



AUSTRALIAN INFRASTRUCTURE BUDGET MONITOR 2019-20



About Infrastructure Partnerships Australia

Infrastructure Partnerships Australia is an industry think tank and an executive member network, providing research focused on excellence in social and economic infrastructure. We exist to shape public debate and drive reform for the national interest.

For more information, please contact:

Adrian Dwyer

Chief Executive Officer

T: (02) 9152 6000

E: adrian.dwyer@infrastructure.org.au

Robert Montgomery

Head of Policy and Economics

E: robert.montgomery@infrastructure.org.au

Jon Frazer

Director, Policy and Research

T: (02) 9152 6017

E: jon.frazer@infrastructure.org.au

For all media enquiries please contact:

Michael Player

Director of Communications and Engagement

T: (02) 9152 6016

E: michael.player@infrastructure.org.au



For more information on the projects mentioned in this report please visit infrastructurepipeline.org



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MESSAGE FROM THE CEO



Australia's cities are growing, and infrastructure is central to supporting larger populations and higher community expectations of transport, utilities and social services. Beyond its role in keeping up with population growth, infrastructure is also central to the long-term productivity of the Australian economy.

Where the costs of infrastructure cannot be fully recovered through user charges, government funding is necessary to develop new projects. For this reason, trends in state, territory and Commonwealth infrastructure funding provide a leading indicator of the near-term project pipeline.

The *2019-20 Australian Infrastructure Budget Monitor* highlights increasing commitments toward infrastructure across all states and territories. The 2019-20 budget season also saw increases across all jurisdictions to the share of total government expenditure dedicated to infrastructure.

NSW and Victoria continue to dominate Australia's infrastructure funding in both overall quantum and share of total expenditure. Queensland narrowly retained its third-place ranking in our Budget Monitor, with the Northern Territory leading the other jurisdictions in terms of infrastructure funding on a per capita basis.

Last year saw Western Australia and the Commonwealth reduce their infrastructure funding levels due to fiscal pressure. This year, despite shortfalls in revenue forecasts, all state and territory governments have increased their infrastructure funding levels from the previous budget.

Asset recycling continues to support NSW, Victoria and the ACT with the funds from their asset divestments bolstering their fiscal health for continued infrastructure funding growth. If the Queensland Government wants to keep pace with its southern neighbours, its leaders will need to reconsider their opposition to asset recycling. Although Queensland mildly increased its infrastructure funding levels, its share of budget dedicated to infrastructure is more than five percentage points below those of NSW and Victoria.

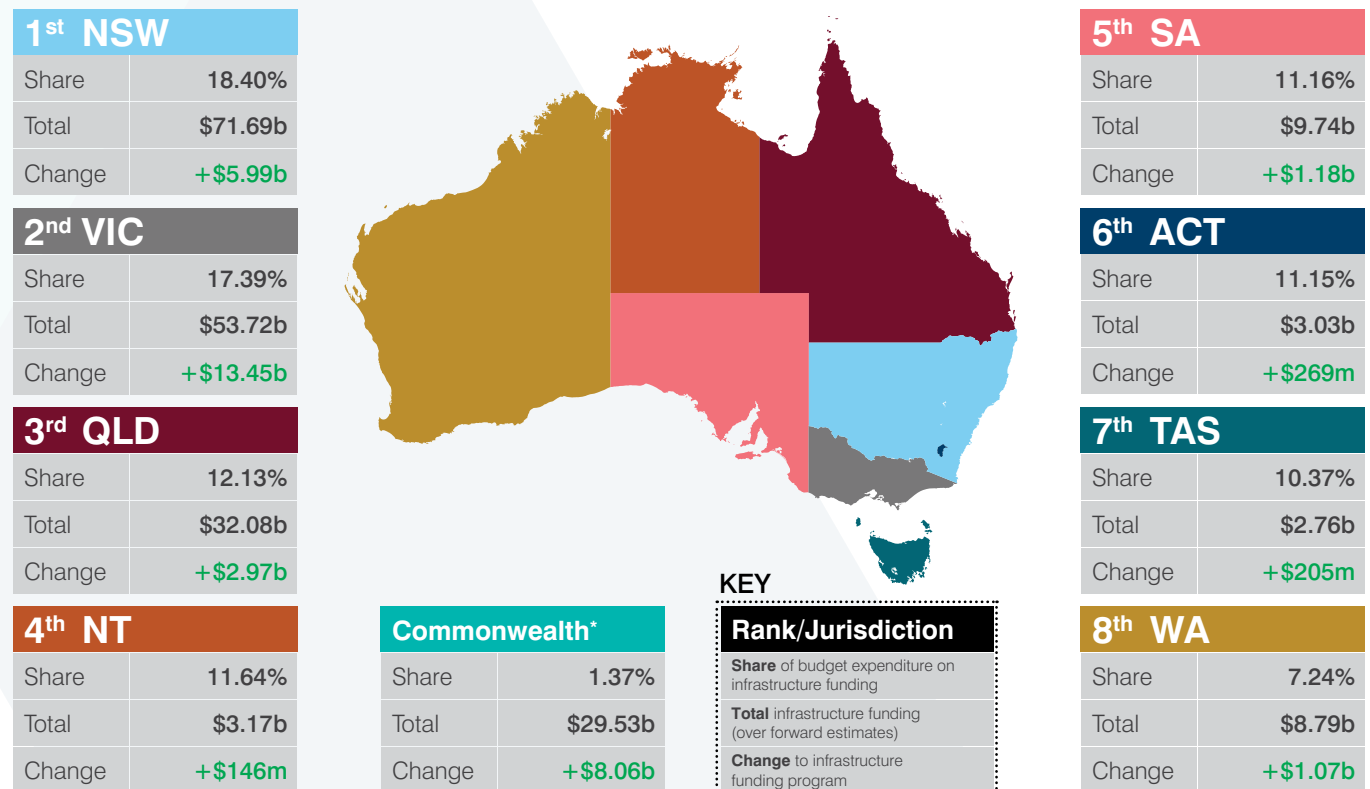
We hope you find the *Australian Infrastructure Budget Monitor* useful. If you are interested in learning more about the infrastructure pipeline in Australia, you can find more information on our Australia and New Zealand Infrastructure Pipeline at infrastructurepipeline.org.

Adrian Dwyer

Adrian Dwyer
Chief Executive Officer

INTRODUCTION

Figure 1: 2019-20 Australian infrastructure funding levels, ranked by share of budget expenditure



* The Commonwealth Government primarily funds state infrastructure projects. As such, it is not formally included in the rankings. We include it in the report to provide a comprehensive view of funding commitments.

Source: Infrastructure Partnerships Australia analysis, based on 2019-20 and 2018-19 budgets

Analysis

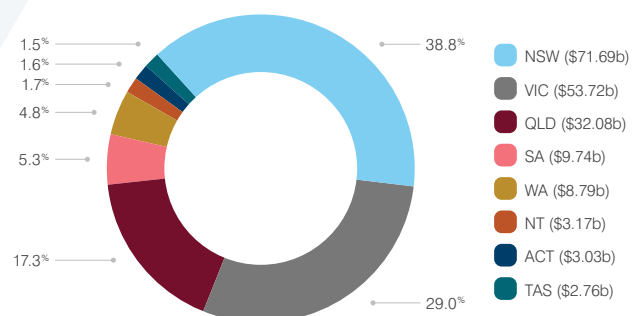
- Together, NSW and Victoria account for 68 per cent of total infrastructure funding
- General government infrastructure funding totals \$185 billion over the four years to FY2022-23
- On average, \$7,347 will be spent on infrastructure per capita over the next four years

NSW and Victoria have continued to increase their infrastructure funding levels as a share of total expenditure, with NSW committing 18.4 per cent and Victoria 17.4 per cent of their budgets to infrastructure over the forward estimates.

Figure 2 shows the breakdown of infrastructure funding by jurisdiction, with NSW and Victoria accounting for 68 per cent of funding nationally,¹ up from the previous year's

65 per cent. With total general government infrastructure funding across the nation amounting to \$185 billion over the four years, NSW and Victoria have contributed a combined total of more than \$125 billion. This is a significant increase on the \$153 billion total national funding level seen in the previous year's Budget Monitor.

Figure 2: National infrastructure funding, share of total, by jurisdiction (FY2019-20 to FY2022-23)



Source: Infrastructure Partnerships Australia analysis, based on 2019-20 budgets

1. Total infrastructure funding in Australia refers to general government sector infrastructure funding from Commonwealth, state and territory governments. Infrastructure funding committed by local councils is not included in this report.

In part, the scale of spending in NSW and Victoria reflects their size, with their combined populations comprising almost 58 per cent of the national total.² However, much of the growth in these states has been focused in their capitals, with populations growing by eight per cent in Sydney and 11 per cent in Melbourne over the period 2013 to 2018.³ This, combined with funding availability through continued reform, has driven a step-change in infrastructure spending on transformative and largescale infrastructure projects that will help these cities keep pace with growth and densification of urban areas.

Despite a rapidly growing South-East Queensland region, where nearly 90 per cent of Queensland's population growth occurred over FY2017-18,⁴ and a highly dispersed regional population, Queensland continues to trail NSW and Victoria in infrastructure funding. Its share of the total infrastructure funding in Australia is just 17 per cent. While Queensland has increased its infrastructure funding over the forward estimates by \$3 billion from the previous budget, its outlook for continued infrastructure funding growth remains precarious due to burgeoning state debt levels and an unwillingness to consider asset recycling as a means of funding new capital works.

Western Australia increased its infrastructure funding over the forward estimates by \$1.1 billion compared to the previous budget. However, it remains in last position in our Budget Monitor analysis for the third time in a row and is the only state with an infrastructure funding commitment below 10 per cent of total expenditure. But with funding beginning to flow for the \$4.1 billion

METRONET project, Western Australian infrastructure funding levels may rise in the coming years.

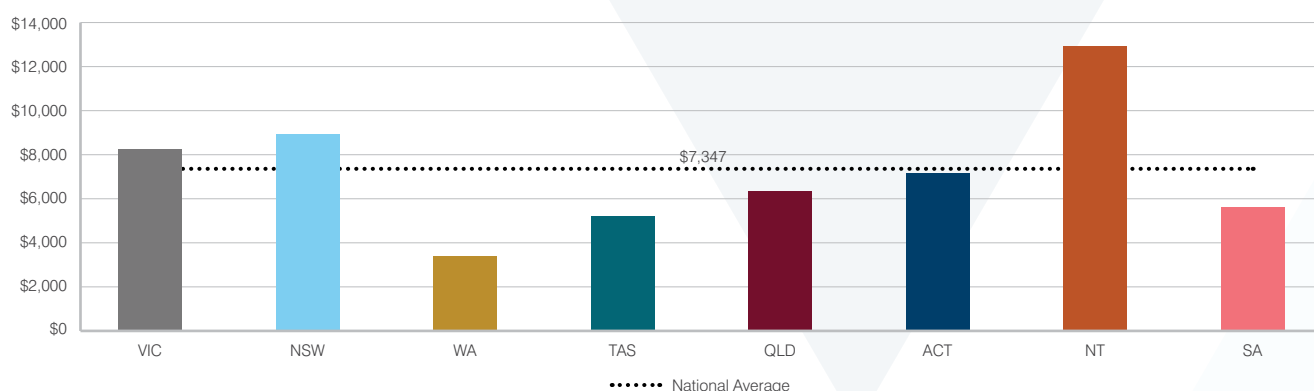
South Australia increased its share of budget dedicated to infrastructure to 11.16 per cent narrowly tallying higher than the ACT which dedicated 11.15 per cent of its budget to infrastructure. In our view, South Australia and the ACT continue to punch above their weight in infrastructure investment. Tasmania has increased its share of budget dedicated to infrastructure to 10.37 per cent, but remains in seventh place.

Of the total funding deployed on behalf of taxpayers, the Commonwealth Government contributes about 16 per cent, with \$29.5 billion in commitments distributed across the states and territories.

Figure 3 shows the infrastructure funding per capita for each jurisdiction and the national average. Infrastructure funding per capita reflects the investment priorities of governments as well as the varied infrastructure needs of different populations. Jurisdictions vary widely in the geographic and demographic distribution of their populations and factors such as urbanisation and concentration of population are key influencers of infrastructure funding per capita.

Although contributing only 1.7 per cent of the total infrastructure funding, with \$3.2 billion over the forward estimates, the Northern Territory has the highest level of funding per capita, at \$12,896 per person. This is over 75 per cent higher than the national average per capita level of funding, which is \$7,347.

Figure 3: State and territory infrastructure funding per capita (FY2019-20 to FY 2022-23)



Source: Infrastructure Partnerships Australia analysis

2. Australian Bureau of Statistics, *Australian Demographic Statistics* December 2018, Catalogue No. 3101.0, June 2019 (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3101.0Dec%202018?OpenDocument>)

3. Australian Bureau of Statistics, *Australian Demographic Statistics* December 2018, Catalogue No. 3101.0, June 2019 (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3101.0Dec%202018?OpenDocument>)

4. Queensland Government Statistician's Office, *Population growth highlights and trends Queensland 2019 Edition* (<https://www.qgso.qld.gov.au/issues/3071/population-growth-highlights-trends-qld-2019-edn.pdf>)

ABOUT THE BUDGET MONITOR



Overview

Infrastructure Partnerships Australia's *Australian Infrastructure Budget Monitor* measures infrastructure funding commitments by jurisdictions for the current budget year and forward estimates (FY2019-20 to FY2022-23). This report collates information from the latest budget papers from federal, state and territory governments to provide insights into their infrastructure investment programs beyond the headline figures.

Purpose

The purpose of the *Australian Infrastructure Budget Monitor* is to inform the community, industry and researchers about historical and projected public infrastructure investment in Australia. It allows readers to compare and evaluate the commitment by governments to building infrastructure, which can boost the economy in the short-term through construction and provide the foundation for longer-term economic and social development.

Methodology

The strength of each jurisdiction's infrastructure program is assessed according to the total infrastructure funding commitment over the period FY2019-20 to FY2022-23 as a proportion of total public expenditure. This methodology allows for comparison of small and large jurisdictions and provides insights into the relative importance of infrastructure as a government priority over time.

Infrastructure funding figures reported in government budgets are used where available. In other cases, the sum of purchases of non-financial assets and finance leases (capturing Public Private Partnership type expenditures) is used as a proxy. This seeks to account for the diversity of budgetary approaches across the nation.

The *Australian Infrastructure Budget Monitor* uses general government total expenditure (GGE) as a consistent measure of total government spending. Total expenditure is calculated by adding total expenses and net acquisitions of non-financial assets.

The general government sector accounts for spending on non-commercial aspects of the government, therefore spending by government-owned corporations (for example, public utilities and government-owned ports) is excluded from this analysis. This provides a sound basis for comparison, and appropriately isolates the analysis to infrastructure that is paid for by taxes rather than paid for at the point of use. For this reason, the figures found in the *Australian Infrastructure Budget Monitor* may differ from the headline figures governments use in media releases and interviews related to infrastructure funding.

All project costs and funding commitments quoted in the *Australian Infrastructure Budget Monitor* are provided in real terms. To account for inflation, we have used the Australian Bureau of Statistics' Consumer Price Index for the March quarter of 2019.

1ST PLACE: NEW SOUTH WALES

New South Wales has ranked first in our *2019-20 Australian Infrastructure Budget Monitor* with the greatest share of the government expenditure dedicated to infrastructure. Close to \$72 billion in general government infrastructure funding has been committed over the forward estimates, representing 18.4 per cent of total planned budget expenditure. Compared to last year's budget, the allocation to infrastructure increased by \$6 billion over the forward estimates, an increase of nine per cent.

The 2019-20 Budget provides a record \$55.6 billion four-year transport infrastructure program, which includes \$6.4 billion to accelerate the delivery of [Sydney Metro West](#). The budget also provides \$2 billion over the forward estimates for planning and preconstruction of the [Sydney Metro Greater West](#) to [Western Sydney Airport](#), jointly funded with the Commonwealth Government. There are also major allocations to health (\$10.1 billion) and education (\$7.3 billion) capital projects.

Almost 78 per cent of the infrastructure capital budget has been dedicated to transport projects. The budget includes commitments to three toll road projects that were a point of contention at the March 2019 State election. The [Western Harbour Tunnel](#), [Beaches Link](#) and [F6 Corridor](#) would have been scrapped under the Opposition, but are progressing as planned.

Several health projects are expected to commence over the next four years, including a new [Bankstown-Lidcombe](#)

[Hospital](#) with an estimated total cost (ETC) of \$1.3 billion, the redevelopment of the [Royal Prince Alfred Hospital](#) (ETC \$750 million), major upgrades to [Ryde Hospital](#) (ETC \$479 million), [Shoalhaven Hospital](#) (ETC \$434 million) and the [St George Hospital](#) (ETC \$385 million).⁵

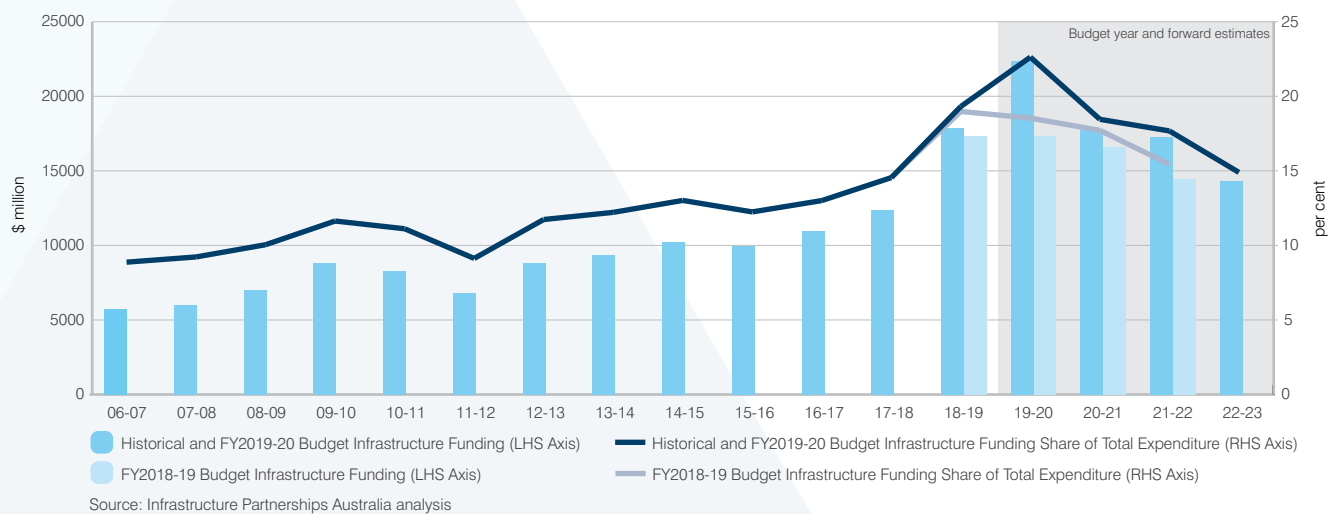
In education, \$917.4 million has been provided for eight new schools and upgrades to a further 32 schools. In sporting and cultural infrastructure the redevelopment of [Sydney Football Stadium](#) and the [New Powerhouse Museum](#) in Parramatta will progress over the forward estimates, with further funding reserved under Restart NSW for redevelopment of [Stadium Australia](#).

The budget sees the receipt of \$9.3 billion in asset recycling proceeds from the sale of the 51 per cent stake in [WestConnex](#). The balance of Restart NSW stood at \$33.3 billion at the end of FY2019 of which \$25.1 billion were from the proceeds of NSW's asset recycling program.



5. Some of the capital expenditure represented within estimated total costs for projects falls beyond the forward estimates.

Figure 4: New South Wales General Government Infrastructure Funding



New South Wales infrastructure statistics:

Value	Description
18.40%	Share of budget dedicated to infrastructure
12.78%	Decade average share of budget dedicated to infrastructure
▲ \$21.87b	Above decade average infrastructure funding level over forward estimates
\$71.69b	Total infrastructure funding over forward estimates
+\$5.99b	Change this budget

Major new funding allocations in New South Wales:⁶



RAIL

\$6.4 billion

Sydney Metro West



ROAD

\$4.1 billion

WestConnex



EDUCATION

\$7.3 billion



HEALTH

\$10.1 billion

6. All listed funding allocations are total commitments for each project over the four-year period to FY2022-23.

2ND PLACE: VICTORIA

Victoria has maintained its second place in the rankings this year, committing \$53.7 billion to general government infrastructure funding. This represents 17.4 per cent of total planned budget expenditure. Compared to the previous year's budget, the allocation to infrastructure increased by \$13.5 billion – an increase of 33 per cent.

The increased spending on infrastructure is backed by prudent financial management, including asset recycling in previous years and sensible borrowing for investment.

The 2019-20 Budget includes significant infrastructure commitments such as for the \$15.8 billion [North East Link](#), \$6.6 billion for the removal of an additional [25 level crossings](#), \$2.1 billion to upgrade the [Sunbury Line](#) and \$1.5 billion for the new [Footscray Hospital PPP](#).

In the lead-up to the Federal election, the Federal Labor Opposition announced several large funding commitments for Victorian projects if elected. However, given the Federal Coalition was returned to Government, the Opposition's commitments did not materialise. Projects which would have received additional funding under a Federal Labor Government included the [Melbourne Metro Tunnel](#), [North-East Link](#), and the [Suburban Rail Loop](#). Despite not receiving the additional funding, these projects will continue as planned, enabled by funding from the Victorian State Government.

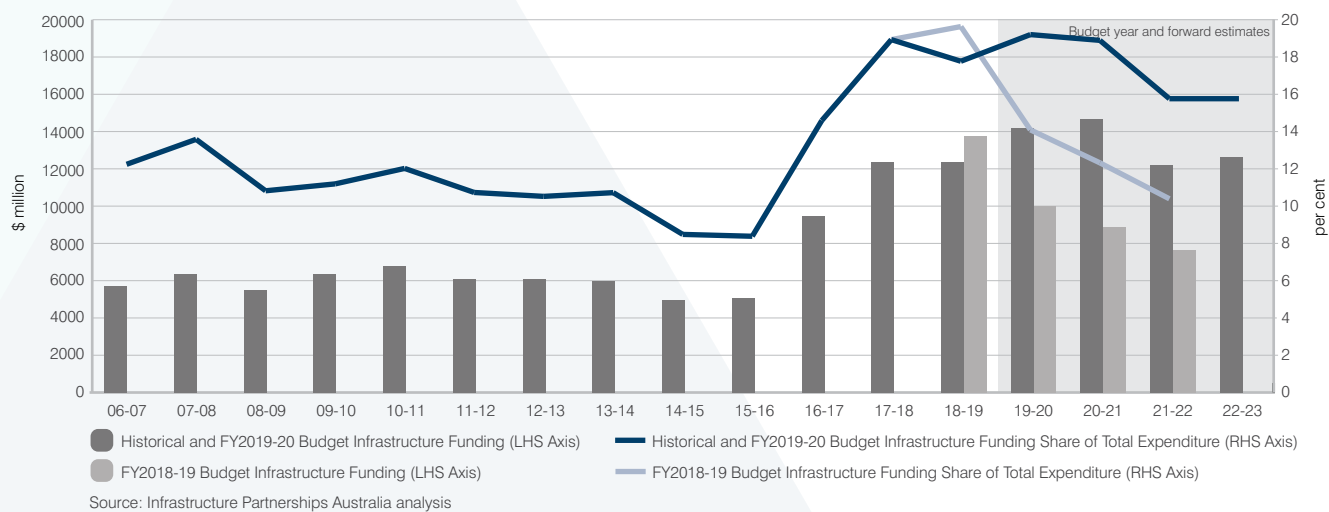
In a similar vein, the re-elected Federal Government's commitments to East West Link (\$4 billion), 'Fast Rail' between Geelong and Melbourne (\$2 billion) and the Kooyong Level Crossing Removal (\$260 million) received no commitments in the Victorian Budget as the State is yet to agree to these projects. This is because, as the procurer of infrastructure, the State needs to agree to deliver projects before they are budgeted.

A key new project introduced in the 2019-20 Budget is the New Trains for Sunbury works, which will further upgrade the Sunbury rail line to enable the deployment of new [High Capacity Metro Trains](#). \$2.1 billion has been allocated for the project to complement works already underway or completed.

In social infrastructure, the 2019-20 Budget commits \$1.13 billion to health capital works in FY2019-20. In education, the budget allocates \$1.75 billion in FY2019-20 towards new schools and upgrades to a range of existing schools.



Figure 5: Victoria General Government Infrastructure Funding⁷



Victoria infrastructure statistics:

Value	Description
17.39%	Share of budget dedicated to infrastructure
12.32%	Decade average share of budget dedicated to infrastructure
▲ \$15.69b	Above decade average infrastructure funding level over forward estimates
\$53.72b	Total infrastructure funding over forward estimates
+ \$13.45b	Change this budget

Major new funding allocations in Victoria:⁸



ROAD

\$15.8 billion

[North East Link](#)



JUSTICE

\$1.25 billion

**Men's prison
system capacity**



RAIL

\$6.6 billion

[25 Level
Crossing Removals](#)



HEALTH

\$1.5 billion

[Footscray
Hospital PPP](#)

7. Victoria's historical infrastructure funding levels have been rebased to reflect the Government Infrastructure Investment line item published in table 4.1 of Budget Paper 2. In previous years, the Australian Infrastructure Budget Monitor used the sum of purchases of non-financial assets and finance leases as a proxy for infrastructure funding. However, this proxy figure no longer provides an accurate picture of infrastructure funding levels as a result of reporting changes made under the Australian Accounting Standards Board – AASB 16 Leases standard.

8. All listed funding allocations, except for North East Link are total commitments for each project over the four-year period to FY2022-23. The \$15.8 billion for North East Link includes funding beyond the forward estimates.

3RD PLACE: QUEENSLAND

Queensland has remained in third place and has continued to increase its infrastructure funding. \$32 billion of general government sector infrastructure funding has been committed over the forward estimates. This represents 12.13 per cent of total planned budget expenditure. Compared to the previous year's budget, this is an increase of \$3 billion or 10 per cent.

At 12.13 per cent, infrastructure's share of the Queensland Budget over the forward estimates remains below its 10-year average of 13.11 per cent, and well below the levels in NSW and Victoria. Although Queensland has increased its infrastructure spend in this budget, further increases will be constrained by high levels of state debt and the consequential lack of fiscal capacity. The State's budget position will remain a major impediment to further infrastructure development unless the Queensland Government considers pursuing budget reform strategies such as asset recycling.

In FY2019-20, Queensland expects a net operating surplus of \$189 million. The operating surplus is forecast to grow to \$787 million in four years, but the State's net debt is projected to increase to almost \$50 billion in the same period from \$39 billion in FY2019-20.

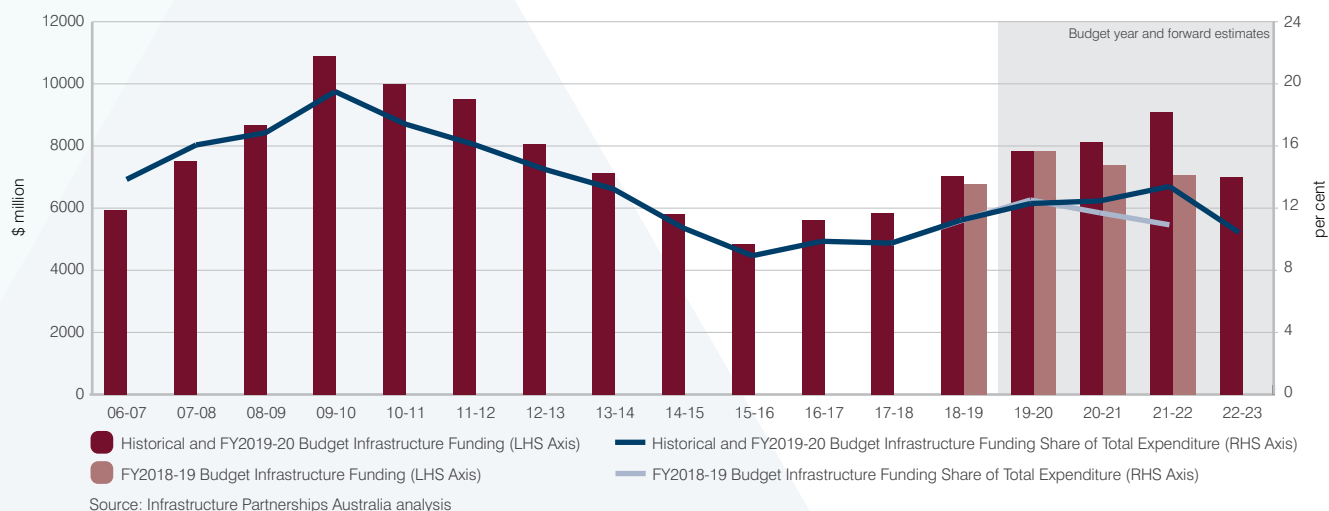
Transport funding of \$23 billion has been allocated under the Queensland Transport and Investment Program

(QTRIP), which was released alongside the budget. However, many of the projects identified in QTRIP have not received clear funding allocations over the forward estimates. In some instances, this appears to be a symptom of an impasse over when funding will flow to projects that are joint commitments between the Queensland and Commonwealth governments.

The Queensland Budget allocates \$5.6 billion for transport in FY2019-20, which includes \$1.5 billion for [Cross River Rail](#). For education, capital works of \$1.2 billion have been committed in FY2019-20, while \$777.7 million has been committed towards health infrastructure. In social housing, \$324.2 million has been allocated to deliver 497 new social housing dwellings, commencement of construction on another 581 dwellings, and upgrades to existing stock. The Queensland Government has also committed \$620 million over the four years to FY2022-23 to expand the [Southern Queensland Correctional Precinct](#).



Figure 6: Queensland General Government Infrastructure Funding⁹



Queensland infrastructure statistics:

Value	Description
12.13%	Share of budget dedicated to infrastructure
13.11%	Decade average share of budget dedicated to infrastructure
▲ \$2.59b	Above decade average infrastructure funding level over forward estimates
\$32.08b	Total infrastructure funding over forward estimates
+\$2.97b	Change this budget

Major new funding allocations in Queensland:



RAIL

\$1.5 billion

Cross River Rail¹⁰



ROAD

\$6.5 billion

Bruce Highway¹¹



HOUSING

\$324.2 million

New social housing dwellings



JUSTICE

\$620 million

Southern Queensland Correctional Precinct

9. Changes under the Australian Accounting Standards Boards - AASB 16 Leases standard have caused an increase in the value of Queensland's finance leases in comparison to the way finance leases figures were reported in previous budgets.

10. The Queensland Government allocated \$1.5 billion in FY2019-20. Funding profiles over the forward estimates are unavailable.

11. Jointly-funded State and Commonwealth investment over four years from 2019-20.

4TH PLACE: NORTHERN TERRITORY

The Northern Territory continues to punch above its weight in infrastructure funding, committing the highest level of infrastructure funding per capita over the forward estimates. The 2019-20 Northern Territory Budget provides a total funding pool of \$3.2 billion for infrastructure over the forward estimates. Infrastructure funding as a share of budget expenditure has increased to 11.64 per cent, but remains below the previous decade average share of expenditure, which is 14.56 per cent.

The Northern Territory, on a per capita basis, trumps all other states and territories with \$12,896 in infrastructure funding per person. This is almost double the national average of \$7,347. Jurisdictions vary widely in demographic distribution of their populations which influence infrastructure funding per capita. While the high infrastructure funding per capita reflects some structural features of the Northern Territory, such as a small and widely dispersed population, it also demonstrates a sustained focus on improving the Northern Territory's infrastructure. The focus on improving infrastructure translates to increased funding of \$146 million compared to the previous budget – a five per cent increase.

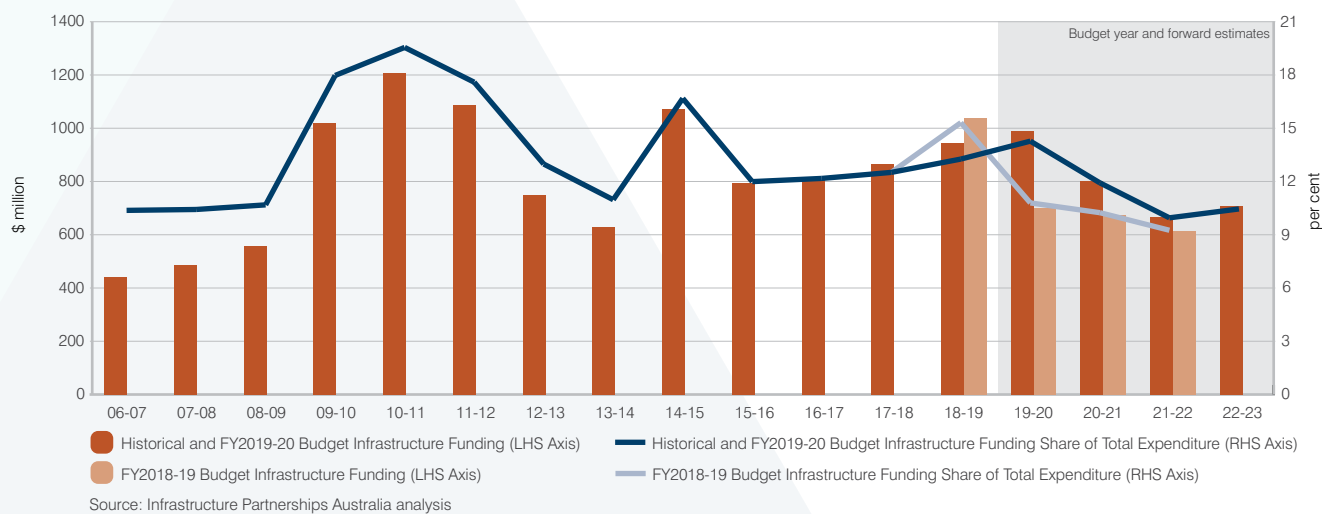
The Northern Territory's economic context sees an expectation of strong Gross State Product growth of 6.3 per cent in FY2019-20 before moderating to 2.5 per cent by the end of the forward estimates. The fiscal balance will remain in deficit over the four years, largely due to the reduction in GST revenue by about \$500 million per annum. GST revenue accounts for around 42 per cent of the Northern Territory's total revenue.

The total capital works program for FY2019-20 is budgeted at just below \$2 billion, with 28.9 per cent dedicated to housing and 28.2 per cent to transport and road related infrastructure. The Northern Territory Government expects \$910 million of new projects to commence in FY2019-20, largely focused on transport infrastructure for tourism and industry, as well as to improve access to remote communities. Over the four years to FY2022-23, \$125 million will be spent on upgrading tourism infrastructure in Jabiru, including a medical centre, education precinct, improved mobile connectivity, utilities and airport infrastructure.

\$576.7 million has been allocated to housing and related infrastructure in FY2019-20, a slight decrease from the previous budget. Of this, \$413.9 million is allocated to remote indigenous housing, with the balance to be shared across public housing, government employee housing and other investments.






Figure 7: Northern Territory General Government Infrastructure Funding



Northern Territory infrastructure statistics:

Value	Description
11.64%	Share of budget dedicated to infrastructure
14.56%	Decade average share of budget dedicated to infrastructure
▼ \$795m	Below decade average infrastructure funding level over forward estimates
\$3.17b	Total infrastructure funding over forward estimates
+\$146m	Change this budget

Major new funding allocations in Northern Territory:¹²

			
HOUSING	ROAD	TOURISM	JUSTICE
\$414 million	\$564 million	\$125 million	\$70 million
Remote Aboriginal housing	Roads and transport	Jabiru infrastructure upgrades	Youth justice centres

12. The Northern Territory Budget does not provide funding profiles over the forward estimates, therefore all key funding allocations only represent project funding for the FY2019-20 year.

5TH PLACE: SOUTH AUSTRALIA

South Australia continues to increase its general government infrastructure funding and has narrowly edged up in the Budget Monitor rankings to 5th place. Over the forward estimates, South Australia has committed \$9.7 billion to infrastructure, a \$1.1 billion, or 14 per cent increase from the previous budget. This represents 11.16 per cent of total planned budget expenditure.

The South Australian Government's increased infrastructure spend is primarily supported by increased debt, with net state debt expected to reach \$21.3 billion in FY2022-23. Although the budget is seen to deliver an operating surplus, the debt-to-revenue ratio is expected to grow from 63.1 per cent to 91.2 per cent over the same period.

The 2019-20 Budget makes a \$3.2 billion commitment to road projects over the forward estimates, including \$834 million for road safety initiatives. The budget allocates \$322 million for level crossing upgrades (50 per cent of which is Commonwealth funding) and a further \$80 million beyond FY2022-23. Also in roads, \$252 million has been committed to undertake planning and early works for the remaining sections of the [North-South Corridor](#) project.

In rail, an additional \$479.8 million commitment has been made for the Gawler Line electrification and the purchase of three additional electric trains. The project is jointly funded with the Commonwealth Government.

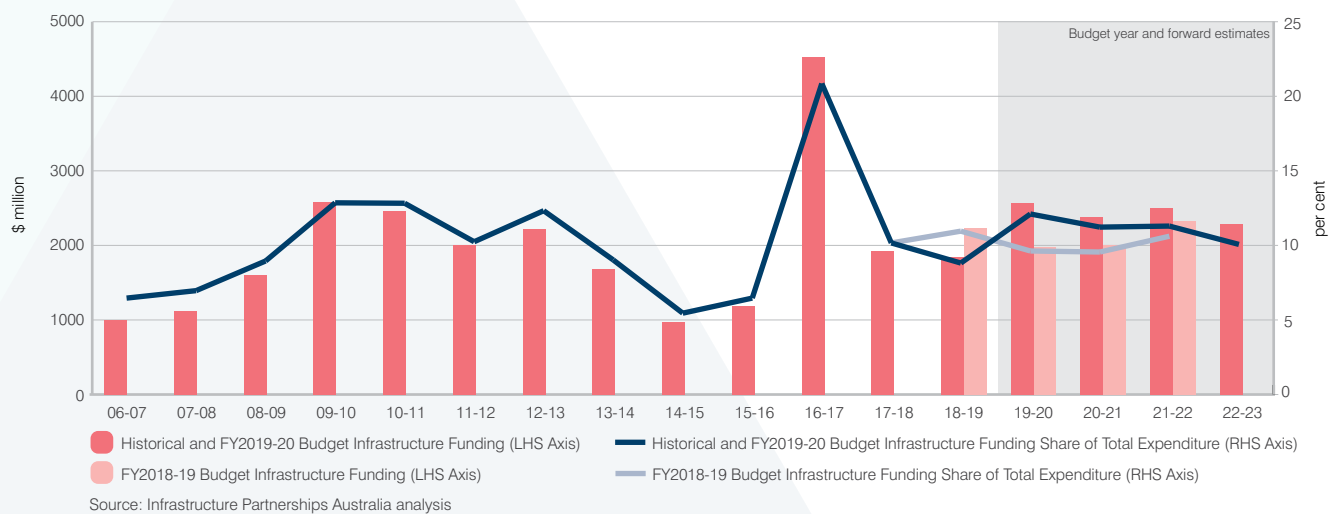
In social infrastructure, the South Australian Government has made significant funding commitments across health, education, justice and cultural infrastructure. In health, the budget sees a total of \$1.5 billion allocated over the four years to FY2022-23. This includes a \$550 million allocation for the [Women's and Children's Hospital](#), and an additional \$242 million commitment for Stage 3 of the Queen Elizabeth Hospital Redevelopment.

Funding for education capital works will total \$1.4 billion over the forward estimates. This includes \$361 million to build three new schools, including a high-school in Whyalla and two new birth-to-year-12 schools in the Munno Parra and Sellicks Beach/Aldinga growth areas. These two new Adelaide schools are to be delivered via a Public Private Partnership, through the [SA Schools PPP](#).

The 2019-20 Budget also allocated \$177 million over four years to justice infrastructure, including \$146.3 million for the Yatala Prison bed expansion project. Cultural infrastructure funding commitments are headlined by a \$150 million allocation over the forward estimates towards an Aboriginal Art and Cultures Gallery.



Figure 8: South Australia General Government Infrastructure Funding



South Australia infrastructure statistics:

Value	Description
11.16%	Share of budget dedicated to infrastructure
10.89%	Decade average share of budget dedicated to infrastructure
▲ \$236m	Above decade average infrastructure funding level over forward estimates
\$9.74b	Total infrastructure funding over forward estimates
+\$1.18b	Change this budget

Major new funding allocations in South Australia:¹³



ROAD

\$252 million

North-South
Corridor



RAIL

\$479.8 million

Gawler Line
electrification



HEALTH

\$550 million

Women's and
Children's Hospital



EDUCATION

\$1.4 billion

13. All listed funding allocations are total commitments for each project over the four-year period to FY2022-23.

6TH PLACE: AUSTRALIAN CAPITAL TERRITORY

The Australian Capital Territory has committed over \$3 billion in infrastructure funding over the forward estimates, a circa 10 per cent increase from the previous budget. The increase in funding sees the ACT's four-year share of expenditure dedicated to infrastructure increase to 11.15 per cent from 10.76 per cent in the previous budget.

The ACT Government continues to increase its infrastructure funding levels, backed by strong economic growth and sensible long-term reform. Over \$3 billion has been committed over the forward estimates, of which \$1.2 billion has been set aside for projects that are yet to be settled or are commercially sensitive, while \$787 million is for new infrastructure and capital initiatives.

The ACT Government is forecast to run a deficit of \$89.1 million before returning to a \$135 million surplus in FY2021-22. Net debt is forecast to exceed \$3 billion over the forward estimates as the [SPIRE Centre](#) and major transport infrastructure projects enter the delivery phase.

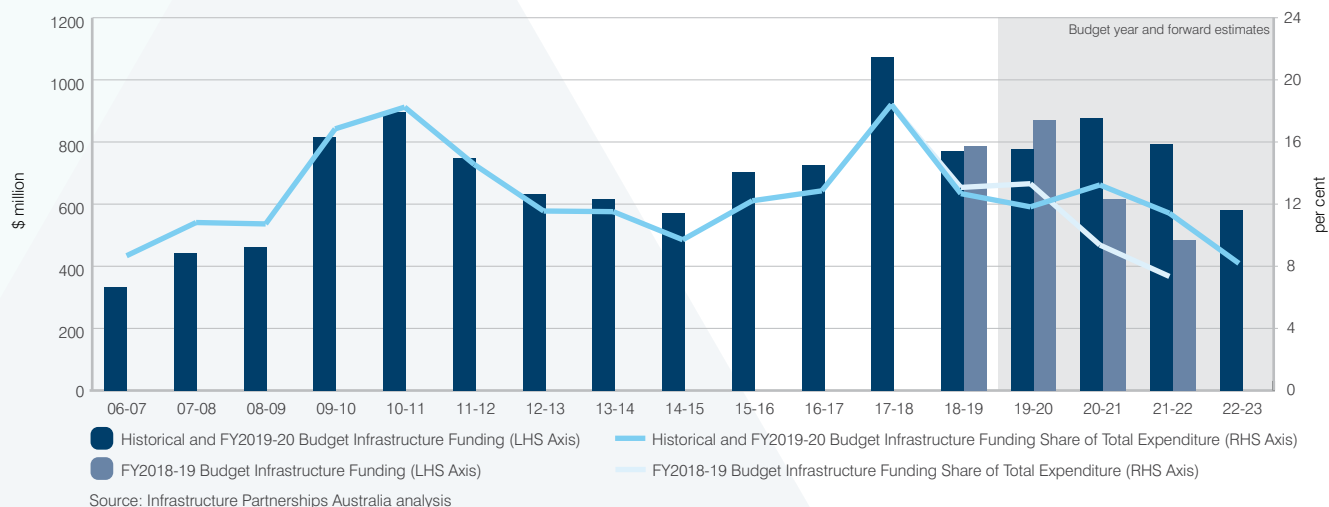
The ACT Government plans to spend \$377 million on a variety of road, public transport and active travel projects. Major projects underway include the [ACT Light Rail Stage 2 – City to Woden](#), 84 new buses and upgrades to the Monaro Highway.

In education infrastructure, the 2019-20 Budget provides \$110 million in capital spending for several new schools and school expansion projects. The most significant school investment is \$48.4 million for a new primary school at Throsby.

A total of \$134 million has been committed to health infrastructure over the four years to FY2022-23, including the commencement of the [SPIRE Centre](#) at Canberra Hospital, as well as two new walk-in centres. \$89 million has been committed to social and public housing programs, with an additional \$500 million over five years provided by Housing ACT to grow and renew public housing in the ACT.



Figure 9: Australian Capital Territory General Government Infrastructure Funding



Australian Capital Territory infrastructure statistics:

Value	Description
11.15%	Share of budget dedicated to infrastructure
13.84%	Decade average share of budget dedicated to infrastructure
▼ \$734m	Below decade average infrastructure funding level over forward estimates
\$3.03b	Total infrastructure funding over forward estimates
+\$269m	Change this budget

Major new funding allocations in Australian Capital Territory:¹⁴



RAIL

\$49 million

ACT Light Rail
Stage 2 –
City to Woden



EDUCATION

\$48 million

New primary school
at Throsby



HEALTH

\$55 million

SPIRE Centre at
Canberra Hospital



HOUSING

\$89 million

Public Housing
in the ACT

14. All listed funding allocations are total commitments for each project over the four-year period to FY2022-23.

7TH PLACE: TASMANIA

The 2019-20 Tasmanian Budget sees a total of \$2.8 billion committed to infrastructure over the forward estimates, with funding increasing by \$205 million compared to the previous budget. Tasmania has increased its share of budget dedicated to infrastructure to 10.37 per cent over the forward estimates.

Roads and bridges make up the majority of Tasmanian Government infrastructure funding, with commitments over the four years to FY2022-23 totalling \$1.6 billion. Over the same period, \$352.6 million has been committed to health, \$212.5 million to housing and services, \$194 million to education and \$170.6 million to justice projects.

Major projects such as the [New Bridgewater Bridge](#) (ETC \$576 million), Royal Hobart Hospital Redevelopment (ETC \$689 million) and the new Northern Prison (ETC \$270 million) have received funding allocations in the budget.¹⁵ The New Bridgewater Bridge is to be jointly funded with the Commonwealth Government.

Outside the general government sector and excluded from the total funding figures are equity investments totalling \$300 million to be provided to TasWater over 10 years from FY2018-19 to allow for new assets and

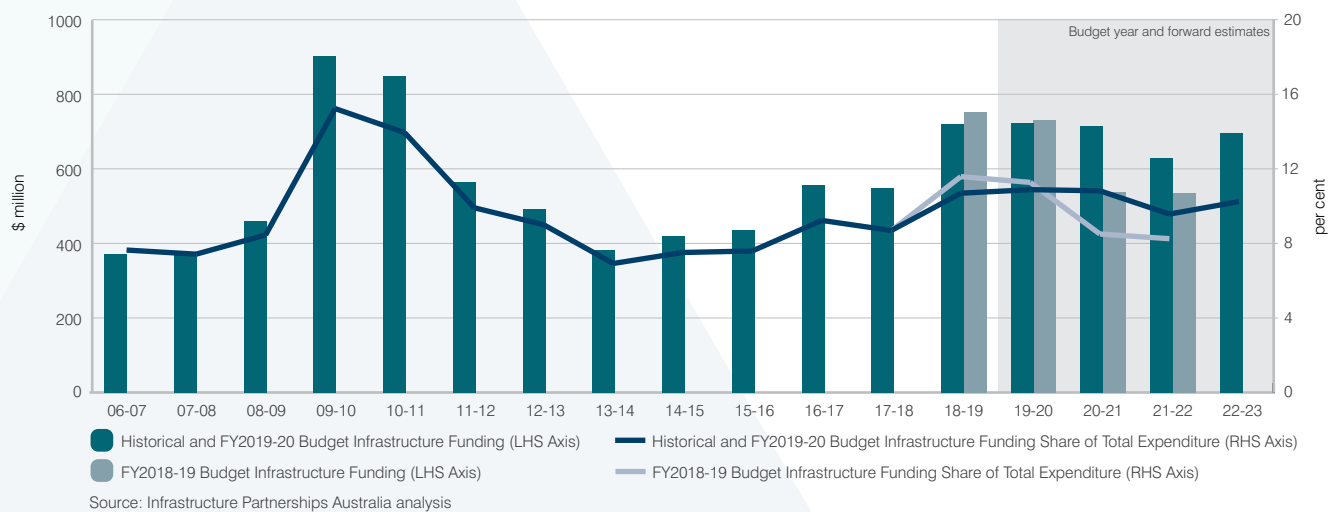
upgrades to existing ageing stock. This will make the State Government a 10 per cent shareholder in the business by the end of the period. In FY2022-23, \$40 million has been committed to TasWater for the relocation of the wastewater treatment plant at Macquarie Point, the Launceston combined sewerage and wastewater system improvements and the Freycinet Peninsula wastewater system.

Facing significant falls in revenue, the Tasmanian Government has vowed to implement savings measures to restore fiscal sustainability. Budget savings of \$450 million will be achieved across the forward estimates by cutting expenditure on consultants, travel and advertising, as well as through vacancy control and natural employee attrition. With the savings measures implemented, the budget is expected to return to a thin surplus of \$3 million in FY2022-23, compared to a fiscal deficit of \$248.4 million in FY2019-20.



15. Some of the capital expenditure represented within estimated total costs for projects falls beyond the forward estimates.

Figure 10: Tasmania General Government Infrastructure Funding



Tasmania infrastructure statistics:

Value	Description
10.37%	Share of budget dedicated to infrastructure
9.86%	Decade average share of budget dedicated to infrastructure
▲ \$135m	Above decade average infrastructure funding level over forward estimates
\$2.76b	Total infrastructure funding over forward estimates
+\$205m	Change this budget

Major new funding allocations in Tasmania:¹⁶



ROAD

\$294 million

New Bridgewater Bridge¹⁷



HEALTH

\$172.8 million

Royal Hobart Hospital
Redevelopment



JUSTICE

\$170.6 million



EDUCATION

\$194 million

¹⁶ All listed funding allocations are total commitments for each project over the four-year period to FY2022-23.

¹⁷ Total four-year funding commitment to the New Bridgewater Bridge includes \$236 million in Commonwealth Government Funding.

8TH PLACE: WESTERN AUSTRALIA

Western Australia has increased its infrastructure funding this budget in both quantum and as a share of total government expenditure. Infrastructure funding totals \$8.8 billion over the four years to FY2022-23, an increase of \$1.07 billion on the previous budget. However, this represents just 7.24 per cent of the budget, making WA the only state or territory to have less than 10 per cent of budget expenditure commitment to infrastructure.

The increase in infrastructure funding by \$1.07 billion has been backed by a stronger fiscal position and forecasts of high growth in Gross State Product across the forward estimates. Due to higher iron ore prices alongside a GST top up from the Commonwealth Government, the budget highlights an operating surplus of \$553 million in FY2018-19, the first surplus since FY2013-14.

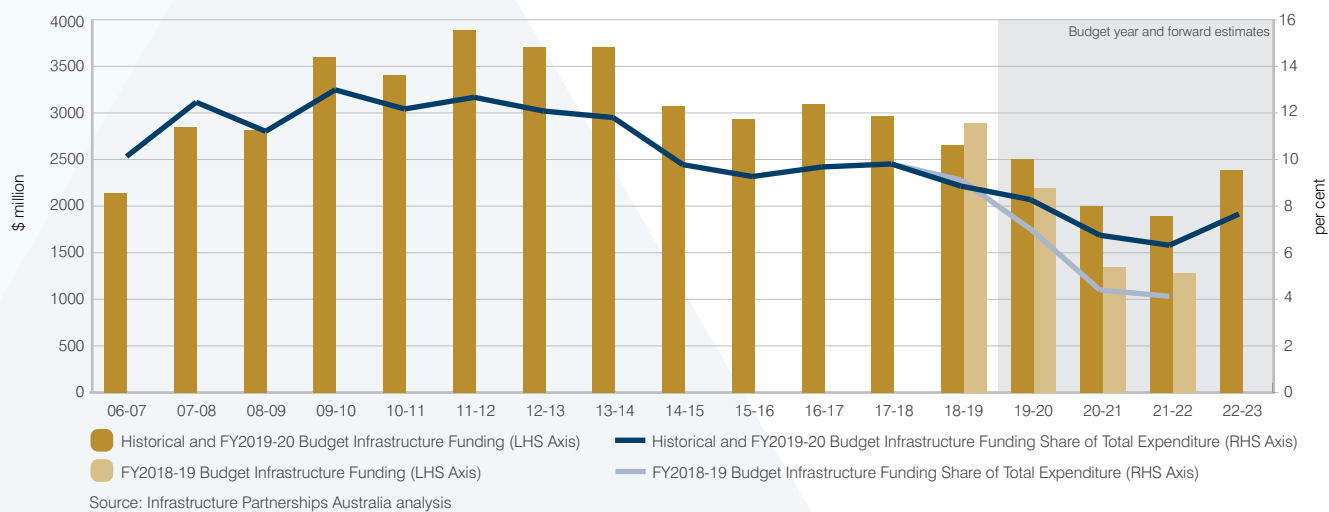
With \$8.9 billion in funding committed to infrastructure over the four years to FY2022-23, nearly half has been dedicated to road projects, which have been allocated \$4.2 billion. This includes \$1.3 billion committed across 25 projects to be partly funded by the Commonwealth Government. Investment in the major expansion of urban rail through [METRONET](#) has also been boosted with an additional \$266.6 million introduced in this budget.

\$797 million has been committed to health infrastructure projects, while \$1 billion has been committed to public school infrastructure. Also in social infrastructure, the State will provide funding of \$187.4 million over FY2018-19 to FY2022-23 to support projected demand for adult prison beds.

In September of 2019, several months after the release of the 2019-20 Budget, the WA Government completed a partial commercialisation of the [Landgate](#) land titles office, which saw the Government receive \$1.4 billion in gross proceeds. The WA Government is pursuing further divestments, with legislation allowing for the sale of [WA TAB](#) confirmed and procurement underway. Once [WA TAB](#) has been privatised, a portion of the sale proceeds will be dedicated to racing infrastructure and the remainder will go towards [a new women's and maternity hospital](#).



Figure 11: Western Australia General Government Infrastructure Funding



Western Australia infrastructure statistics:

Value	Description
7.24%	Share of budget dedicated to infrastructure
10.90%	Decade average share of budget dedicated to infrastructure
▼ \$4.44b	Below decade average infrastructure funding level over forward estimates
\$8.79b	Total infrastructure funding over forward estimates
+\$1.07b	Change this budget

Major new funding allocations in Western Australia:



ROAD

\$315 million

Tonkin Highway Upgrades



RAIL

\$266.6 million

METRONET¹⁸



HEALTH

\$797 million



EDUCATION

\$1 billion

18. The \$226.6 million in additional funding for METRONET is in on top of existing funding commitments made in previous budgets.

COMMONWEALTH GOVERNMENT

Commonwealth Government infrastructure funding levels have increased this budget. Total infrastructure funding stands at \$29.5 billion over the forward estimates, an increase of \$8 billion or 38 per cent from the previous budget. This represents 1.37 per cent of total planned government expenditure.

In welcome news, a range of road and rail projects receiving funding across the country have boosted the Commonwealth's funding commitments in this budget. Despite this increase to infrastructure funding, overall funding levels as a percentage of general government expenditure are relatively low at 1.37 per cent of total expenditure, which is below the decade-average of 1.46 per cent. This means an additional \$1.9 billion in funding would be needed over the forward estimates to return to decade-average funding levels as a share of total expenditure.

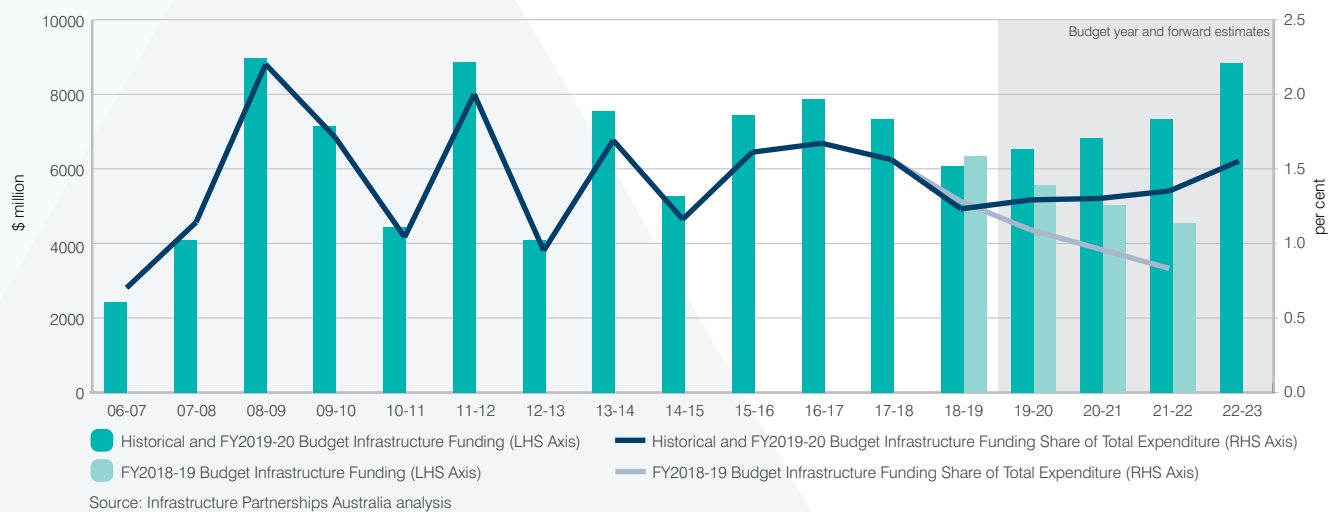
The budget sees the Commonwealth Government focus infrastructure funding towards road and rail projects. New road funding commitments have been made through the Urban Congestion Fund, as well as the Roads of Strategic Importance Initiative.

The budget provides \$1.1 billion towards the [Suburban Roads Upgrades PPP](#) in Victoria and \$1.6 billion for the [M1 Pacific Motorway Extension to Raymond Terrace](#) in NSW. In rail, \$2 billion has been committed for the Fast Rail project connecting Geelong to Melbourne. However, this commitment is over a 10-year period with most of the funding falling beyond the forward estimates.

The budget also confirms the Commonwealth Government's commitment to provide \$1.38 billion in equity for the [Snowy 2.0](#) project. However, since this commitment is in the form of equity into a government-owned business, it is not counted as part of the Commonwealth's infrastructure funding figures. This is because funding will ultimately be provided by consumers through their energy bills rather than by taxpayers.







Figure 12: Commonwealth General Government Infrastructure Funding



Commonwealth infrastructure statistics:

Value	Description
1.37%	Share of budget dedicated to infrastructure
1.46%	Decade average share of budget dedicated to infrastructure
▼ \$1.92b	Below decade average infrastructure funding level over forward estimates
\$29.53b	Total infrastructure funding over forward estimates
+\$8.06b	Change this budget

Major new funding allocations for the Commonwealth:

 <p>ROAD</p> <p>\$1.6 billion</p> <p><u>M1 Pacific Motorway Extension to Raymond Terrace</u></p>	 <p>RAIL</p> <p>\$2 billion</p> <p><u>Faster Rail between Geelong and Melbourne¹⁹</u></p>	 <p>HOUSING</p> <p>\$1.7 billion</p> <p><u>Affordable Housing²⁰</u></p>	 <p>ROAD</p> <p>\$1 billion</p> <p><u>Princes Highway Upgrades</u></p>
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19. The Commonwealth Government's funding commitment to Faster Rail between Geelong and Melbourne is over a 10-year period with most of the funding falling beyond the forward estimates.
 20. The Commonwealth Government's \$1.7 billion commitment to affordable housing is for the 2019-20 budget year.





Infrastructure Partnerships Australia

Suite 3.03, Level 3, 95 Pitt Street
Sydney NSW 2000
PO Box R 1771
Royal Exchange, NSW 1225
infrastructure.org.au