle and Wollongong, over the life of the fund. |

1. Overview

The Government established Restart NSW in 2011 to enable the funding and delivery of high‑priority infrastructure projects. The fund was established to improve the State’s economic growth and productivity. Restart NSW is supported by the Government’s successful asset recycling program which has facilitated the continued delivery of the infrastructure program, through the economic crisis caused by COVID-19.

The value of inflows into Restart NSW is expected to be $35.3 billion (Table 3.1), of which the Government has committed and reserved $34.5 billion for specific infrastructure projects and programs (see Chart 3.1).

1. Restart NSW Fund (expected position as at 31 October 2020)

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|  | Restart NSW | Table reference |
| Total inflows(a) | $35.3 billion | 3.4 |
| Commitments(b) | $30.1 billion | 3.2 |
| Reservations | $4.4 billion | 3.3 |
| Unallocated balance(c) | $0.9 billion |  |

* 1. Total inflows include the recognition of $2.6 billion of unrealised investment returns in the NSW Infrastructure Future Fund (NIFF) as an inflow into Restart NSW. A portion of the investment returns in the NIFF remain unallocated as a prudential buffer against future volatility and are not presently recognised as an inflow into Restart NSW.
  2. Commitments include $301.2 million in funding from the Consolidated Fund for the $1.0 billion Safe and Secure Water Program to enable the funding of crucial water infrastructure based on community needs.
  3. The Government intends to invest the current unallocated balance into infrastructure projects in regional New South Wales.

A total of $30.1 billion has been committed from Restart NSW for the planning and delivery of infrastructure projects and programs, as further detailed in Table 3.2. Of these commitments, $21.2 billion has already been paid to over 800 projects across New South Wales.

A further $4.4 billion has been reserved in Restart NSW for identified projects and programs, as detailed in Table 3.3. Reservations enable the Government to undertake comprehensive project development and assurance reviews prior to a final funding decision.

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| 1. New funding for regional Restart NSW projects   A total of $8.5 billion[[2]](#footnote-3) has been committed from Restart NSW programs for over 850 individual projects in regional New South Wales, with $0.6 billion of new committed funding since the 2019-20 Half-Yearly Review. This new funding is enabling the delivery of 80 new regional infrastructure projects. Examples from across the range of programs include:   * Murwillumbah Education Campus (Regional Schools Renewal program) * Narromine Freight Exchange (Regional Growth: Economic Activation Fund - Growing Local Economies) * Maitland Hospital Development (Maitland Hospital Development) * Goodooga Road Upgrade (Fixing Country Roads program) * University of New England Tamworth Campus (Regional Growth: Economic Activation Fund – Growing Local Economies) * Terrabella Bridge Replacement (Fixing Country Roads program).   Additionally, the Government has reserved a further $1.1 billion across 22 different Restart NSW programs for future regional projects. |

1. Restart NSW commitments and reservations

### Restart NSW commitments

Total Restart NSW commitments are $30.1 billion as at the 2020-21 Budget, including an additional $2.7 billion committed to projects since the 2019‑20 Half-Yearly Review (Table 3.2). Of these commitments, $21.2 billion has been paid to over 800 projects across New South Wales.

A commitment can only be made once the Treasurer has accepted a specific funding recommendation from Infrastructure NSW for an individual project, as required by the *Restart NSW Fund Act 2011*. All commitments funded from Restart NSW are supported by comprehensive business cases and have undergone rigorous financial analysis and economic assessment.

1. Restart NSW commitments

Table 3.2:  Restart NSW commitments

* 1. The program includes commitments funded from the Regional Community Recovery Fund (part of the $1.0 billion Bushfire Infrastructure Package).
  2. The Safe and Secure Water Program is partially funded from the Consolidated Fund ($301.2 million) to enable delivery of crucial water infrastructure based on community needs.
  3. Includes savings from completed projects and relinquished funding for projects no longer proceeding.

The additional $2.7 billion in commitments to invest in infrastructure projects and programs, represents a 9.9 per cent increase on the $27.4 billion in commitments approved at the 2019‑20 Half-Yearly Review (Chart 3.1). This reflects the transition of the Government’s infrastructure program from planning reservations to delivery, in particular the New Intercity Rail Fleet, the Western Harbour Tunnel and the Parramatta Light Rail.

1. Restart NSW commitments and reservations

Chart 3.1:  Restart NSW commitments and reservations

### Restart NSW reservations

A total of $4.4 billion of Restart NSW funds are reserved to deliver future projects and programs as at the 2020-21 Budget (Table 3.3).

Reservations are Restart NSW funds that have been set aside for specific projects and programs prior to receiving a funding recommendation from Infrastructure NSW. This enables the Government to undertake additional project development and assurance processes before making a final decision on whether to proceed with a project.

The budget aggregates include the estimated direct budget impact of spending Restart NSW reservations. This reflects the Government’s commitment to fully invest all reservations in economically beneficial projects and programs over the life of the fund.

Significant reservations created since the 2019-20 Half-Yearly Review includes $2.0 billion for Sydney Metro West and $0.1 billion for the Regional Community Recovery Fund that was part of the Government’s $1.0 billion Bushfire Infrastructure Package.

1. Restart NSW reservations

Table 3.3:  Restart NSW reservations

* 1. Includes savings from completed projects and funding relinquished for projects no longer proceeding.

1. Funding sources

Restart NSW is forecast to reach $35.3 billion by 31 October 2020 (Table 3.4), an increase of $2.0 billion since the 2019-20 Half-Yearly Review, almost entirely due to the recognition of a further $2.0 billion in investment earnings from the NSW Infrastructure Future Fund (NIFF).

1. Restart NSW funding sources

Table 3.4:  Restart NSW funding sources 

* 1. Total inflows include the recognition of $2.6 billion of unrealised investment returns in the NSW Infrastructure Future Fund (NIFF) as an inflow into Restart NSW. A portion of the investment returns in the NIFF remain unallocated as a prudential buffer against future volatility and are not presently recognised as an inflow into Restart NSW.

The Government established the NIFF in December 2016 as the investment vehicle for Restart NSW proceeds. These proceeds are invested in a range of financial assets with a higher earning potential than cash deposits and an investment horizon that matches the forecast expenditure requirements of Restart NSW. Earnings from the NIFF support the delivery of the Government’s Restart NSW and Rebuilding NSW infrastructure programs.

1. Investing in regional New South Wales

The Government has committed to investing 30 per cent of Restart NSW in regional areas outside of the metropolitan areas of Sydney, Newcastle and Wollongong over the life of the fund.

To date, $9.6 billion from Restart NSW has been committed and reserved for programs and projects in regional New South Wales. This comprises $8.5 billion in commitments and $1.1 billion in reservations for future projects.

Since the 2019-20 Half-Yearly Review, the Government has committed an additional $605.9 million for regional projects.

Additionally, the Government has bolstered investment in regional New South Wales through initiatives such as the Snowy Hydro Legacy Fund, which will invest $4.2 billion in major and transformative infrastructure.

1. Significant Restart NSW programs in regional New South Wales

Table 3.5:  Significant Restart NSW programs in regional New South Wales

* 1. The program includes commitments funded from the Regional Community Recovery Fund (part of the $1.0 billion Bushfire Infrastructure Package).
  2. Only includes the regional component of the program.
  3. The Regional Growth: Economic Activation Fund is comprised of multiple subprograms that are funded from both Restart NSW and the Consolidated Fund.
  4. Restart NSW commitments to this program are separate to the funds invested for the Resources for Regions program, from within the Regional Growth: Economic Activation Fund.

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| 1. Restart funding more local infrastructure   The Government continues to invest in local infrastructure initiatives with an increase of $635.5 million (40.7%) in commitments since the 2019-20 Budget (Chart 3.2).  A total of $2.2 billion has been committed from Restart NSW to local governments and non-government organisations for the delivery of 743 projects. Of these projects, 685 have Restart NSW funding deeds in place worth $1.9 billion, allowing the projects to proceed.  As at 31 August 2020, 333 local infrastructure projects have been delivered since Restart NSW was established, providing critical infrastructure to both metropolitan and regional areas of the State.   1. Restart NSW commitments to local infrastructure projects   Chart 3.2:  Restart NSW commitments to local infrastructure projects |

1. Governance and project selection framework

The Government has implemented a comprehensive governance framework to ensure that Restart NSW funds are invested effectively in infrastructure projects that enhance the State’s economic growth and productivity.

The *Restart NSW Fund Act 2011* (the Act) is central to this governance framework. It provides the Government, through the Treasurer, with clear oversight of Restart NSW expenditure and sets out the process for fund allocation. The Act entrusts Infrastructure NSW with the responsibility for independently assessing projects and making recommendations to the Treasurer for the use of Restart NSW funds.

New infrastructure projects considered for Restart NSW funding are subject to a comprehensive selection process and need to demonstrate that they are financially and economically justifiable. The components of the project assessment framework are:

* strategic assessment to ensure the project aligns with the Act criteria and existing government priorities
* economic assessment to ensure the project can produce a net economic benefit and improve economic growth and productivity in the State (demonstrated by a benefit-cost ratio of greater than one)
* investor assurance, which includes an independent review process to ensure, where required, the project has successfully completed the appropriate business-case processes.

1. Note figures are for the period 1 July 210 to 31 October 2020 unless stated otherwise. [↑](#footnote-ref-2)
2. Including $301.2 million in funding from the Consolidated Fund for the $1.0 billion Safe and Secure Water Program. [↑](#footnote-ref-3)