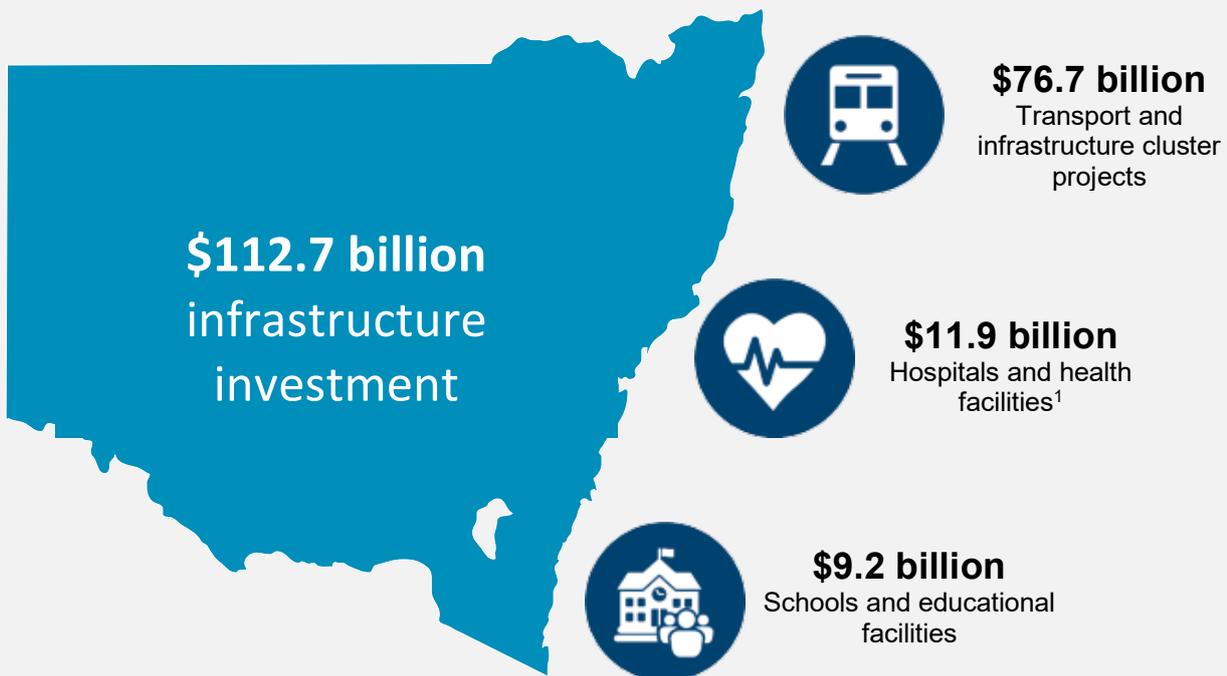


# 1. OVERVIEW

The 2022-23 Budget provides for a record \$112.7 billion infrastructure commitment over four years to build a brighter future for NSW families, communities and businesses. This investment is on the back of \$178.3 billion of new and upgraded infrastructure delivered between 2011-12 and 2020-21.

The NSW Government's investment in infrastructure projects is focused on improving productivity and quality of life for the people of New South Wales. From the beaches to the outback, the Government is investing in city-shaping mega projects while also driving investment in smaller projects like schools and hospitals.



New investments have been made in projects including the Advanced Manufacturing Research Facility in the Bradfield City Centre, the Circular Quay Precinct Renewal, Parramatta Light Rail Stage 2, and new school and hospital upgrades.

The Government is also maintaining its commitment to promoting long term economic, employment and population expansion, with new infrastructure to deliver vital public services and support the recovery and future wellbeing of regional communities following drought, bushfire, floods, and the COVID-19 pandemic.

These new commitments build on the Government's unprecedented investment in infrastructure over the last decade. Many transformational projects, including NorthConnex, Sydney Metro North West and the Woolgoolga to Ballina Pacific Highway Upgrade have been completed and are now making a real difference to how people live.

The Government's significant investment will ensure New South Wales' infrastructure is able to keep pace with population growth, capitalise on new economic opportunities and boost the State's productive capacity.

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

## 1.1 The Government’s infrastructure program building a brighter future

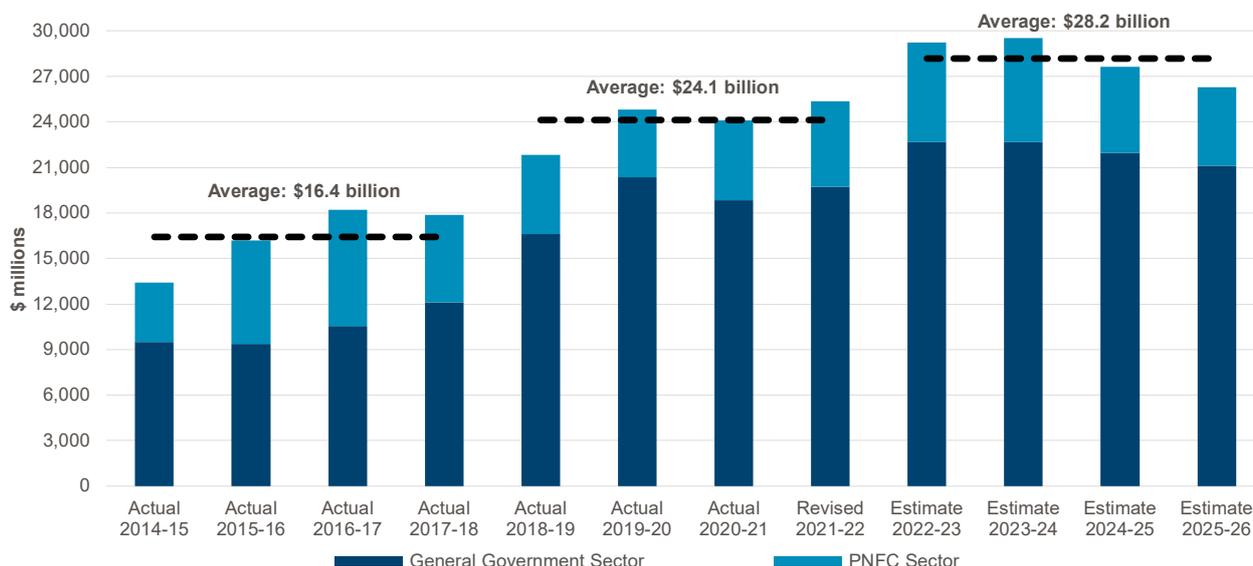
The Government’s infrastructure program continues to help build a brighter future for NSW families, businesses and communities. Infrastructure is the backbone of a productive economy – transport infrastructure connects businesses with customers and lifts participation by connecting workers to their jobs and to their families, schools set children and young people up for success, hospitals support a healthy population and digital technologies shape how people engage and connect.

Delivering a record infrastructure program is not without its challenges. Infrastructure Australia, in its 2021 *Infrastructure Market Capacity* report, outlined significant market capacity constraints in delivering infrastructure, exacerbated further by global supply constraints.

The Government is taking a strategic approach to delivering transformational mega projects while also increasing the focus on smaller, less complex projects that are better aligned with the construction market’s delivery capacity. For example, through the \$5.0 billion WestInvest program, the Government is making a significant investment in community enhancing infrastructure across Western Sydney.

The Budget estimates \$112.7 billion in capital expenditure over the four years to 2025-26 for new and continuing projects. The average estimated infrastructure investment of \$28.2 billion per annum over four years is 3.8 per cent higher than the average four-year investment of \$27.1 billion announced in the 2021-22 Budget, and nearly double the average four-year investment of \$16.4 billion from 2014-15 to 2017-18. Chart 1.1 shows the projected growth in the State’s capital program from 2014-15 to 2025-26.

Chart 1.1: Infrastructure program from 2014-15 to 2025-26



The 2022-23 Budget maintains the Government’s record level of infrastructure investment of \$178.3 billion invested from 2011-12 to 2020-21. The benefits of the Government’s infrastructure program continue to be realised by the people of New South Wales. Many projects across all Clusters are now complete, including new and upgraded schools and hospitals, as well as a wide range of transformational transport projects. Further information on completed projects can be found in Chapter 3 of this *Infrastructure Statement*.

### Box 1.1: Building a brighter future

The 2022-23 Budget includes a record infrastructure investment that will support families and build a brighter future for the State. New productivity enhancing investments have been made to transform New South Wales and bring world-class frontline services to local communities.

Key capital investments aligned with the Government's productivity enhancing reform priorities include:

#### A sustainable infrastructure program

- \$602.4 million for the initial elements of Parramatta Light Rail Stage 2 to commence the detailed planning process and enabling works for the delivery of a new bridge crossing the Parramatta River between Wentworth Point and Melrose Park
- \$216.4 million over four years to further refine the pre-concept design options for the Circular Quay Precinct Renewal.

#### Women's economic reform opportunities

- \$64.5 million to expand existing Aboriginal Child and Family Centres and build nine new centres to provide a mix of culturally safe services and support for Aboriginal and Torres Strait Islander families with children aged 0 to 8
- \$53.7 million to expand the Digital Baby Book initiative, providing real-time integration with hospital, community-based and general practice health records of children
- the Government is also working closely with the construction industry to increase women's participation, with \$20.2 million in recurrent expenditure to meet the objective of women making up 15 per cent of employees in the construction industry by 2030.

#### Promoting sustainability and the clean economy

- \$120.0 million for a new Reserve Establishment and Activation Fund to support the targeted acquisition of land to fill critical gaps in the national parks estate
- \$76.8 million for upgrades to National Parks and Wildlife Services firefighting capacity to support hazard reduction activities across the State's national parks.

#### The future economy

- \$261.9 million for the Advanced Manufacturing Research Facility in Bradfield City Centre to support industry, government and research institutions to develop, scale-up and commercialise advanced manufacturing technologies
- \$72.2 million in capital expenditure for the RNA pilot manufacturing facility to develop mRNA and RNA drugs and vaccines to combat disease and save lives.

#### Housing

- \$125.8 million in capital expenditure, as part of a \$149.8 million total investment, to construct 200 new and 260 upgraded homes for First Nations families, owned by the Aboriginal Housing Office and Aboriginal Community Housing Providers. This is part of the Government's broader \$2.8 billion housing package to boost supply and improve rates of home ownership across the State.

#### Education

- \$3.6 billion (in capital expenditure) over 10 years to introduce a high-quality universal pre-Kindergarten year for all children by 2030.

These initiatives are setting up New South Wales to face the challenges of tomorrow and secure a brighter future for families and communities across the State.

Infrastructure investment is a key component in achieving NSW Government State Outcomes, supporting the provision of Government services and improving the lives of NSW residents. Further information on how infrastructure contributes to the delivery of State Outcomes is provided in *Budget Paper No.2 – Outcomes Statement*.

The Government's successful asset recycling strategy, including investment through the Restart NSW Fund, and strong economic management has been an integral and innovative building block for a consistent transformational and record infrastructure investment. Further information on the Government's asset recycling strategy is provided in Chapter 3 of *Budget Paper No. 1 – Budget Statement*.

Significant projects continuing or commencing delivery as part of the 2022-23 Budget include<sup>2</sup>:

**\$76.7 billion for transport and infrastructure, including:**

- \$12.4 billion over four years for Sydney Metro West
- \$8.4 billion over four years for Sydney Metro Western Sydney Airport
- \$4.1 billion over four years for the Western Harbour Tunnel Upgrade and Beaches Link Planning
- \$1.4 billion over four years for the Coffs Harbour Bypass
- \$1.4 billion over four years for the Pacific Motorway (M1) to Raymond Terrace
- \$835.6 million over four years for the Regional Rail Fleet
- \$342.4 million over four years for the Transport Access Program
- \$216.4 million over four years to further refine the pre-concept design options for the Circular Quay Precinct Renewal.

**\$11.9 billion for health infrastructure<sup>3</sup> to plan and deliver new and upgraded hospital builds, including:**

- \$1.3 billion for Bankstown Hospital
- \$615.5 million for the NSW Ambulance Infrastructure Program
- \$263.8 million for the Grafton Base Hospital Redevelopment.

**\$9.2 billion for education and skills infrastructure, including:**

- \$1.4 billion over the four years to 2025-26 to deliver 23 new and upgraded school projects and additional funding for the minor works program.

These projects are complemented by a significant investment across arts and culture, venues, energy, water utilities, emergency services and other important infrastructure to provide vital services for communities and support job creation. Chapter 2 of this *Infrastructure Statement* provides further details on infrastructure projects the Government is delivering.

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<sup>2</sup> The estimated total cost (ETC) of projects identified in this chapter may include prior year expenditure and expenditure beyond the budget and forward estimates.

<sup>3</sup> Health Capital Expenditure includes capital expensing amounts. Further information is provided at footnote c) of Table 1.2.

**Box 1.2: Government partnering with Industry to deliver the infrastructure program**

The Government's record infrastructure program is growing and renewing the State's asset base. The past two years have presented significant challenges impacting the delivery of the infrastructure program, from the ongoing impacts of COVID-19, resultant disruptions in the international supply chain, geopolitical tensions and the need to respond to, and prepare for, natural disasters. All these factors are leading to capacity, cost and timing pressures. Flexible decision making is required to ensure these risks are identified, mitigated and appropriately allocated. This is being achieved through regular engagement with industry.

Government agencies work closely with industry to deliver the program in an orderly way. They also work to adopt consistent approaches to difficult procurement and delivery challenges, including:

- Promoting transparency and visibility of upcoming procurements via publication of the NSW Major Infrastructure Project Pipeline
- Reforming procurement processes for large, complex infrastructure projects as set out in the Premier's Memorandum on Procurement for Large, Complex Infrastructure Projects and its guiding Framework. Examples of practices include de-risking projects through early works and early market engagement, dividing large, complex infrastructure projects into smaller packages to increase potential participation by a wider variety of firms, recognising elements of works that cannot be readily priced in lump sums and reducing costs of tendering
- Working in partnership with industry to ensure a safe re-opening of the construction sector following the COVID-19 construction pause in 2021 and supporting settlement of claims through consistent commercial guidelines
- Developing a consistent NSW Government position on a range of commercial contractual issues for infrastructure projects, including reliance on pre-contract information, liability arrangements, interface risk management, timely resolution of issues and professional indemnity insurance
- Bringing together industry participants to progress construction industry culture, diversity and well-being initiatives, including partnering with industry to meet Infrastructure Skills and Legacy Program (ISLP) targets and piloting the five-day work week on the Concord Hospital project
- Coordinating a whole of Government approach to environmental sustainability and Net Zero initiatives relating to infrastructure and the construction industry, including alignment on pilot projects across the sector and market sounding initiatives to determine the capacity to absorb proposed approaches.

## Delivering for regional communities

The 2022-23 Budget continues to focus on delivering infrastructure in regional and rural NSW. The Government's significant regional infrastructure investment responds to the challenges that confront the people and towns of regional New South Wales, including flood, bushfires, drought and the COVID-19 pandemic. Important projects being delivered for regional communities include:

- \$3.2 billion over four years for the Great Western Highway Upgrade to reduce congestion and deliver a safer, more efficient and reliable journey through the Blue Mountains
- \$885.1 million over four years for the Newell Highway Upgrade, including 40 new overtaking lanes, New Dubbo Bridge and the Parkes Bypass
- \$835.0 million for the John Hunter Health and Innovation Precinct to provide industry-leading facilities and transform healthcare services for Newcastle, the Greater Hunter region and northern NSW communities
- \$391.3 million for the Snowy Mountains Special Activation Precinct (including \$25.0 million Pre-Delivery works) to leverage the region's unique cultural and environmental attributes and establish a resilient year-round tourism destination
- \$200.0 million for the Bathurst Health Service Redevelopment to meet projected demand for a range of inpatient and ambulatory care services
- \$193.9 million for the Moree Special Activation Precinct (including \$25.0 million Pre-Delivery works) to create a thriving business hub in Australia's most productive grain region
- \$56.4 million for the Dorrigo Escarpment Walk and the Arc Rainforest, to construct a new four-day walk through World Heritage rainforest in the Dorrigo National Park
- \$52.7 million for the Regional Police Station Program to build two new police stations in Byron Bay and Port Macquarie and deliver modern policing facilities
- new investment in regional schools including the Gillieston Public School redevelopment, the new primary school in Albury Thurgoona, the Dubbo Primary School Community Group Renewal and the Bathurst Secondary School Community Group Renewal.

The Government remains committed to investing 30 per cent of the \$37.7 billion Restart NSW Fund (forecast as at 30 June 2022) in regional infrastructure over the life of the fund. This is in addition to \$4.2 billion from the Snowy Hydro Legacy Fund which is delivering major transformative infrastructure projects across regional New South Wales.

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

## 1.2 WestInvest – improving liveability in Western Sydney

The Government's \$5.0 billion WestInvest program is funding transformational infrastructure projects across Western Sydney, home to one of the fastest growing and most diverse populations in the nation. Projects will improve the liveability of communities, making a real difference to the quality of life in 15 eligible Local Government areas.

The WestInvest program includes \$3.0 billion for State Government projects and \$2.0 billion for Community projects.

Funding will be made available for infrastructure projects aligned with the six focus areas:

 <b>Quality Green and Open Spaces</b>	 <b>Community Infrastructure</b>	 <b>School modernisation</b>
<p>More parks and healthier natural environments that encourage active lifestyles, restore biodiversity and improve access to the environment. Cleaner natural waterways with improved access for recreation.</p>	<p>Improved access to quality sport, recreation and other community facilities that bring people together and enable a diverse range of activities.</p>	<p>State-of-the-art, cooler and accessible education facilities that can adapt to evolving learning standards and student needs.</p>
 <b>Arts and cultural facilities</b>	 <b>High Street Activation</b>	 <b>Local traffic programs</b>
<p>A broader range of arts and culture venues that reflect the diversity of Western Sydney, encouraging inclusive and regular community participation.</p>	<p>Increasing the vibrancy of precincts to increase footfall for businesses. Targeted improvements to public amenities allowing easier access to essential goods and services within walking distance.</p>	<p>Local streets are more comfortable, accessible and safer for people with diverse use needs, including walking, wheeling and cycling.</p>

Funding for WestInvest projects is provided through the Community Services and Facilities Fund, established under the *NSW Generations Fund Act 2018*.

### \$3.0 billion State Government projects

A total of \$3.0 billion will be made available to NSW Government agencies to deliver transformational projects aligned with the six focus areas.

The 2022-23 Budget includes funding for the initial tranche of State Government projects, an allocation of \$478.2 million to support the modernisation of schools in Western Sydney. The program of works will deliver a broad range of capital investment to renew existing school assets and provide additional teaching spaces through the following nine projects:

- Austral Public School Upgrade
- Condell Park High School Upgrade
- Leppington Public School Upgrade
- Parramatta East Public School Upgrade
- Riverbank Public School Upgrade – Stage 3
- Rouse Hill High School Upgrade
- Schofields Public School Upgrade
- Sir Joseph Banks High School Upgrade
- Telopea Public School Upgrade.

Further project approvals through the State Government allocation of WestInvest will be determined in the second half of 2022.

## **\$2.0 billion Community Projects**

A total of \$2.0 billion is being made available for community project grants. Approximately \$400.0 million will be allocated directly to the 15 eligible Local Councils to advance local projects. Approximately \$1.6 billion will be allocated through a competitive grants process to non-government organisations, Local Aboriginal Land Councils, charitable organisations, community groups, not-for-profits and local councils.

Successful projects through the competitive grants process are expected to be determined from November 2022.

### **Box 1.3: Have your say – informing WestInvest**

Western Sydney residents are informing the delivery of WestInvest through the 'Have Your Say' survey.

In February 2022, Western Sydney residents were asked to put forward ideas for liveability enhancing projects that would make a real difference to the everyday lives of local communities. More than 5,400 people submitted a response, with 11,336 ideas generated.

Suggestions from the community ranged from walking and cycling paths, multicultural centres, museums celebrating food and culture, swimming pools and footbridges over cleaner rivers.

The feedback received through the 'Have Your Say' survey will help inform the assessment of projects through the WestInvest program, ensuring that projects funded meet the needs of the community and make a real difference to the lives of Western Sydney residents.

### 1.3 Four-year capital program

The Government's capital investment program is forecast to be \$112.7 billion over four years to 2025-26. Table 1.1 provides a reconciliation of capital expenditure between the 2021-22 Budget and the 2022-23 Budget.

Movements in the profile of capital expenditure across years for individual projects are captured at an aggregate level in parameter and other variations. These variations are the result of changes to the cost and timing of infrastructure projects that are largely outside Government control. Examples include changes in economic conditions, variations to Commonwealth Government grants, and accounting and technical adjustments (including accounting standard changes). The parameter and other variations estimates in Table 1.1 take into account central adjustments for capital slippage as informed by historical data.

COVID-19 has presented significant challenges for the construction sector, including demand for labour, skill shortages and price pressures on materials. These challenges are impacting project delivery timeframes throughout the Government's infrastructure program. Further information on how Government is working with the construction industry to mitigate these challenges is provided in Box 1.2 of this *Infrastructure Statement*.

Table 1.1 shows that capital expenditure has increased from a projected \$25.4 billion in 2021-22 to \$29.2 billion in 2022-23. Drivers of this increase include new funding for the NSW Ambulance Infrastructure Program, Parramatta Light Rail Stage 2, Circular Quay Precinct Renewal, and COVID-19 associated infrastructure delivery delays and cost overruns.

Table 1.1: Capital expenditure reconciliation

	2021-22 Revised \$m	2022-23 Budget \$m	2023-24 \$m	2024-25 Forward Estimates \$m	2025-26 \$m
<b>Capital – 2021-22 Budget</b>	<b>30,350</b>	<b>29,435</b>	<b>26,029</b>	<b>22,733</b>	<b>N/A</b>
<b>Capital measures<sup>(a)</sup></b>	86	2,084	1,097	893	N/A
<b>Parameter and other variations<sup>(b)</sup></b>	(607)	(1,229)	(574)	105	N/A
<b>Capital – 2021-22 Half Yearly Review</b>	<b>29,829</b>	<b>30,290</b>	<b>26,552</b>	<b>23,731</b>	<b>N/A</b>
<b>Capital measures<sup>(a)(c)</sup></b>	(251)	1,742	3,247	2,524	3,029
<b>Parameter and other variations<sup>(b)(c)</sup></b>	(4,200)	(2,790)	(274)	1,387	N/A
<b>Capital – 2022-23 Budget</b>	<b>25,378</b>	<b>29,242</b>	<b>29,525</b>	<b>27,642</b>	<b>26,282</b>

(a) Includes the estimated impact of spending funds committed and reserved in Restart NSW.

(b) Includes timing adjustments related to movements in project delivery schedules. Also includes central adjustments for capital slippage as informed by historical data.

(c) Figures may be different to the print version of BP3 due to reclassifications made after printing.

### Breakdown of the capital program

Table 1.2 details the breakdown of capital expenditure by cluster. The majority of the program is comprised of the Government's investment in transport infrastructure, which includes large scale projects such as Sydney Metro West, the Western Harbour Tunnel and the Great Western Highway Upgrade. The program also includes record investments in Health and Education infrastructure over the four years to 2025-26 across New South Wales.

More information on individual agency capital programs is provided in Chapter 5 (general government agencies) and Chapter 6 (public non-financial corporations).

Table 1.2: Non-financial public sector capital spending by cluster<sup>(a)</sup>

	2022-23	2023-24	2025-26	2025-26	Four-year total	
	Budget	Forward Estimates			\$m	%
	\$m	\$m	\$m	\$m		
Transport and Infrastructure <sup>(b)</sup>	21,344	22,087	19,207	14,029	76,667	68.0
Health <sup>(c)</sup>	2,847	3,132	3,078	2,222	11,279	10.0
Education and Skills	2,989	2,720	2,291	1,193	9,193	8.2
Planning and Environment	1,333	1,024	672	424	3,453	3.1
Stronger Communities	1,111	639	593	552	2,895	2.6
Enterprise, Investment and Trade	699	611	387	535	2,232	2.0
Treasury	384	606	477	446	1,913	1.7
Customer Service	625	378	329	141	1,474	1.3
Regional NSW	432	299	307	52	1,092	1.0
Other <sup>(d)</sup>	(2,523)	(1,971)	299	6,687	2,492	2.2
<b>Total<sup>(e)</sup></b>	<b>29,242</b>	<b>29,525</b>	<b>27,642</b>	<b>26,282</b>	<b>112,690</b>	<b>100.0</b>

(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 and Infrastructure cluster PNFC agencies.

(c) Health uneliminated spending on capital is forecast to total \$11.9 billion over the four years to 2025-26. Table 1.2 does not include \$179.1 million in 2022-23, \$137.0 million in 2023-24, \$166.0 million in 2024-25 and \$141.0 million in 2025-26 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. 2022-23 budgets are set out in Chapter 6. Also includes provisions and slippage forecasts not allocated to an agency.

(e) Spending excludes capital expenditure by public financial corporations.

## 1.4 Funding the delivery of infrastructure

The State's capital program of \$112.7 billion over four years to 2025-26 is funded by a range of sources including:

- State funding, comprising:
  - State sources (including WestInvest) which encompass taxation, other own-source State revenues and borrowings (\$75.6 billion)
  - Restart NSW (including the Rebuilding NSW plan) which encompass asset recycling proceeds, windfall tax revenues and the issuing of Waratah Bonds (\$5.4 billion)<sup>4</sup>.
- Public non-financial corporations (PNFC) sources (including from own source revenue, equity, retained earnings and borrowings) (\$16.8 billion)
- Commonwealth Government grants (\$14.9 billion).

<sup>4</sup> Restart NSW is forecast to have \$37.7 billion of inflows as at 30 June 2022.

Chart 1.2: Summary of capital expenditure and funding sources – 2022-23 to 2025-26



As shown in Chart 1.2, the capital program comprises \$88.4 billion from the general government sector and \$24.3 billion from the PNFC sector.

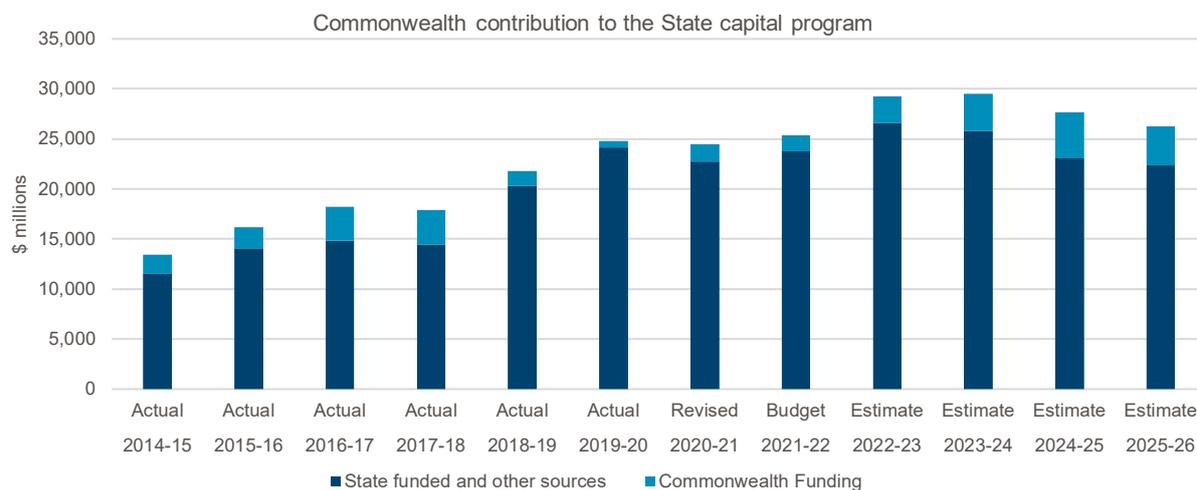
### State funding

The total state funded program, comprising state sources and Restart NSW, is forecast to be \$81.0 billion over the four years to 2025-26. This captures the Government’s important investments in new and upgraded schools, hospitals, road and transport networks and emergency services and cultural infrastructure.

## Commonwealth Government funding

The Commonwealth Government will contribute \$14.9 billion to the NSW infrastructure program over the four years to 2025-26. Chart 1.3 shows the Commonwealth’s contribution as a proportion of the total state capital program over the years 2014-15 to 2025-26.

Chart 1.3: Commonwealth contribution to the State capital program 2014-15 to 2025-26



The 2022-23 Commonwealth Budget included additional funding for a range of NSW infrastructure projects (see Box 1.4 for further details). As a result of this increase in funding, contributions from the Commonwealth Government are forecast to increase over the four years to 2025-26.

### Box 1.4: 2022-23 Commonwealth Budget

The New South Wales and Commonwealth Governments are working together to accelerate the delivery of vital infrastructure across the State.

As part of its 2022-23 Budget, the Commonwealth Government announced additional funding for a range of road and rail projects. The 2022-23 New South Wales Budget reflects this additional funding as well as an increase in State funding for projects including:

- \$420.0 million to upgrade the Pacific Highway through the Wyong Town Centre
- \$150.0 million over four years for safety and capacity improvements to Wakehurst Parkway
- \$266.0 million over four years to widen approximately 2.2 kilometres of Mulgoa Road between Blaikie Road and Union Road.

These jointly delivered projects will support local economies while also improving key transport corridors to keep New South Wales moving.

## 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. Recent record investment has coincided with changes to the patterns of working and living, driven by the rapid adoption of new technologies and the COVID-19 pandemic.

Table 1.3 shows that the State's asset base continues to grow and adapt to meet changing customer needs and usage patterns. The State's physical assets are estimated to have a value of \$427.3 billion as at 30 June 2022, representing an increase of \$35.8 billion from 30 June 2021.

Table 1.3: State owned physical assets: value by sector <sup>(a)(b)</sup>

As at 30 June	2019 Actual \$m	2020 Actual \$m	2021 Actual \$m	2022 Revised \$m	2023 Budget \$m
General Government Sector	221,100	254,874	272,058	294,648	312,126
Public Non-Financial Corporations	130,856	134,929	118,886	132,669	138,131
<b>Total <sup>(c)</sup></b>	<b>351,956</b>	<b>389,803</b>	<b>391,487</b>	<b>427,317</b>	<b>450,258</b>

(a) Net of accumulated depreciation.

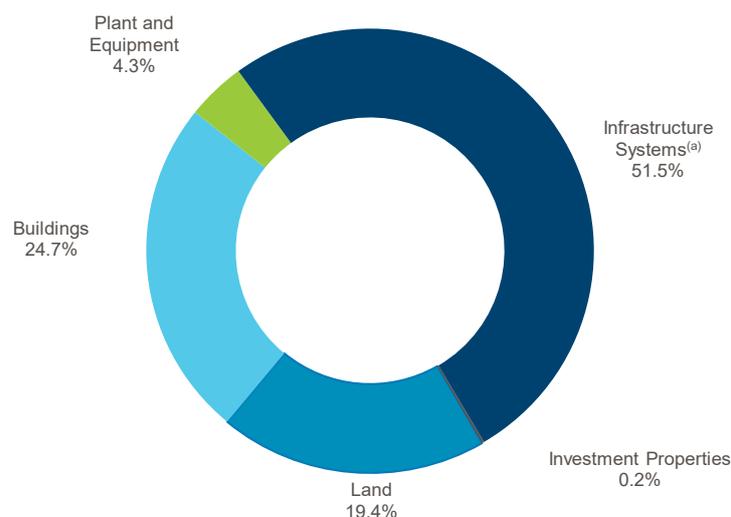
(b) Includes investment properties.

(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 the implementation of the *Asset Management Policy for the NSW Public Sector (TPP19-07)*. The policy aims to optimise the benefits derived from use of the State's asset portfolio and to ensure infrastructure spending is prioritised in a way that supports the needs of NSW communities.

Chart 1.4 details the components of the State's physical assets. The largest component as at 30 June 2021 was infrastructure systems (\$201.7 billion). The remaining components comprise buildings (\$96.7 billion), land (\$75.8 billion), plant and equipment (\$16.7 billion) and investment properties (\$0.6 billion).

Chart 1.4: State owned physical assets: value by type, as at 30 June 2021



(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.

## Infrastructure maintenance

Agencies maintain their infrastructure to support the delivery of high-quality services. Ongoing investment in maintenance is vital to ensure the State's asset base remains fit-for-purpose and is able to achieve the service delivery outcomes people need.

Table 1.4 shows the forecast maintenance expenditure estimates for the general government and PNFC sectors across the four years to 2025-26. The forecast increase in maintenance expenditure is primarily driven by increased funding allocated for maintenance of NSW public schools and State-owned social housing.

Table 1.4: Maintenance expenses<sup>(a)</sup>

	2021-22		2022-23	2023-24	2024-25	2025-26
	Budget	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m
General Government Sector	1,946	1,996	2,498	2,336	2,160	2,242
Public Non-Financial Corporation Sector	2,184	2,137	2,393	2,467	2,494	2,441
<b>Total</b>	<b>4,130</b>	<b>4,132</b>	<b>4,891</b>	<b>4,803</b>	<b>4,654</b>	<b>4,683</b>

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

## 1.6 Infrastructure investment frameworks

The Government's capital investment is guided by the rigorous analysis and stakeholder consultation captured in key strategies and plans including *Staying Ahead: State Infrastructure Strategy 2022-2042*, *the Future Transport Strategy 2056*, *Digital NSW: Designing our Digital Future* and the *Regional Development Framework*. These documents explore investment opportunities and guide Government decision making to bring together infrastructure investment, precinct and land-use planning for cities and regions.

### **Box 1.5: Staying Ahead: State Infrastructure Strategy 2022-2042**

Released in May 2022, *Staying Ahead: State Infrastructure Strategy 2022-2042* (2022 SIS) sets out Infrastructure NSW's independent advice on the infrastructure needs and priorities for NSW over the next 20 years and beyond.

The NSW Government has made a significant infrastructure investment in recent years, with numerous major metropolitan and regional projects delivered and more due to be completed over coming years. Many of these projects were identified and recommended in previous iterations of the State Infrastructure Strategy.

The 2022 SIS acknowledges investment to date, and identifies the long-term challenges and opportunities facing NSW that will require a combination of infrastructure and policy responses by the NSW Government. Examples include embedding resilience into new and existing assets, managing major transitions underway in the energy and water sectors, and increasing the focus on technology upgrades.

The NSW Government is currently considering the 57 recommendations of the 2022 SIS. The recommendations are framed by the following 9 long-term objectives:

1. Boost economy-wide productivity and competitiveness
2. Service growing communities
3. Embed reliability and resilience
4. Achieve an orderly and efficient transition to Net Zero
5. Enhance long-term water security
6. Protect our natural endowments
7. Harness the power of data and digital technology
8. Integrate infrastructure, land use and service planning
9. Design the investment program to endure.

