

AUSTRALIAN INFRASTRUCTURE BUDGET MONITOR





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.

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INTRODUCTION

The 2026-27 Budget Season was a consequential one for the Australian infrastructure sector. Aggregate infrastructure funding for the next four years, in real terms, is now at the lowest level seen since the 2019-20 Budget Season, as governments begin to moderate spending following generational peaks. This year's budgets allocated a combined \$280 billion in general government expenditure to infrastructure over the four years to FY2029-30. This is a real decrease of \$9.4 billion on the combined allocation in the 2025-26 Budget Season. Infrastructure funding as a proportion of total general government expenditure declined to 13.7 per cent, down from 14.6 per cent in FY2025-26.

Of course, this decline is not uniform at a jurisdictional level, with different dynamics playing out across the country. Large jurisdictions, NSW and Victoria – historically the ballast of overall expenditure – are now firmly contracting their infrastructure agendas. Conversely, Queensland, South Australia and Western Australia are undergoing periods of infrastructure expansion.

This year's *Budget Monitor* uses the four metric methodology – introduced last year – to assess the infrastructure agendas of the Federal, state and territory governments. As a refresher, these four metrics include:

- *Share* – proportion of general government expenditure allocated to infrastructure
- *Spread* – delta between forecast four-year *Share* and the prior decade-long average *Share*
- *Stability* – skew of the next four years of forecast infrastructure expenditure against the previous four years, measured in absolute terms
- *Service* – percentage change in per capita funding

Last year's *Budget Monitor* rankings leader, Queensland – well and truly in the thick of Olympic preparation – once again finishes atop the league table. This year's Queensland Budget allocates \$75.4 billion to infrastructure over the four years to FY2029-30, an increase of \$4 billion on last year's Budget. The State has now more than doubled its infrastructure expenditure in real terms in just five years after allocating \$37 billion to infrastructure in its 2021-22 Budget.

This budgetary performance sees Queensland finish first overall and take first position in two *Budget Monitor* metrics – *Share* and *Spread* – allocating the greatest share of general government expenditure to infrastructure and having the highest expenditure above its long-term average. Owing to the rapid expansion in infrastructure funding, Queensland finishes fifth in the *Stability* metric.

At the other end of the league table is Victoria. After a sustained period of infrastructure expansion, Victoria is now undergoing a precipitous relative decline in infrastructure funding. This year's Budget allocated \$66.1 billion to infrastructure over the next four years, equivalent to a *Share* of 13.5 per cent of general government expenditure; for context, Victoria's *Share* peaked in the 2023-24 Budget at 24 per cent.

In real terms, infrastructure funding in Victoria over the next four years is forecast to be \$24.4 billion less than the previous four years, meaning the State finishes fourth in *Stability*, ahead of only the rapidly expanding South Australia and Queensland. This forecast funding drop has seen the State come last in the *Service* metric, with per capita infrastructure funding falling 13 per cent year-on-year.



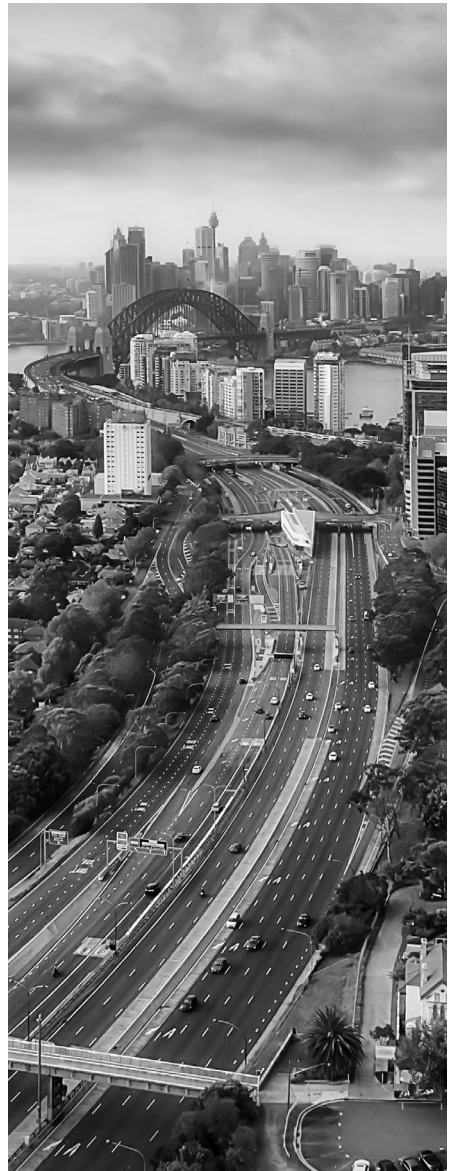
Entering a period of overall contraction is not inherently bad, infrastructure spending could not keep increasing from the high-water marks continually set in the first half of this decade. It is now incumbent on those governments with contracting agendas to ensure they do not take the foot off the pedal too harshly or for too long, creating inefficient and unproductive outcomes. On the other hand, those jurisdictions expanding their infrastructure agendas must heed the lessons of those expansionary governments that came before them and ensure they keep a tight handle on the scope, cost and schedule of their increasing infrastructure remits.

Following the rankings section, new analysis has been provided in this year's *Budget Monitor* which assesses infrastructure expenditure as a share of Gross State Product (GSP) at a jurisdiction level back to FY1992-93. This analysis shows that after an extended period of steady expenditure, the infrastructure budgets of Australia's states have been much more dynamic relative to their general economies, creating unproductive outcomes in the pipeline.

Building on the Ace of Spades card in the recent [Practical Productivity](#) report released by Infrastructure Partnerships Australia, we recommend that governments commit to a long-term, publicly stated target for infrastructure investment as a share of GSP.

Such a target would give policymakers guardrails to make investment decisions within, and would have dual positive impacts on productivity as a stabiliser of pipeline volatility and allow industry to invest in skills and technology to meet a more predictable investment horizon.

Full coverage of each Budget can be found on our [Budget Hub](#).



ABOUT THE BUDGET MONITOR

Background

Infrastructure Partnerships Australia's Australian Infrastructure Budget Monitor 2026-27 (*Budget Monitor*) measures infrastructure funding commitments by jurisdictions for the current Budget year and forward estimates (FY2026-27 to FY2029-30). 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.

The purpose of the *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 commitments by governments to building infrastructure.

Methodology

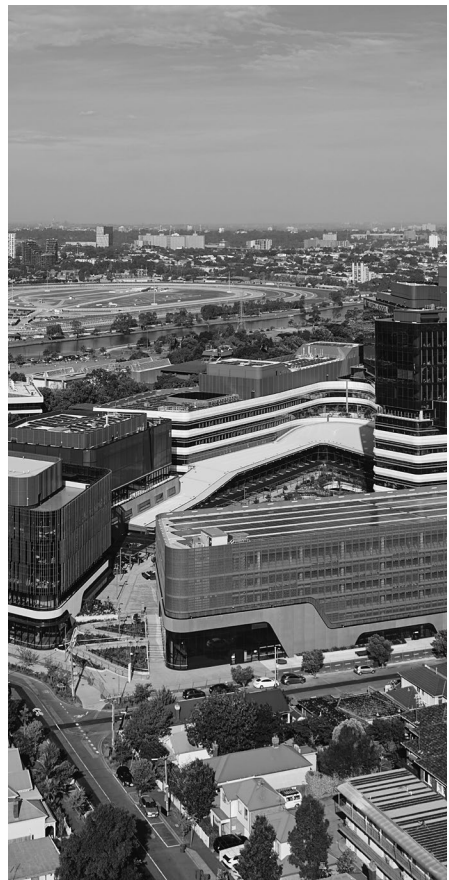
Budget Monitor rankings are made using a cumulative ranking approach for each state based on relative performance across four metrics of equal weight. These metrics are derived from forecast and historic general government expenditure allocations to infrastructure and population figures provided by the Australian Bureau of Statistics.

The *Budget Monitor* does not seek to assess the prudence of project-level investments, rather, it is a measure of the quantum and trend of infrastructure spending in public budgets. This approach is taken as the *Budget Monitor* seeks to assess the importance of infrastructure relative to total expenditure, not the quality of expenditure.

Infrastructure funding figures are primarily drawn from budget-reported allocations of general government expenditure to infrastructure. Where unavailable, purchases of non-financial assets and acquisitions under finance leases (e.g. PPP projects) are used. This approach ensures consistency across varying budgetary practices and normalises for economic and geographic differences, providing a robust comparison of the strength of each jurisdiction's infrastructure program.

Total general government sector expenditure – expenses plus net acquisitions of non-financial assets – is used as the baseline for assessing the total proportion of expenditure allocated to infrastructure.

General government expenditure excludes spending by government-owned business enterprises or public corporations, such as utilities or ports, which are required to recoup investment and operational costs primarily through own source revenue such as utility bills. This approach isolates taxpayer-funded decisions and excludes expenditure from user-pays or equity-financed projects, which are not paid for by taxpayers. As a result, figures may diverge from government media releases, but they better capture the fiscal choices directly attributable to public budgets.



Budget figures from the Federal, Australian Capital Territory (ACT) and Northern Territory (NT) Governments are assessed in the *Budget Monitor* but excluded from rankings. Federal Government general government expenditure primarily funds state and territory infrastructure projects. As such it is not formally included in the rankings.

The Budgets of the ACT and NT are excluded from the rankings due to the functional differences between the governments and economies of territories and states. Territory governments are much smaller than state governments and have fundamentally different rules for collecting revenue and spending capital, which make direct comparisons potentially unfair for the territory budgets. We include analysis of all three budgets in the report to provide a comprehensive overview of all funding commitments.

The four metrics used to make the overall *Budget Monitor* rankings are:

Share – General government expenditure on infrastructure over four years

This metric is the base measure for the *Budget Monitor* methodology and measures a jurisdiction's proportion of general government expenditure allocated to infrastructure over the four-year budget period. This metric is designed to measure infrastructure's importance relative to total expenditure between FY2026–27 and FY2029–30. Measuring expenditure in this way enables comparison of large and small jurisdictions.

Spread – Delta between four-year Share and previous decade Share

This metric measures the delta between the *Share* of general government expenditure allocated to infrastructure over the next four years, and the *Share* average of the previous decade. Complementing the *Stability* metric, the *Spread* metric is designed to assess whether a jurisdiction's infrastructure profile is exceeding its long-term trend, looking beyond the infrastructure cycle to reward long-term uplift in expenditure.

Stability – Infrastructure expenditure rate of change

Infrastructure investment is typically cyclical, with large individual interventions not required every year to uphold service provision. Consequently, infrastructure

allocations often oscillate up and down. However, infrastructure markets which limit the scale of these oscillations create the foundations for long-term productivity and efficiency gains.

To assess the *Stability* of a jurisdiction's infrastructure profile, this metric assesses the skew of the current Budget's infrastructure allocation against the previous four years of actual expenditure. This 'Inverse Absolute' measure seeks to account for the cyclical reality of infrastructure investment, with 'Boom-and-Bust' approaches finishing at the bottom of the rankings and steady movements up or down rewarded in the rankings.

Service – Percentage change in per capita funding

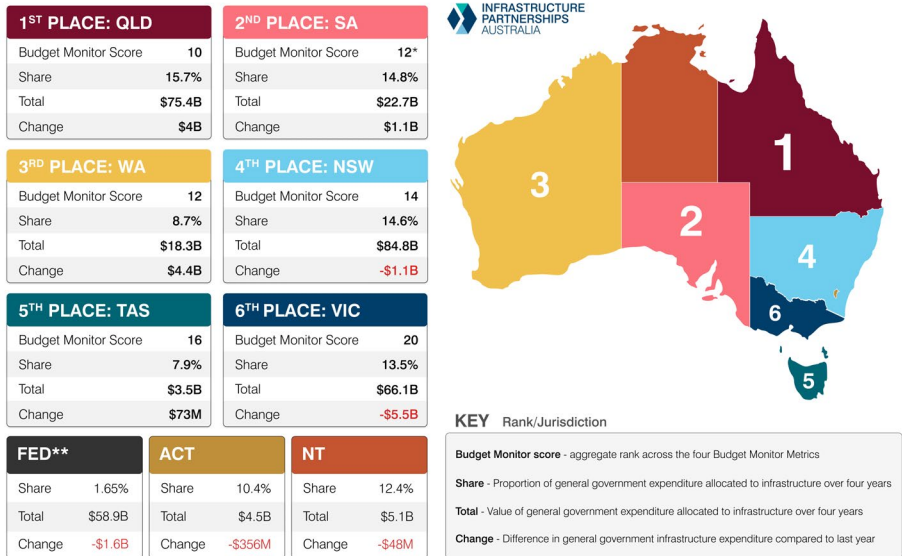
The supply and demand of infrastructure is ultimately governed by a simple equation of service delivery commitments and population changes. The *Service* metric acknowledges this equation by assessing the percentage change in per capita funding – total infrastructure funding divided by total population – between the previous budget's four-year allocation and this budget's allocation. The jurisdiction which increases its per capita infrastructure funding the most is rewarded with the highest rank.

Each state is ranked on its performance on each metric from first to sixth. These are then combined to calculate an overall rank, with the best aggregate rank awarded the top position in the overall *Budget Monitor* ranks. All four metrics are provided equal weight in this calculation. Where two jurisdictions are tied in the overall rank, their respective performance in the *Share* metric is used as a tiebreaker.

Together as a composite rank, these metrics reward jurisdictions which make infrastructure allocations that emphasise fiscal sustainability and improve service delivery in the short and long term. Jurisdictions who make large abrupt movements in their infrastructure allocations or who do not seek to improve service delivery are penalised.



Figure 1: 2026-27 Australian Infrastructure Budget Monitor Rankings



Source: Infrastructure Partnerships Australia analysis of 2026-27 Budgets

*When two jurisdictions have an equal Budget Monitor score, performance in the Share metric is used as a tiebreaker.

**Budget figures from the Federal, ACT and NT Governments are assessed in the Budget Monitor but excluded from rankings.



KEY INSIGHTS

A total of **\$280 billion** in general government expenditure has been **allocated to infrastructure** over the four years to FY2029-30 – a **\$9.4 billion decline in real terms compared to last year's budgets**.



Allocations to infrastructure represent 13.7 per cent of general government expenditure, a decrease from the 14.6 per cent allocation share in FY2025-26.

Average per capita expenditure on infrastructure across all jurisdictions **over four years is now \$10,560**, down 4.3 per cent in real terms compared to last year's figure of \$11,030 per capita. Western Australia was the only jurisdiction to see a real increase in per capita funding year-on-year.



Queensland and South Australia were the only two jurisdictions to allocate a greater share of general government expenditure compared to their long-term averages.

The **Federal Government's allocation to infrastructure** as a share of general government expenditure **decreased by 0.19 percentage points against last year's Budget**, bringing it below the ten-year average infrastructure share for the first time since the 2019-20 Budget.



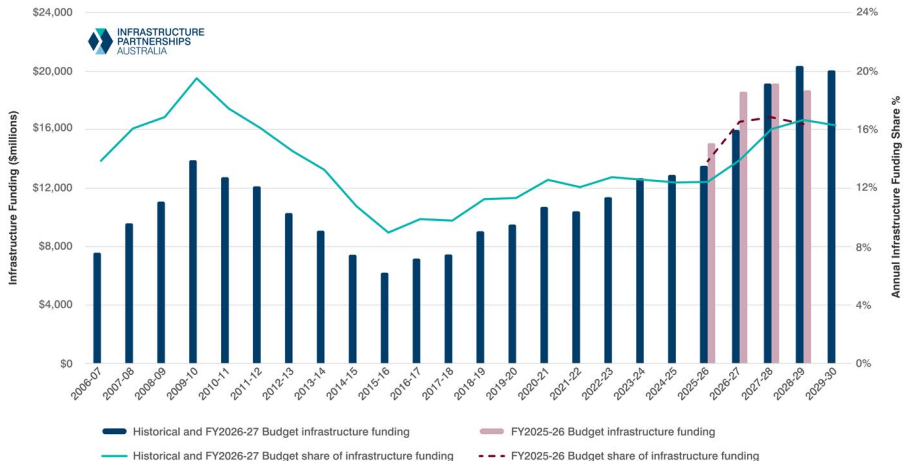
Queensland's allocation of \$75.4 billion over four years is more than double, in real terms, the \$37 billion allocation in the 2021-22 Budget.



1ST PLACE: QUEENSLAND

1ST PLACE: QLD

Share	15.7%	RANK 1
Spread	4%	RANK 1
Stability	19.6%	RANK 5
Service	-0.9%	RANK 3



Source: Infrastructure Partnerships Australia analysis of the 2026-27 Queensland Budget

Queensland infrastructure statistics

Value	Description
15.7%	Share of general government expenditure dedicated to infrastructure
11.8%	Decade-average share of Budget dedicated to infrastructure
\$19b	Above decade-average infrastructure funding level over four years to FY2029-30
\$75.4b	Total infrastructure funding over four years to FY2029-30
+\$4b	Increase in infrastructure funding compared to 2025-26 Budget

The 2032 Brisbane Olympic and Paralympic Games are now just six short years away. This immovable deadline, alongside the baseline investment required to meet the demand of a growing population, has resulted in a rapidly expanding infrastructure pipeline in Queensland. The State retains its spot atop the Budget Monitor rankings after finishing first last year. To meet these needs, the 2026-27 Queensland Budget allocated \$75.4 billion in general government expenditure to infrastructure over the four years to FY2029-30.

This is a \$4 billion increase on last year's Budget and represents 15.7 per cent of total general government expenditure, meaning Queensland finishes first in the *Share* metric. Despite Queensland's *Share* metric receding slightly, this four-year allocation is 3.9

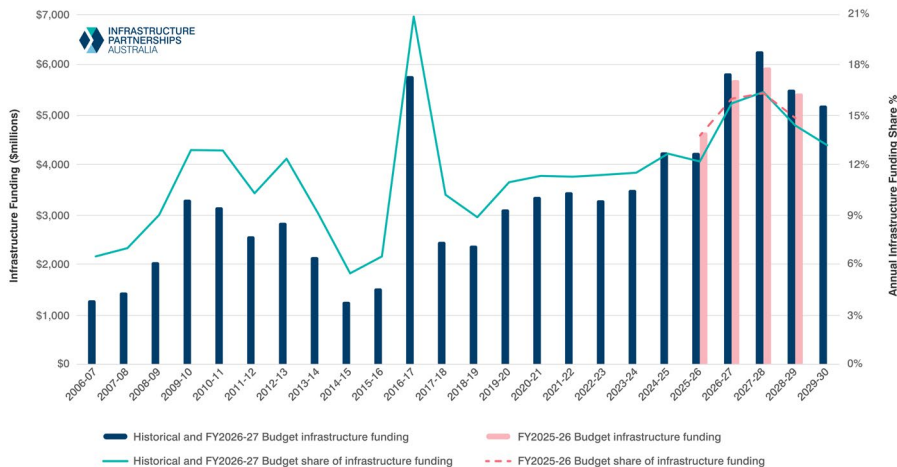
percentage points above the decade-long average of 11.8 per cent and sees Queensland comfortably take first place in the *Spread* metric.

Despite having the second highest population growth rate across Australia, per capita infrastructure funding saw only a minor decrease in Queensland. This results in the State finishing third in the *Service* metric. Only one jurisdiction – Western Australia – achieved a positive *Service* metric result in this year's *Budget Monitor*.

Queensland's infrastructure allocation has now more than doubled, in real terms, since the 2021-22 Budget. This rapidly expanding profile means for the second year running, the State finishes fifth in the *Stability* metric.

2ND PLACE: SOUTH AUSTRALIA

2 ND PLACE: SA		
Share	14.8%	RANK 2
Spread	2.7%	RANK 2
Stability	19.8%	RANK 6
Service	-0.2%	RANK 2



Source: Infrastructure Partnerships Australia analysis of the 2026-27 South Australian Budget

South Australia infrastructure statistics

Value	Description
14.8%	Share of general government expenditure dedicated to infrastructure
12.1%	Decade-average share of Budget dedicated to infrastructure
\$4.2b	Above decade-average infrastructure funding level over four years to FY2029-30
\$22.7b	Total infrastructure funding over four years to FY2029-30
+\$1.1b	Increase in infrastructure funding compared to 2025-26 Budget

South Australia is in the middle of delivering a substantial infrastructure pipeline, with the bulk of funding for the State's two largest projects - [Torrens to Darlington](#) and [New Women's and Children's Hospital](#) - allocated in the four years to FY2029-30. To meet the requirements of these projects, the Government of South Australia allocated \$22.7 billion to infrastructure over four years in its 2026-27 Budget, moving the State two positions up the league table to second overall.

Fast follower is a common theme for South Australia in this year's *Budget Monitor*, finishing second overall, and across three different metrics. The State's infrastructure allocation is equivalent to 14.8 per cent of general government expenditure, achieving a rank

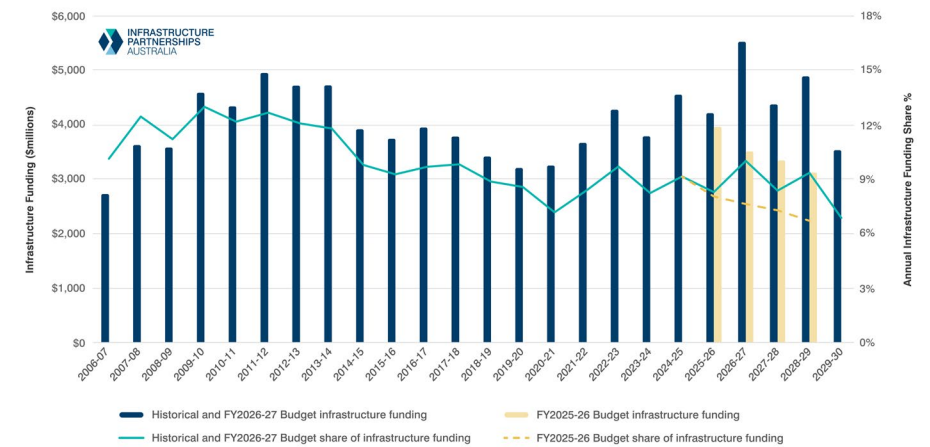
of second for the *Share* metric. This share comfortably exceeds South Australia's long-term average of 12.1 per cent, putting the State in second place for the *Spread* metric. Per capita infrastructure funding was largely stable, declining by just 0.2 per cent, behind only Western Australia in the *Service* metric.

South Australia's expansionary infrastructure agenda sees the State place last in the *Stability* metric for a second year in a row. The next four years of infrastructure expenditure is 49 per cent higher than the preceding four-year period.



3RD PLACE: WESTERN AUSTRALIA

3 RD PLACE: WA			
Share	8.7%	RANK 5	
Spread	-0.1%	RANK 3	
Stability	5.7%	RANK 3	
Service	23.5%	RANK 1	



Source: Infrastructure Partnerships Australia analysis of the 2026-27 Western Australia Budget

Western Australia infrastructure statistics

Value	Description
8.66%	Share of general government expenditure dedicated to infrastructure
8.74%	Decade-average share of Budget dedicated to infrastructure
-\$178m	Below decade-average infrastructure funding level over four years to FY2029-30
\$18.3b	Total infrastructure funding over four years to FY2029-30
+\$4.4b	Increase in infrastructure funding compared to 2025-26 Budget

The Government of Western Australia allocated \$18.3 billion in general government expenditure to infrastructure over the next four years, including \$5.5 billion in FY2026-27. This four-year allocation to infrastructure represents a 31 per cent increase on last year's Budget and equates to an 8.7 per cent share of general government expenditure. Western Australia has moved up from last position in the rankings to third.

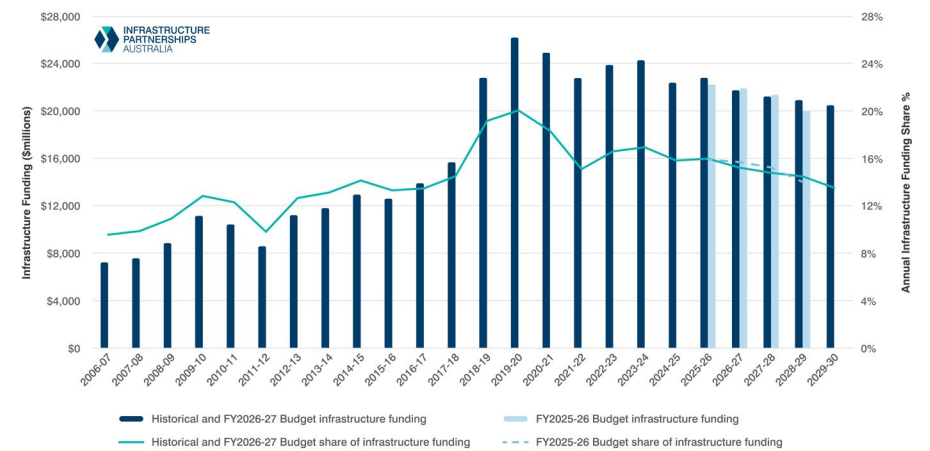
Western Australia's *Share* metric was starting from a low base, meaning its 31 per cent increase in infrastructure funding only pushed the State up one spot into fifth position in the *Share* rankings. However, this increase did see the four-year share for infrastructure move within 10 basis points of the long-term average, achieving a position of third in the *Spread* metric.

This increase in infrastructure funding has resulted in Western Australia outperforming any other jurisdiction in *Service* by a substantial distance. Per capita infrastructure funding in Western Australia increased by 24 per cent, with no other jurisdiction in Australia recording a positive result in the metric. However, per capita funding in Western Australia is still only \$5,950 per year, the lowest rate of any jurisdiction.

Despite an increase in infrastructure expenditure, the 2026-27 Budget saw few new projects announced, with most new funding apportioned to the establishment of a \$1.4 billion Clean Energy Fund, a \$500 million allocation to the Building Hospitals Fund, and a \$1.1 billion increase in provisions not yet allocated.

4TH PLACE: NEW SOUTH WALES

4 TH PLACE: NSW		
Share	14.6%	RANK 3
Spread	-2.2%	RANK 5
Stability	-5%	RANK 1
Service	-6.3%	RANK 5



Source: Infrastructure Partnerships Australia analysis of the 2026-27 New South Wales Budget

New South Wales infrastructure statistics

Value	Description
14.6%	Share of general government expenditure dedicated to infrastructure
16.7%	Decade-average share of Budget dedicated to infrastructure
-\$12.7b	Below decade-average infrastructure funding level over four years to FY2029-30
\$84.8b	Total infrastructure funding over four years to FY2029-30
-\$1.1b	Decrease in infrastructure funding compared to 2025-26 Budget

The NSW Government reduced its infrastructure expenditure for a second year in a row, allocating \$84.8 billion over the next four years, \$1.1 billion less than last year. Despite this decrease, NSW has made the largest infrastructure allocation of any jurisdiction for the fifth year running. NSW’s position in Budget Monitor rankings has fallen two spots on last year’s rankings.

The State’s infrastructure allocation equates to 14.6 per cent of general government expenditure, securing third-place in the *Share* metric. NSW’s *Share* score has now declined 5 percentage points from its peak in the 2020-21 Budget. While the State is now contracting its infrastructure agenda, it is doing so in a controlled manner as it attempts to reduce infrastructure spending to two per cent of Gross State Product (GSP),

a target the Government expects to reach in FY2029-30 after announcing the policy in the 2023-24 Budget.

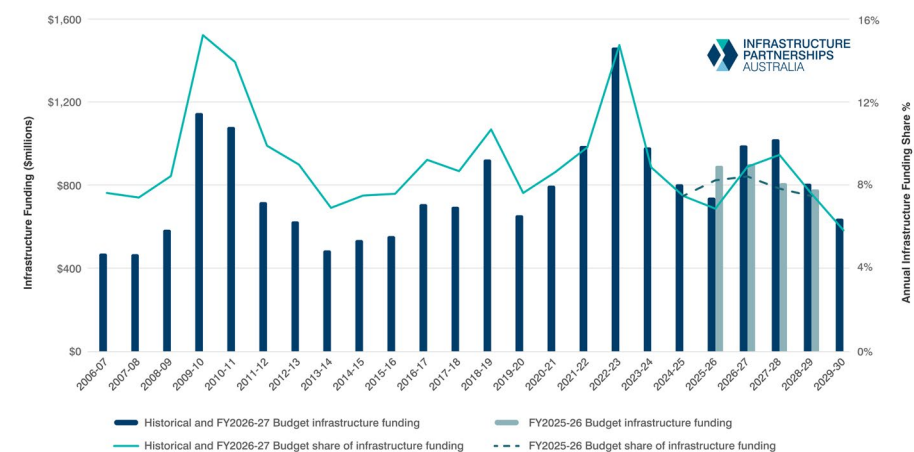
By telegraphing its infrastructure funding, NSW has achieved remarkable funding *Stability*, topping the ranking for the second year in a row, with its four-year spend forecast skewed just 5 per cent to the previous four years. For reference, the Queensland infrastructure allocation is skewed 20 per cent to the next four years and the Victorian infrastructure allocation is skewed 16 per cent to the previous four years.

Despite this strong *Stability* measure, a growing population and high rates of historical funding have resulted in an allocation well below the historical average and a decline in per capita expenditure. Consequently, NSW finishes in fifth place in both the *Spread* and *Service* metrics.

5TH PLACE: TASMANIA

5TH PLACE: TAS

Share	7.9%	RANK 6
Spread	-1.3%	RANK 4
Stability	-5.5%	RANK 2
Service	-2.4%	RANK 4



Source: Infrastructure Partnerships Australia analysis of the 2026-27 Tasmanian Budget

Tasmania infrastructure statistics

Value	Description
7.9%	Share of general government expenditure dedicated to infrastructure
9.2%	Decade-average share of Budget dedicated to infrastructure
-\$565m	Below decade-average infrastructure funding level over four years to FY2029-30
\$3.5b	Total infrastructure funding over four years to FY2029-30
+\$73m	Increase in infrastructure funding compared to 2025-26 Budget

The 2026-27 Tasmanian Budget allocates \$3.5 billion to infrastructure over the next four years, equating to 7.9 per cent of general government expenditure, and resulting in a *Share* rank of sixth. This is the lowest *Share* observed in Tasmania since the Budget Monitor began publication in 2017-18. Tasmania's overall Budget Monitor position is unchanged from last year.

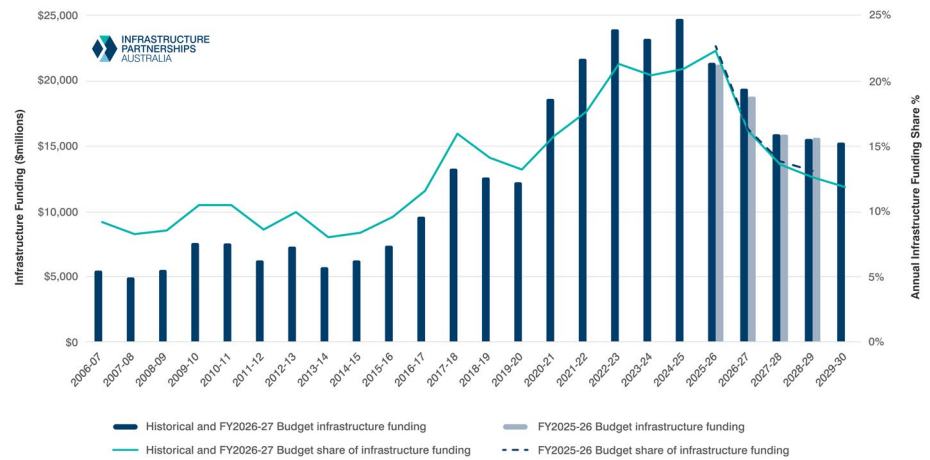
This funding level sees Tasmania's infrastructure funding drop 1.3 percentage points below the long-term average, equating to a rank of fourth in the *Spread* metric. As this decline is a continuation of a gradually decreasing infrastructure spend, Tasmania achieves a

achieves a *Stability* rank of second, with the metric designed to reward those jurisdictions making steady movements either up or down.

Per capita funding in Tasmania decreased 2.4 per cent compared to last year's infrastructure allocation from \$6,120 to \$5,970, resulting in a *Service* rank of fourth. Compared to other states, only Western Australia provides less on a per capita basis.

6TH PLACE: VICTORIA

6 TH PLACE: VIC		
Share	13.5%	RANK 4
Spread	-4.1%	RANK 6
Stability	-15.6%	RANK 4
Service	-12.6%	RANK 6



Source: Infrastructure Partnerships Australia analysis of the 2026-27 Victorian Budget

Victoria infrastructure statistics

Value	Description
13.5%	Share of general government expenditure dedicated to infrastructure
17.6%	Decade-average share of Budget dedicated to infrastructure
-\$20b	Below decade-average infrastructure funding level over four years to FY2029-30
\$66.1b	Total infrastructure funding over four years to FY2029-30
-\$5.5b	Decrease in infrastructure funding compared to 2025-26 Budget

The 2026-27 Victorian Budget was further confirmation of what the market already knew – the State’s infrastructure pipeline is now in precipitous relative decline. The 2026-27 Budget allocated \$66.1 billion to infrastructure over the next four years, equivalent to 13.5 per cent of general government expenditure. This sees Victoria, for the first time in six years, relinquish its grip on the *Share* metric, falling all the way to fourth. These results see Victoria fall from third place in the rankings to last.

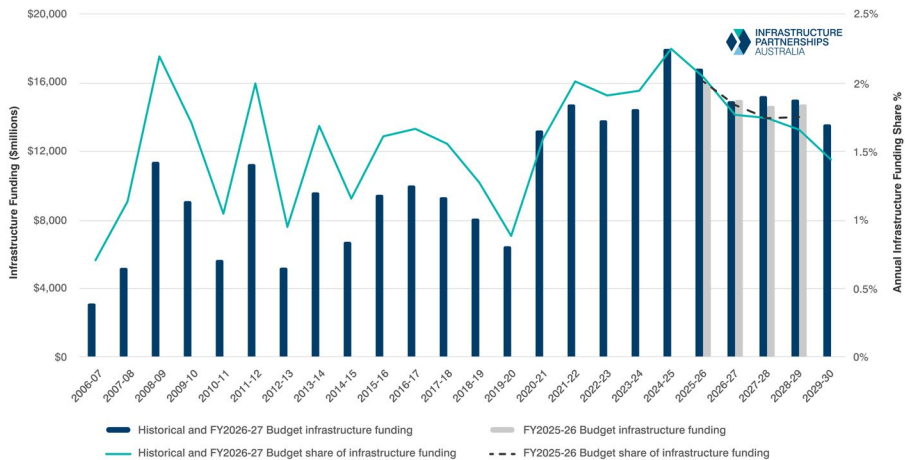
This sharp fall in the *Share* metric is attributed to a raft of major projects being completed in FY2025-26 including the [Melbourne Metro Tunnel](#), [West Gate Tunnel](#), [High Capacity Metro Trains](#) and, the first 85 [Level Crossing Removals](#), with few new projects being funded to replace these pipeline graduations.

In real terms, infrastructure funding in Victoria over the next four years is forecast to be \$24.4 billion less than the previous four years, after peaking at \$90.2 billion in the 2021-22 Budget. This dramatic contraction has seen Victoria ranked fourth in *Stability*.

Victoria was never going to be able to sustain the infrastructure funding of the last five years. Nevertheless, Victoria’s population is expected to grow by 1.7 per cent each year of the budget period. It does not take long of population growth to compound into network constraint. The Victorian Government can ill-afford to take the foot off the planning pedal for long and must start preparing for the next wave of projects. In delivering this next wave, the Victorian Government should heed the lessons of this most recent cycle and avoid steep increases or decreases in infrastructure funding.

FEDERAL GOVERNMENT

FEDERAL	
Share	1.65%
Spread	-0.1%
Stability	[-3.6%]
Service	-8.1%



Source: Infrastructure Partnerships Australia analysis of the 2026-27 Federal Government Budget

Federal Government infrastructure statistics

Value	Description
1.65%	Share of general government expenditure dedicated to infrastructure
1.73%	Decade-average share of Budget dedicated to infrastructure
-\$3b	Below decade-average infrastructure funding level over four years to FY2029-30
\$58.9b	Total infrastructure funding over four years to FY2029-30
-\$1.6b	Decrease in infrastructure funding compared to 2025-26 Budget

This year's Budget saw the Federal Government continue to moderate infrastructure spending, with most funding allocated to existing projects. The 2026-27 Budget commits general government infrastructure funding of \$58.9 billion over the four years to FY2029-30.

Queensland will receive the greatest share of Federal infrastructure funding, with \$20.8 billion allocated over the next four years, while Victoria will receive \$15.7 billion and NSW \$12 billion. The breakdown of Federal infrastructure allocations is shown in Figure 2.

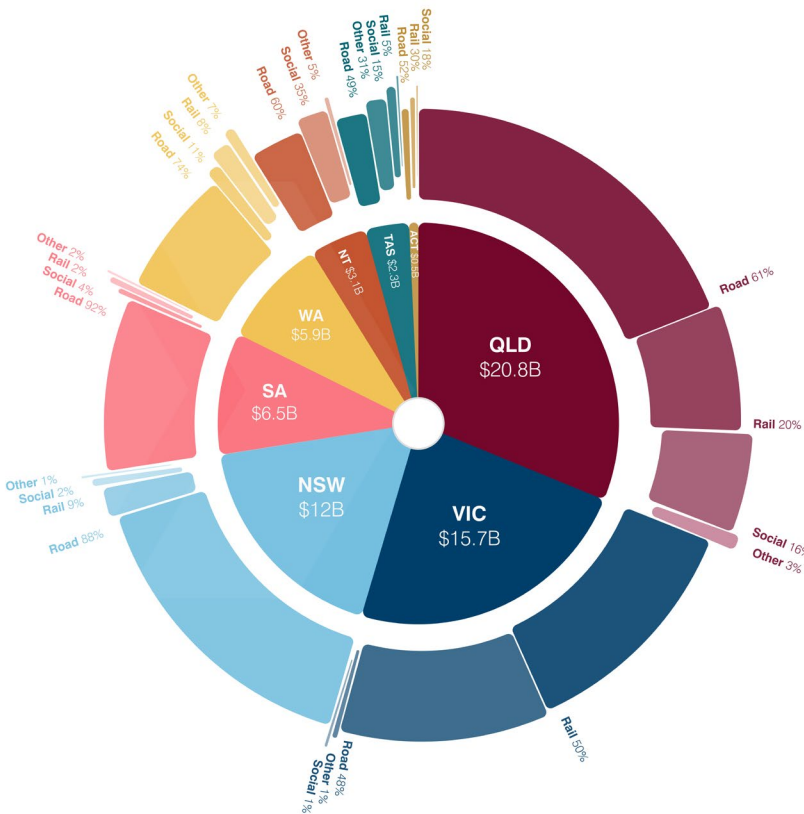
On a per capita basis, Tasmania receives the highest Federal allocation, receiving \$4,000 per person over the next four years. Queensland comes in closely behind at \$3,600. At the other end of the funding

table, NSW receives a \$1,400 per person allocation.

A central driver of Federal Government infrastructure investment is funding requests from the states and territories, meaning this year's moderating allocations largely reflect the position of each jurisdiction's infrastructure agendas. If funding requests decrease, it is natural to expect the Federal allocation to decrease.

In this budget cycle, Queensland is receiving relatively larger sums of Federal grant funding for Olympic venue projects including [Brisbane Stadium](#) and [National Aquatic Centre](#) and large transport projects including [The Wave](#) and [Logan to Gold Coast Faster Rail](#). Whereas in NSW, most large projects that remain in the pipeline of public infrastructure including [Sydney Metro West](#) and the [Western Harbour Tunnel](#) are not receiving Federal funding.

Figure 2: Federal Government payment to support state and territory infrastructure services



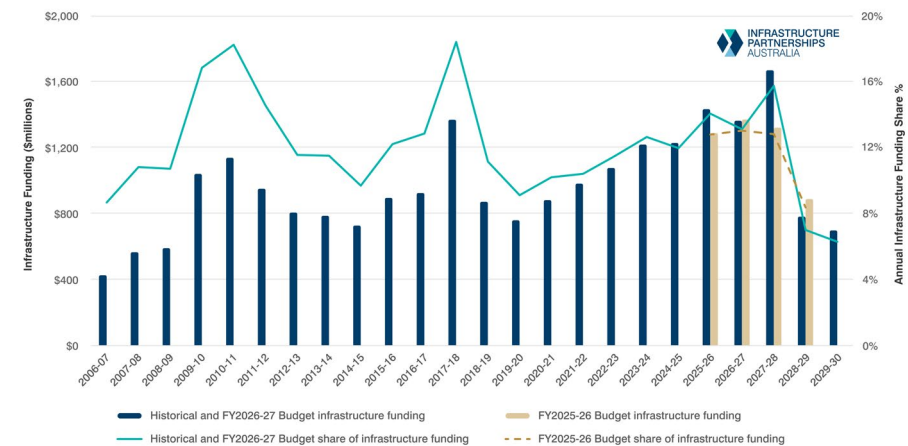
Source: Infrastructure Partnerships Australia analysis of the 2026-27 Federal Budget

N.B. Across the Road and Rail components of the Infrastructure Investment Program, the Budget applies the slippage adjustment, announced in last year's Budget, across jurisdictions and national totals that accounts for changes in states accessing milestone payments. An additional slippage—the Fuel and Other Materials Disruption Slippage—has also been applied this year to account for the impacts created by the ongoing conflict in the Middle East. However, this slippage has only been applied to the national total. Subsequently, state infrastructure expenditure in Figure 2 does not equate to the Commonwealth Budget aggregate, outlined elsewhere in this document.



AUSTRALIAN CAPITAL TERRITORY

ACT	
Share	10.4%
Spread	-1.7%
Stability	[-4.7%]
Service	-12%



Source: Infrastructure Partnerships Australia analysis of the 2026-27 Australian Capital Territory Budget

Australian Capital Territory infrastructure statistics

Value	Description
10.4%	Share of general government expenditure dedicated to infrastructure
12.2%	Decade-average share of Budget dedicated to infrastructure
-\$750m	Below decade-average infrastructure funding level over four years to FY2029-30
\$4.5b	Total infrastructure funding over four years to FY2029-30
-\$356m	Decrease in infrastructure funding compared to 2025-26 Budget

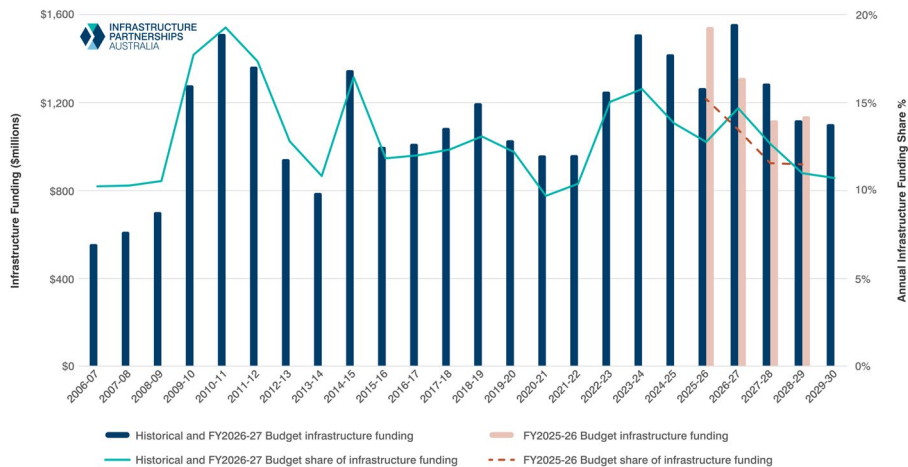
The 2026-27 ACT Budget allocated \$4.5 billion in general government expenditure over the four years to FY2029-30. This capital commitment to infrastructure represents a \$356 million decrease from the 2025-26 Budget. The *Share* of total government expenditure allocated to infrastructure has fallen to 10.4 per cent, below the 10-year average of 12.2 per cent, resulting in a *Spread* score of -1.7 percentage points.

This funding decline impacts the Territory’s *Service* metric, with per capita infrastructure funding falling 12 per cent to \$9,250, compared to last year’s Budget.

Infrastructure funding in the final two years of the forward estimates is forecast to decline by over 50 per cent compared to this Budget year and the first year of the forward estimates, as the bulk of funding for the ACT Light Rail Stage 2A is expected to be expended in FY2027-28. Despite this variance, the next four years of infrastructure funding is only forecast to have a 4.7 per cent skew to the previous four years.

NORTHERN TERRITORY

NT	
Share	12.4%
Spread	-0.4%
Stability	-2.1%
Service	-6.7%



Source: Infrastructure Partnerships Australia analysis of the 2026-27 Northern Territory Budget

Northern Territory infrastructure statistics

Value	Description
12.4%	Share of general government expenditure dedicated to infrastructure
12.9%	Decade-average share of Budget dedicated to infrastructure
-\$175m	Below decade-average infrastructure funding level over four years to FY2029-30
\$5.1b	Total infrastructure funding over four years to FY2029-30
-\$48m	Decrease in infrastructure funding compared to 2025-26 Budget

The Northern Territory's infrastructure profile saw few changes in the 2026-27 Budget, allocating \$5.1 billion to infrastructure over the next four years, equating to a *Share* score of 12.4 per cent. This is only \$175 million lower than the long-term trend and results in a *Spread* score of just -0.4 percentage points.

This stable funding profile means the 2026-27 Budget four-year allocation to infrastructure is skewed by just 2.1 per cent to the previous four years of real infrastructure expenditure, the lowest absolute value observed across any jurisdiction.

The Northern Territory remains the highest per capita funding of any jurisdiction in Australia at \$19,190 per person. This is 6.7 per cent lower than last year's allocation of \$20,600 per person.



INFRASTRUCTURE FUNDING AS A SHARE OF GROSS STATE PRODUCT

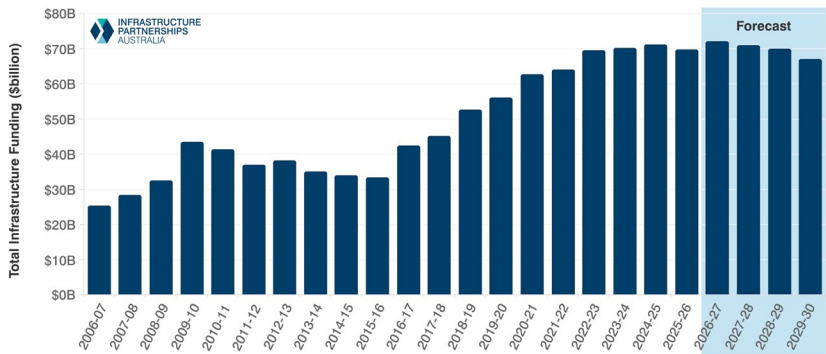
The methodology of the *Budget Monitor* is explicitly designed to recognise governments that take efficient infrastructure funding approaches that steadily move over time in line with populations. One method to ensure efficient infrastructure investment is to commit to a long-term publicly stated target for infrastructure investment as a share of Gross State Product (GSP). Doing so creates a clear fiscal and delivery anchor in budgets.

Infrastructure Partnerships Australia made this recommendation on the Ace of Spades card in the recently released [Practical Productivity](#) report. Included in this edition of the *Budget Monitor* is new analysis which assesses infrastructure expenditure as a share of GSP since FY1992-93 and further develops the rationale for anchoring expenditure to a GSP target.

Infrastructure Budget Expansion and Contraction

The Australian infrastructure pipeline has gone through a period of rapid expansion over the last 15 years and in some jurisdictions is now undergoing a rapid contraction. Analysis of budget infrastructure funding by Infrastructure Partnerships Australia finds that at the peak of infrastructure funding in FY2021-22, a forecast \$308 billion (\$2026) in general government funding was allocated to infrastructure by state and territory governments over a four-year period. In FY2026-27 this is forecast to have decreased to \$280 billion after averaging \$292 billion over the last five Budget Seasons. Figure 3 shows the single-year general government expenditure on infrastructure for all states and territories between FY2006-07 and FY2025-26 and forecast expenditure to FY2029-30.

Figure 3: Aggregate general government expenditure allocated to infrastructure by state and territory governments



Source: Infrastructure Partnerships Australia analysis of state and territory budget papers

Infrastructure Expenditure as a share of GSP

Assessing this infrastructure expenditure as a proportion of total general government expenditure, finds a peak of 15.5 per cent in FY2023-24. In some jurisdictions this reached nearly 25 per cent or one in every four dollars of government expenditure being allocated to infrastructure. In the 2026-27 Budget Season the proportion of spend across all jurisdictions has decreased to 13.7 per cent of total general government expenditure.

This rapid fluctuation in expenditure led to periods where the demand for infrastructure outstripped supply as public and private sector organisations rapidly scaled up. Equally,

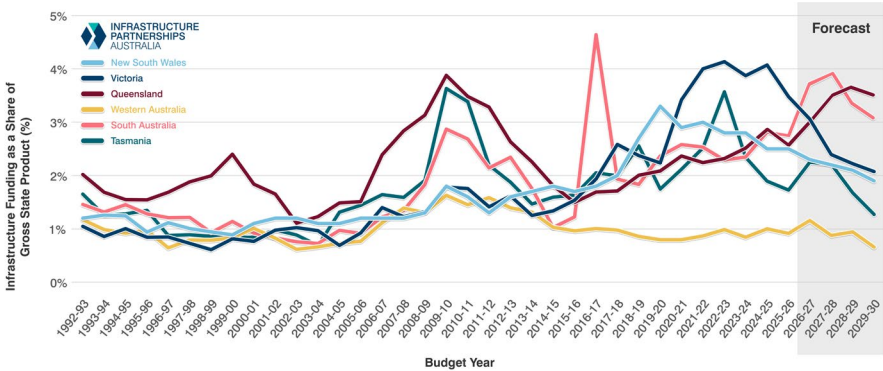
as the tide in some jurisdictions now retreats, the opposite problem emerges. Infrastructure Partnerships Australia has identified that the decrease in new public projects being funded over the last three years has created an Air Gap of latent capacity in the pipeline, which threatens to redistribute Australia's globally sought after infrastructure workforce to international destinations or other sectors.

New analysis conducted by Infrastructure Partnerships Australia finds that prior to the rise and fall of the public infrastructure pipeline over the last 15 years, infrastructure expenditure was relatively anchored, whether by design or otherwise. Between FY1992-93 and FY2005-06, the average range of state

infrastructure allocations was 0.7 per cent of GSP. Of the states, NSW was the most stable, with infrastructure expenditure ranging between 0.9 and 1.3 per cent of GSP. Queensland had the widest range over this period, ranging from 1.1 to 2.4 per cent of GSP. Across all states, there was no infrastructure allocation less than 0.6 per cent or greater than 2.5 per cent of GSP. Infrastructure Partnerships Australia does not suggest this level of funding was efficient (indeed, we would argue that in some jurisdictions the rate of investment during this period was lean), but that it was a period of relatively low volatility of investment relative to GSP.

This common path diverges from FY2006-07, as infrastructure allocations began to increase at different rates. Between FY2006-07 and FY2025-26 the band of infrastructure expenditure allocations widened to 0.7-4.7 per cent of GSP, and the average range for the states increased to 2.2 percentage points. Over this period Western Australia was the most stable State, ranging from 0.8 per cent to 1.6 per cent of GSP while Victoria was the most volatile ranging from 1.2 per cent to 4.1 per cent. Figure 4 shows the infrastructure allocations of state governments as a proportion of their GSP between FY1992-93 and the end of this year's forward estimates.

Figure 4: General Government Expenditure allocated to Infrastructure as a share of Gross State Product



Source: Infrastructure Partnerships Australia analysis of state and territory budget papers

N.B. From FY2006-07, results are derived from infrastructure allocations as outlined in Budget Monitor methodology and maintained by Infrastructure Partnerships Australia. Prior to this year, a lack of budget paper availability requires Gross Capital Formation statistics as outlined in the Australian Bureau of Statistics Annual Government Finance Statistics resources to be used as a proxy for infrastructure expenditure. These two datasets are not identical but are sufficiently similar to enable analysis.

Outlier results created by turnkey accounting recognition of projects delivered using Public Private Partnerships are represented in this chart but are omitted from statistics.

Setting a Target

A proportion of GSP target (or target range) over the cycle, established on a jurisdiction-by-jurisdiction basis to reflect the different geographic and demographic demands, would act as a guide rail to policymakers when making investment decisions. While treasurers would, and should, retain the autonomy to adjust the target over time to respond to prevailing economic and fiscal settings, the presence of a target would act as a glide or ascent path to give certainty on investment levels. This would have dual positive impacts on productivity by simultaneously stabilising pipeline volatility and

allowing industry to invest in skills and technology to meet a more predictable investment horizon.

NSW already provides a practical precedent. In its 2023-24 Budget, the NSW Government announced a reset of the State's infrastructure program to more sustainable levels of around two per cent of GSP over the forward estimates. NSW has also reported that its infrastructure expenditure peaked at 3.3 per cent of GSP in FY2019-20, before being steered toward the designated sustainable level. Crucially, this is not a rapid reduction, but a signal to industry and the community about the Government's view of what it considers a sustainable level of expenditure. Comparable measures are also routinely used in Australia and overseas for other policy spending commitments such as defence and overseas aid.



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