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Spending priorities all out of whack

Paul Nicolaou



As inflation and government spending surge, think of the businesses grappling with massive energy bills and a cost-of-living crisis hitting consumer spending.

Runaway government spending is accompanied by a sometimes strange set of priorities in the use of taxpayers' money.

And it's happening at all tiers of government to create an overall economic malaise.

It's no wonder business owners are frustrated.

They see, for example, the massive cost blowout on the refurbishment of the Reserve Bank of Australia building in Martin Place.

A \$260m project ballooned to \$500m only to surge to an astonishing \$1.2bn because the building is riddled with asbestos.

When it comes to spending priorities, the NSW government also has form. Nearly \$40m could be found for a bike ramp on to the Sydney Harbour Bridge yet hundreds of homeless people sleep rough in our city every night.

The City of Sydney has spent millions of dollars on bike lanes in the CBD that are rarely used and even ignored by cyclists.

It shakes business and community confidence when government authorities don't get their spending priorities right.

In contrast, billions of dollars spent on the Sydney Metro was seen as an investment in the city's future. And it has proved to be exactly that – people want to see more of that big infrastructure thinking.

So, what should Sydney's priorities be right now?

Addressing homelessness by providing crisis accommodation.

Energy costs are crippling for businesses and for households.

A fair and affordable transition to renewable energy sources is essential.

Solving the rental crisis must be a priority for 2026 and that can only be achieved by increasing housing supply by incentivising build-to-rent developments.

Otherwise, the city risks becoming unaffordable for the next generation of workers, families and essential service providers.

At a time of economic strain, the test for all public expenditure is whether it improves the lives of people who are struggling.

Let's have fewer vanity projects in 2026 and concentrate on the real priorities.

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