



Infrastructure Projects											
Party:	Australian Labor Party										
Summary of proposal:											
The proposal would provide capped grant funding for infrastructure projects, with the following profile.											
Financial year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Spending (\$m)	1,380	1,420	1,300	1,140	440	440	440	440	440	440	440
This capped grant funding would be partially offset by existing budget funding for some projects and reprioritisation and re-profiling within existing infrastructure spending over the same period, with the following profile.											
Financial year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Offsets (\$m)	-1,400	-1,440	-1,200	-920	710	710	710	710	710	710	710
The offsets consist of:											
<ul style="list-style-type: none"><li>• funding budgeted for various infrastructure projects as at the 2022 Pre-election Economic and Fiscal Outlook (PEFO)</li><li>• other reprioritisations and re-profiling within existing infrastructure spending.</li></ul>											
The proposal would have effect from 1 July 2022.											

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$280 million over the 2022-23 Budget forward estimates period.

Departmental expenses to administer the funding are not expected to be material as the proposal does not involve a significant change in the complexity of administering infrastructure projects.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period.

A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of the proposal are sensitive to the availability of funds from reprioritisation.

The Parliamentary Budget Office (PBO) has not accessed whether the specified level of infrastructure spending would be sufficient to deliver the projects.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	<b>Total to 2025-26</b>
Fiscal balance	20.0	20.0	-100.0	-220.0	<b>-280.0</b>
Underlying cash balance	20.0	20.0	-100.0	-220.0	<b>-280.0</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Key assumptions

The PBO has made the following assumptions in costing the proposal.

- No additional funds would be committed from the Infrastructure Investment Program from the 2022 PEFO to the proposal's start date of 1 July 2022.
- Market capacity constraints would result in lower spending on current infrastructure projects over the period 2022-23 to 2025-26. This spending would be deferred and evenly distributed across the period from 2026-27 to 2032-33.

## Methodology

The financial implications of the proposal were calculated as the specified capped amounts of expenditure minus the specified offsets.

The Department of Infrastructure, Transport, Regional Development and Communications provided information on the level of committed and uncommitted funds in the Infrastructure Investment Program split by sub-programs.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

The Department of Infrastructure, Transport, Regional Development and Communications provided the funding profile of the Infrastructure Investment Program as at the 2022 PEFO.

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<sup>1</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Attachment A – Infrastructure Projects – financial implications

**Table A1: Infrastructure Projects – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Expenses</b>													
<i>Grant funding</i>	-1,380.0	-1,420.0	-1,300.0	-1,140.0	-440.0	-440.0	-440.0	-440.0	-440.0	-440.0	-440.0	-5,240.0	-8,320.0
<i>Offsets</i>	1,400.0	1,440.0	1,200.0	920.0	-710.0	-710.0	-710.0	-710.0	-710.0	-710.0	-710.0	4,960.0	-10.0
<b>Total (excluding PDI)</b>	<b>20.0</b>	<b>20.0</b>	<b>-100.0</b>	<b>-220.0</b>	<b>-1,150.0</b>	<b>-1,150.0</b>	<b>-1,150.0</b>	<b>-1,150.0</b>	<b>-1,150.0</b>	<b>-1,150.0</b>	<b>-1,150.0</b>	<b>-280.0</b>	<b>-8,330.0</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

**Table A2: Infrastructure Projects – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	..	1.0	..	-4.0	-20.0	-50.0	-84.0	-120.0	-161.0	-205.0	-253.0	-3.0	-896.0
<i>Underlying cash balance</i>	..	1.0	..	-3.0	-18.0	-47.0	-80.0	-116.0	-156.0	-200.0	-247.0	-2.0	-866.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

<sup>2</sup> [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)