

BUDGET

2015-16

OVERVIEW



BUILDING OUR FUTURE

Budget

2015-16

Overview

Treasurer's message	1
Economic outlook.....	2
Budget strategy.....	3
Building infrastructure	4
Creating jobs	6
Housing affordability	7
Delivering quality services	8
Protecting the vulnerable	12
Boosting the regions.....	14
Sydney: Australia's global city	16

Treasurer's message



This Budget delivers on our election commitments, maintains our triple-A credit rating and delivers record spending in both services and infrastructure.

After four years of fiscal repair and strong government, we are in complete control of the Budget and have the strongest economy in Australia.

In 2015-16, we are forecasting a surplus and surpluses in each year of the forward estimates.

The State is absolutely buzzing.

Cranes are visible right across the skyline.

This is not just happening in our cities, but across our regions as well.

Our State is leading the nation.

Over the last year, economic activity in NSW has grown faster than in any other state.

We are creating jobs and providing better services.

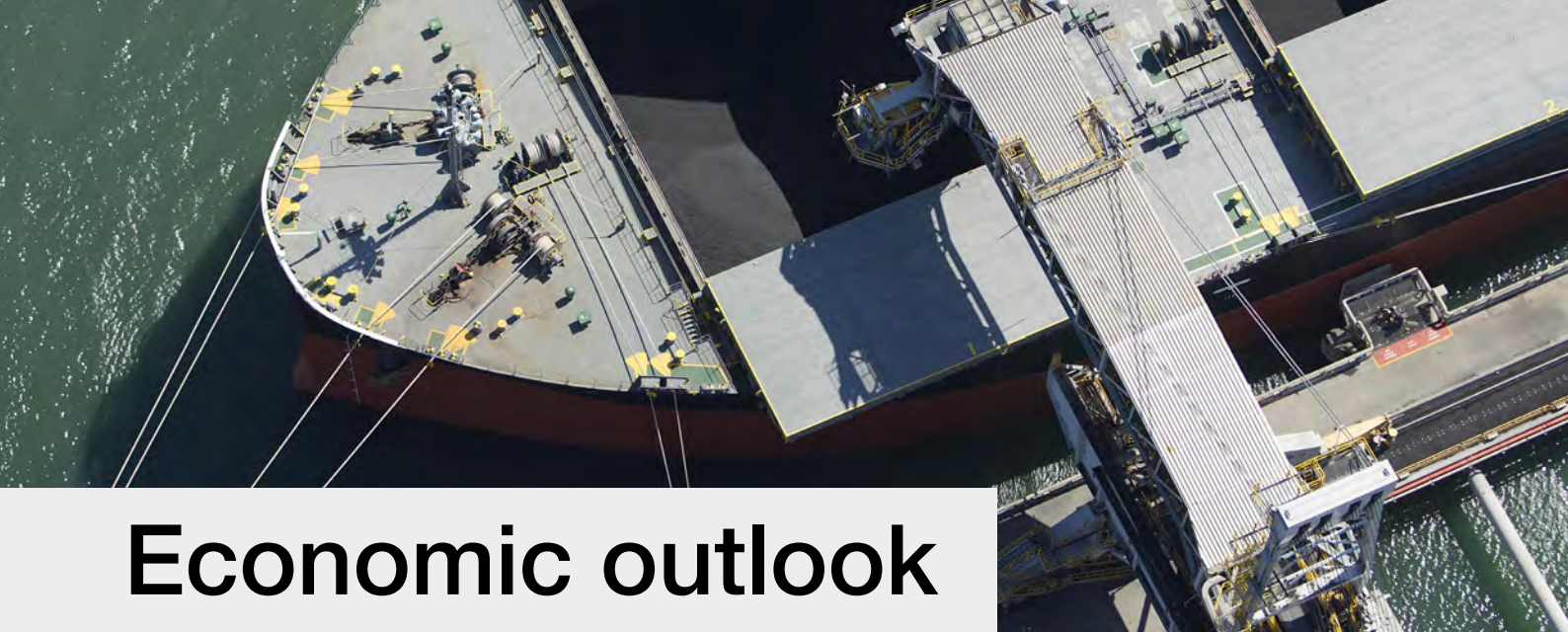
We are also using this strong position of the State's Budget to bring forward key transport and roads election commitments.

With the billions from the electricity transactions assured, we will accelerate almost \$600 million of funding for infrastructure so we can get started and deliver these major projects as soon as possible.

We are now very well placed to deliver Rebuilding NSW, a \$20 billion boost to infrastructure that will change this State for generations to come.

This Budget delivers for everyone in NSW. We are Building our Future.

Gladys Berejiklian MP
NSW Treasurer



Economic outlook

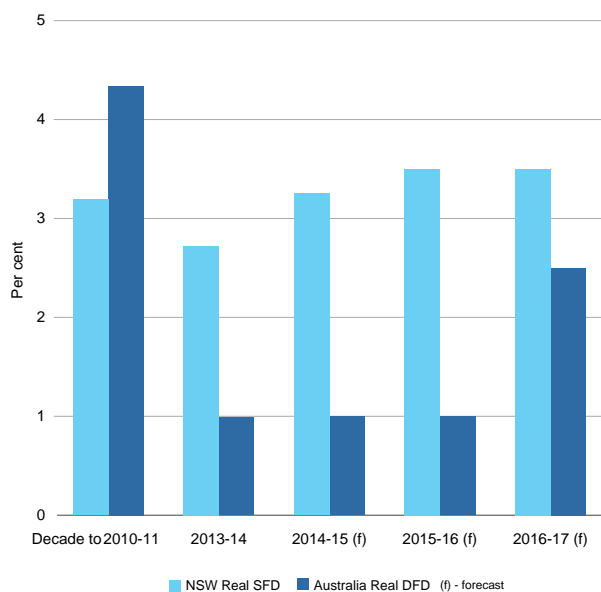
Over the last year, economic activity in NSW has grown faster than any other State and out-performed growth Australia-wide. This position of strength provides the platform for a strong economic outlook over the next two years.

The transition nationally away from mining investment towards a more diversified economy will play to the State's strengths.

Continued strong economic growth will be supported by low interest rates, a lower dollar, the strong property market, population growth and the large pipeline of public infrastructure projects.

A pick up in non-mining business investment is expected to further add to economic growth as continued strong business conditions translate into investment and expansion. Consumer sentiment in New South Wales is also well above the national average.

NSW is outpacing the nation



NSW domestic demand is expected to grow at an above trend rate of 3½ per cent over the next two years – the highest we have seen since 2007-08

The State's strong domestic conditions are helping propel an improved labour market, with strong employment growth set to continue. Over the next two years, employment is forecast to grow at an above-trend rate of 1¼ per cent, supported by strong activity in labour intensive sectors such as construction, retail and tourism.

The NSW unemployment rate has been at or below the national average for 18 of the last 19 months and is expected to fall to 5½ per cent by the June quarter 2017.



Budget strategy

Responsible financial management

The Government's hard work in rebuilding the State's finances over recent years has paid dividends, and our triple-A credit rating was reaffirmed in 2014 by Moody's and Standard & Poor's.

The NSW Government is delivering an underlying **\$713 million** surplus in 2015-16 and strong surpluses in each of the following three years.

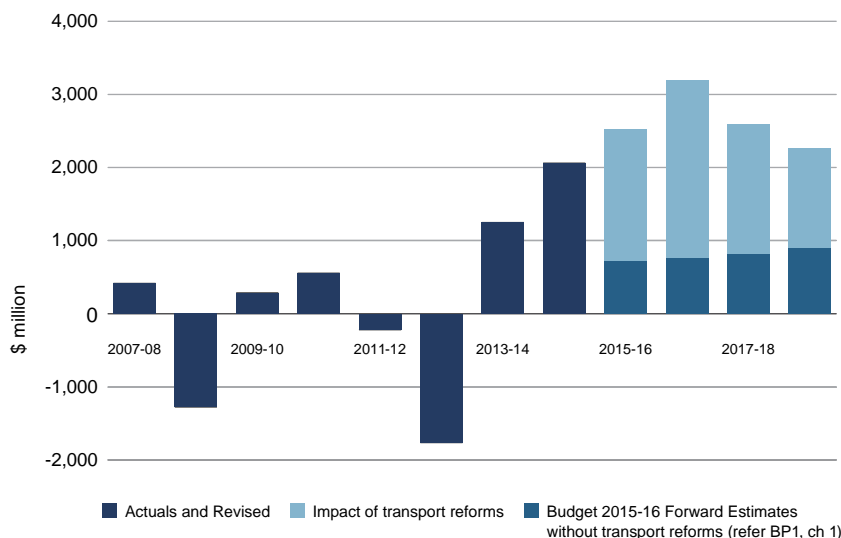
Despite expense restraint and fiscal discipline, the Government is spending more than ever in the key services that matter the most

Responsible management of the State's finances has enabled the Government to fund initiatives in this Budget that will make New South Wales a better place to live, work and invest.

The Government's 2015 election commitments will be delivered in full and costs met from the re-prioritisation of existing resources and additional savings.

The Budget delivers record investment in infrastructure, helps create new jobs, supports housing supply and increases funding for frontline services, delivering support where it is needed the most for the people of New South Wales.

Budget results over time





Building infrastructure

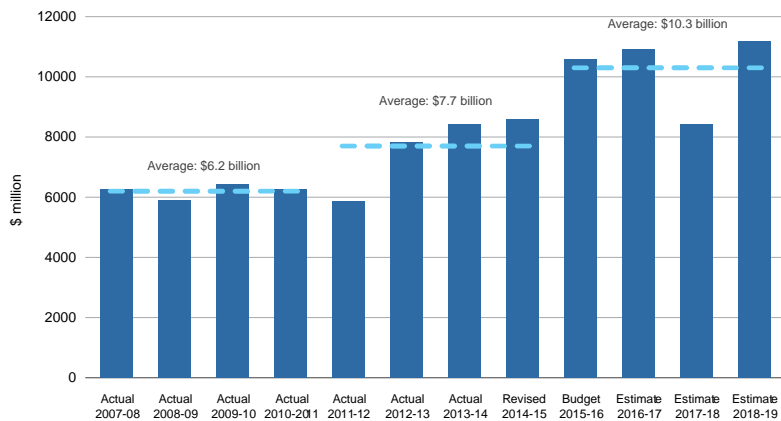
Making NSW a better place to live, work and invest

New South Wales' infrastructure program continues to grow, with **\$68.6 billion** allocated over the next four years to provide critical infrastructure in key service delivery areas. This figure does not include the full impact of the \$20 billion Rebuilding NSW Plan.

Over the next four years the infrastructure program allocates **\$38 billion** to roads and transport. The 2015-16 program includes:

- **\$1.7 billion** towards building WestConnex
- **\$1.4 billion** to help ensure the Pacific Highway is duplicated between Hexham and the Queensland border
- **\$977 million** towards delivering the Sydney Metro Northwest, with the line due to open in the first half of 2019
- **\$120 million** to keep progressing the CBD and South East Light Rail
- **\$51 million** to continue delivering NorthConnex, in addition to a **\$224 million** contribution to the project.

State-funded capital investment program



Over the next four years a **\$5 billion** investment in health will target major hospital upgrades, redevelopments and expansions and new and upgraded ambulance stations. The 2015-16 program includes:

- **\$72.1 million** for the next stage of the Westmead Hospital redevelopment (including the car park)
- **\$30 million** for the next stage of the redevelopment of Blacktown and Mt Druitt Hospitals
- **\$30.2 million** for the next stage of the Lismore Hospital redevelopment
- **\$12.9 million** to commence work at Armidale, Bowral, Broken Hill, Grafton, Macksville, Manning, Muswellbrook, Ryde and St Vincent's hospitals.



\$2.1 billion is provided for new schools and training facilities over four years. The 2015-16 program for schools will grow to **\$456 million**.

- New schools will be established at Bella Vista, Narellan, the Old Kings School site at Parramatta and a Networked Specialist school in Dubbo
- Significant upgrades and extra classrooms will be provided at Artarmon, Bardia, Cherrybrook, Homebush West, Rainbow Street, and Randwick schools
- **\$172 million** will be provided to continue 27 major government school projects
- Another **\$101 million** will be provided for TAFE construction and IT projects.

Infrastructure investment in family and community services, social housing, public order and safety, arts and recreation and government services in 2015-16 includes:

- **\$641 million** for social and affordable housing projects
- funding for a new 600-bed Northern Region Correctional Centre at Grafton and a 400-bed expansion of Parklea Correctional Centre.

Rebuilding NSW

Rebuilding NSW is the Government's **\$20 billion** plan to build new infrastructure funded from the lease of 49 per cent of the NSW electricity network. The Government has committed to invest **\$6 billion** on projects in regional NSW.

Acceleration

The 2015-16 Budget capital program lays the foundations for the delivery of Rebuilding NSW by providing **\$591 million** to both fund planning projects and start construction.

The Government has prioritised \$20 billion in Rebuilding NSW proceeds to key infrastructure areas.

- ✓ \$8.9 billion for Urban Public Transport
- ✓ \$2.4 billion for Urban Roads
- ✓ \$4.1 billion for Regional Transport
- ✓ \$1.5 billion for Culture, Sport and Regional Tourism
- ✓ \$1 billion for Water Security
- ✓ \$1 billion for Education
- ✓ \$1 billion for Health
- ✓ \$100 million for Corridor Identification and Reservation



Creating jobs

Growing jobs in NSW

The Government is committed to supporting the creation of an additional 150,000 new jobs in New South Wales over the next four years under its Jobs for NSW election commitment. The Government is delivering on this commitment by providing **\$678 million** in funding and incentives over the next four years for local businesses to grow and for interstate and international businesses to relocate to NSW.

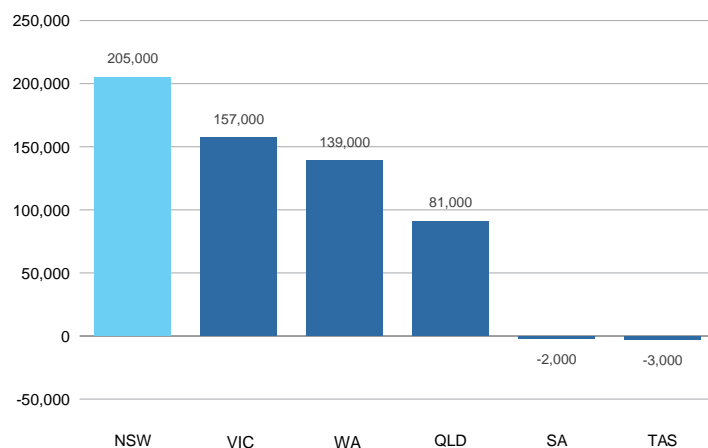
As part of its Jobs for NSW initiative, the Government will:

- extend the Jobs Action Plan until 30 June 2019
- invest **\$27 million** to 2018-19 to create a Small Business Employment Incentive Scheme, providing a grant of up to \$2,000 to non-payroll tax paying small businesses when they hire new employees from 1 July 2015
- establish a **\$25 million** Jobs of Tomorrow Scholarship Fund providing 25,000 scholarships for students undertaking qualifications for technology and growth jobs
- increase the Investment Attraction Scheme to **\$190 million** to encourage interstate and international businesses to set up in New South Wales.

In 2015-16, the Government is investing **\$2.3 billion** in the vocational education and training system. The Government will also provide:

- **\$48 million** over four years for fee-free scholarships for 200,000 15 to 30 year olds to undertake government subsidised vocational education and training courses
- **\$8 million** over four years to provide viable pathways into education, training and employment for young people in regional areas.

Jobs created since April 2011



The Government also estimates that the Rebuilding NSW Plan will support over 120,000 new jobs.



Housing affordability

Increasing housing supply and funding for new infrastructure

The Government has allocated windfall tax revenue received from the current property boom to the Housing Acceleration Fund (HAF) to productively impact the State's housing supply.

An additional **\$400 million** will be reserved in Restart NSW for the HAF to support new housing supply and address the challenge of housing affordability. This is the largest commitment to the fund since its inception in 2012.

The HAF provides funding for critical growth infrastructure projects to drive housing growth. So far the funding that has been allocated for infrastructure projects support over 161,000 new dwellings and 1,200 hectares of employment lands and we expect this new funding to at least double that number.

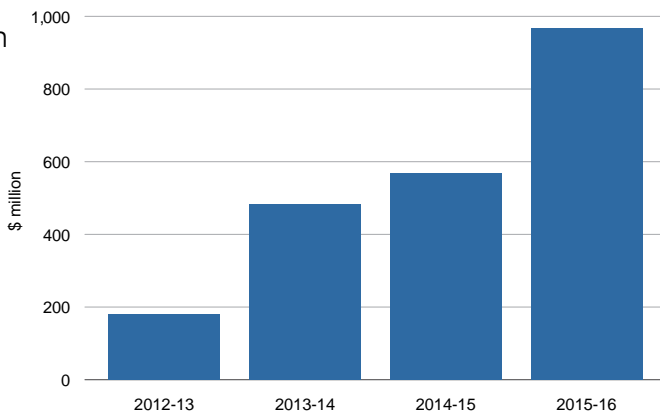
The Government is continuing to target its first home owner assistance (grants and transfer duty concessions) to support the purchase or construction of new homes, which is helping increase the supply of new housing in NSW. In 2014, the Government provided 7,955 First Home Owner Grants for new homes, a 25 per cent increase on the previous year.

The *Plan for Growing Sydney* recognises the need for an additional 664,000 dwellings in Greater Sydney by 2031, and commits the Government to accelerating the supply of housing in infill and greenfield areas to achieve this.

The Government has invested **\$20.9 million** over four years for the Greater Sydney Commission, which will oversee the implementation of the plan in partnership with councils, the community and stakeholders.

The Government has also allocated **\$89.1 million** over four years to the Department of Planning and Environment to speed up approval processing times and reduce delay costs, which unnecessarily add to construction costs.

Housing Acceleration Fund commitments





Delivering quality services

This Budget delivers a boost to health, education, transport and emergency services

Health – record \$19.6 billion expense budget

The Government is committed to transforming patient healthcare and providing quality health services for the people of New South Wales.

Health's record expense budget in 2015-16 includes:

- **\$2.6 billion** for emergency care
- **\$8.7 billion** for inpatient hospital services
- **\$2.7 billion** for outpatients
- **\$1.7 billion** for mental health services
- **\$1.6 billion** for rehabilitation and extended care
- **\$913 million** for primary and community based services.

Since 2011 the Government has:

- increased expenditure on health services by over \$4.1 billion
- employed an extra 1,700 full-time equivalent doctors and 4,000 nurses and midwives
- treated an additional 477,000 emergency department patients
- performed 29,000 more elective surgery procedures
- provided for over 500,000 extra hospital admissions

The Government will boost frontline staff, employing an additional 3,500 full-time equivalent positions by 2019 including at least 2,100 more nurses and midwives, 700 doctors, 300 allied health professionals and 400 hospital support staff.

Funding is also provided for expected increased hospital activity including an additional 320,000 emergency department attendances and 13,500 elective surgeries by 2018-19.

The Government will invest in key health initiatives over the next four years to transform patient healthcare including:

- **\$159 million** to advance medical research
- **\$60 million** to continue support for Local Health Districts to develop partnerships to allow patients access to a seamless and integrated range of health care services
- **\$32 million** for community-based palliative care services.



Education – record \$12.4 billion for schools

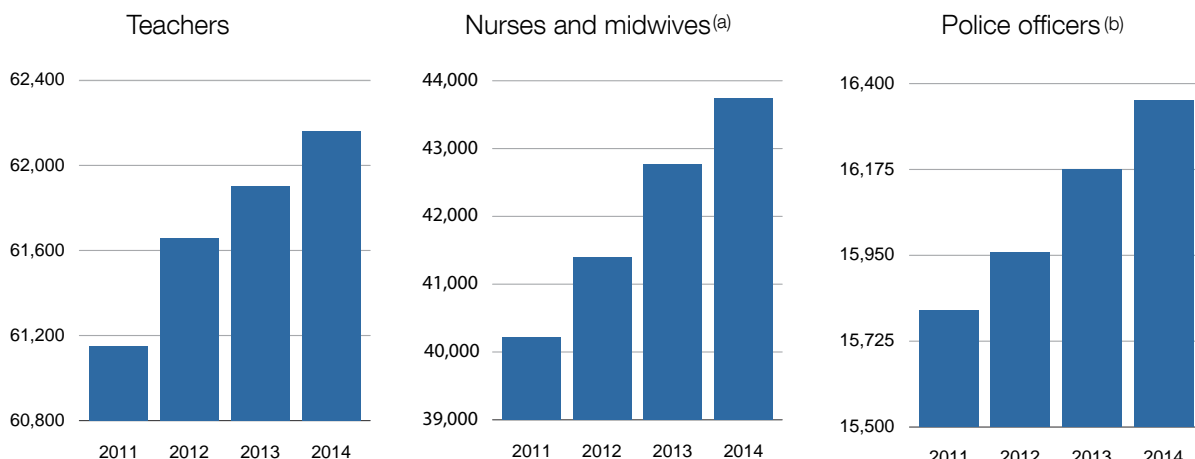
The Government is investing in quality education for NSW students.

Key education priorities for the Government include:

- **\$224 million** over four years for ‘Quality Teaching, Successful Students’, giving 1,000 of the State’s best teachers time to mentor and coach other teachers, demonstrate effective teaching strategies and support principals in making schools thriving learning communities
- **\$167 million** over four years for ‘Supported Students, Successful Students’, which will deliver additional school counsellors, flexible wellbeing resources and targeted support for Aboriginal and refugee students, their families and communities
- **\$20 million** over two years to establish an Aboriginal Centre for Excellence in Western Sydney.

\$348 million will be provided in 2015-16 for enhanced support of the early childhood education and care sector. This includes **\$20 million** for a new ‘Before and After School Care Fund’ to help establish up to 45,000 new places in communities that do not currently have a service.

Increasing frontline staff



^(a) Shows increase as at March 2014. Increase as at March 2015 was 4,000 FTE nurses and midwives.

^(b) NSW Police Force authorised strength.



Transport and roads – record \$16.5 billion budget

The Government is committed to improving the level of services on our public transport system.

Key transport priorities for the Government include:

- **\$521 million** for concession schemes for pensioners, students, people with a disability and others using public transport
- **\$404 million** for rural and regional bus services including school services in country areas
- **\$316 million** to improve access to the public transport network
- **\$99 million** to commence procurement of new intercity trains
- **\$99 million** to continue implementing the Opal card integrated electronic ticketing system
- **\$92 million** for bus fleet replacements and accommodating growth in services across Sydney and outer metropolitan areas
- **\$79 million** for Wynyard Walk, to improve pedestrian access to the western CBD and new Barangaroo precinct
- **\$44 million**, including **\$12 million** additional funding, for community transport over the next four years
- **\$2 million** for new growth ferries for Parramatta River services as part of our election commitment to provide **\$25 million** for four new ferries.

Since 2011 the Government has delivered more than 10,920 extra bus services, 1,730 extra train services and 220 extra ferry services each week

In the Roads portfolio, the Government is also providing:

- **\$1.5 billion** for maintenance of road and maritime assets including bridge rebuilding, pavement rehabilitation and traffic facilities and wharf maintenance
- **\$250 million** to deliver the NSW Road Safety Strategy to improve safety outcomes on our roads
- **\$167 million** for major road upgrades and expansions to support population and employment growth in Western Sydney
- **\$87 million** to relieve traffic congestion and improve the journey for commuters between work and home by targeting peak hour traffic hotspots.



Law and order – record number of police

The Government is investing in Police with:

- **\$100 million** over four years to equip police officers with the latest technology such as mobile fingerprint scanners and body worn video cameras
- over **\$70 million** to enhance police specialist commands including an increase in authorised strength of the NSW Police Force to 16,795 by December 2018
- more than **\$64 million** in 2015-16 to build or refurbish police stations in Deniliquin, Gunnedah, Bay and Basin, Liverpool, Moss Vale, Tweed Heads, Lake Macquarie, Riverstone and Walgett
- **\$17.1 million** over four years for the Police Force Wellbeing program giving additional support and services to injured police officers.

The Government will deliver 310 new police officers by 2018, including 250 specialist police, as well as 15 specialist civilian staff to keep our communities safe

The Government is also investing in our emergency services:

- **\$24.3 million** for the Strategic Disaster Readiness Package to help prevent and respond to flood and storm events
- **\$18.4 million** to build or refurbish Fire & Rescue NSW fire stations across NSW
- **\$17 million** for the continued replacement of essential firefighting vehicles to boost the capability of our firefighters
- almost **\$10 million** for a trial of very large air tankers to combat serious bushfires
- **\$2 million** for the fire trail network across NSW, providing firefighters quick access to fires and allowing fire prevention activities to occur.



Protecting the vulnerable

The Government is committed to improving the quality of life of those individuals who are vulnerable and most in need across New South Wales

Greater assistance and support to victims of crime

The Government is providing:

- **\$22.8 million** over four years for a specialist child sexual assault judicial program, including the appointment of two District Court judges to reduce waiting times, children's champions to support child witnesses through trials and the expanded use of pre-recorded evidence
- **\$23.9 million** over three years to administer the delivery of victims compensation.

\$10 million is being provided over four years for a Community Safety Fund to address local crime hotspots and antisocial behaviour

Preventing and responding to domestic and family violence

The Government will spend **\$148.5 million** over four years on a range of specialist domestic and family violence programs and services, including:

- expansion of the Safer Pathway referral process, with an additional four sites commencing from July 2015 at Bankstown, Broken Hill, Tweed Heads and Parramatta
- **\$5.6 million** in 2015-16 for the Staying Home Leaving Violence program
- commence a pilot Domestic Violence Disclosure Scheme based on a similar scheme operating in the United Kingdom
- **\$1.6 million** in 2015-16 to continue funding to the Domestic Violence Assistance Line.

Protecting children and young people

This Budget strengthens the child protection system through a package of legislative, practice and system reforms under Safe Home for Life. The Government is providing:

- **\$60.4 million** in 2015-16 to continue and enhance Safe Home for Life reforms that put children's need for safety, permanency and stability at the centre of practice
- **\$200 million** over four years for additional services to support the increased number of children and young people in need of care by providing them with safe out-of-home care
- **\$39.7 million** in 2015-16 for the design and implementation of a new frontline technology system for caseworkers that will support a modern, responsive and child-focused system.



Early rollout of the National Disability Insurance Scheme (NDIS)

Around 140,000 people in New South Wales with a disability will benefit from the NDIS including around 95,000 people with disabilities who are existing clients.

The NSW and Australian Governments will begin the early rollout of the NDIS in the Nepean-Blue Mountains region in 2015-16, with **\$7.3 million** being provided to support around 2,000 children and young people under 18 years to access the NDIS.

Improving the liveability and amenity of social housing communities

This Government is providing **\$20 million** over three years for a new Social Housing Community Improvement Fund. Local councils, community non-profit groups and private sector organisations will be able to apply for funding of up to \$50,000 for projects that improve community infrastructure or facilities, enhance open spaces, improve safety or increase accessibility.

Strengthening mental health services in New South Wales

\$35 million in 2015-16 to continue the implementation of *Living Well: A Strategic Plan for Mental Health Reform in NSW 2014 – 2024*. This investment will include the expansion of Community Managed Living Supports, youth services, Project AIR, the Like Mind Pilot and suicide prevention training for the non-mental health workforce.

In addition, over four years the Government is providing:

- **\$22.8 million** to expand the 'Sustaining NSW Families Program' and increase support services for women with post-natal depression
- **\$10.5 million** for Lifeline Australia to enhance access to vital counselling, suicide prevention and crisis support services.

Delivering more services for seniors

\$1.5 million in 2015-16 will be provided to deliver services valued by seniors including:

- increased funding for training in the use of technology
- expanding the number of businesses offering discounts to seniors
- increasing grants for local community projects.



Boosting the regions

North Coast

- Establishment of a new 600-bed correctional facility at Grafton
- Delivering Stage 3 of the **\$269 million** major Lismore Hospital Redevelopment
- Commence the **\$7 million** upgrade of ambulatory care services at Grafton Hospital
- Delivering the **\$82 million** redevelopment of Kempsey Hospital (Stage 1)
- Delivering the **\$88 million** new Byron Central Hospital
- Planning will commence for a new High School in Ballina as part of the Rebuilding NSW Plan

Hunter

- **\$103 million** in 2015-16 to revitalise Newcastle through the truncation of the heavy rail line and introduction of light rail services
- Completing the **\$90 million** Newcastle Justice Precinct, a new 10-court facility
- **\$20 million** of Resources for Regions infrastructure funding for Stage 2 of the Muswellbrook Hospital Redevelopment
- The John Hunter Children's Hospital **\$7 million** Neonatal Intensive Care Unit (Stage 1) and **\$14 million** Paediatric Intensive Care Unit are underway
- Delivering a new Maitland Hospital worth more than **\$400 million**

Central Coast

- Continuing the **\$368 million** major redevelopment of Gosford Hospital
- Delivering the upgrade of Point Clare Public School
- Upgrades to social housing in Gosford (**\$1.5 million**), Terrigal (**\$1 million**) and Wyong (**\$1.4 million**)

South East NSW

- **\$15 million** has been allocated to Gocup Road between Gundagai and Tumut as part of the **\$70 million** commitment funded from the Regional Freight Pinch Point and Safety program
- Continuing the **\$187 million** new South East Regional Hospital in Bega



Western NSW

- Continuing the **\$270 million** redevelopment of Wagga Wagga Rural Referral Hospital
- Completing the **\$111 million** redevelopment of Parkes and Forbes Hospitals, with a major upgrade of Forbes Hospital and a new hospital on a green-field site at Parkes
- Completing the **\$91 million** first two stages of redevelopment of Dubbo Hospital
- Continuing the **\$211 million** redevelopment of Tamworth Hospital, Stage 2

Illawarra

- Completing the **\$107 million** Elective Surgery Unit and upgrade of the Emergency Department and Ambulatory Care services at Wollongong Hospital
- Completing the **\$31 million** new multi-storey car park at Wollongong Hospital
- Delivering the **\$34 million** Bulli Aged Care Centre of Excellence
- The **\$15 million** upgrade to Wollongong Courthouse will be completed in 2016

Western and South-Western Sydney

- **\$164 million** additional support for the Western Sydney Infrastructure Plan including Bringelly Road Upgrade (Stage 1) and Werrington Arterial Road (Stage 1) in 2015-16
- Delivering the major redevelopment of Blacktown and Mt Druitt Hospitals, worth more than **\$680 million**
- Delivering the major redevelopment of Westmead Hospital, worth more than **\$900 million**
- Planning work will commence on the redevelopment of Parramatta Public School and Arthur Phillip High School as part of the Rebuilding NSW Plan

St George and Sutherland Shire

- Continuing the **\$307 million** redevelopment of St George Hospital
- **\$12.5 million** in 2015-16 to complete the **\$16.8 million** relocation of Cairnsfoot School
- Continuing the **\$63 million** expansion of Sutherland Hospital



Australia's global city

Sydney: Number one destination for major events

The Government is committed to making Sydney the number one destination for major events.

Over the last four years, New South Wales has successfully hosted a number of major events including the International Fleet Review, the 2015 AFC Asian Cup, the ICC Cricket World Cup 2015, Vivid Sydney, the Major League Baseball Opening Series and the British and Irish Lions Rugby Tour.

In this Budget, the Government is investing an additional **\$127.6 million** in Growing the NSW Visitor Economy including:

- **\$75.9 million** to secure major events and boost tourism in Sydney, including **\$22.6 million** for events in Western Sydney
- **\$41.9 million** to grow regional tourism throughout NSW
- **\$9.8 million** to target overseas visitors from priority international markets.

Taronga Zoo will receive **\$57.4 million** from Restart NSW for an integrated 10-year program of capital works. Improvements to this key attraction include an expanded home for the Zoo's gorillas and a new Savannah for lions, giraffes, zebras and meerkats.



Barangaroo urban renewal

The Government's support of the Barangaroo urban renewal project will assist in drawing tourists to Sydney when it is complete. The new residential and commercial accommodation, international hotel, shops, cafés, restaurants, cultural facilities and foreshore park will help make Sydney a location of choice for major events and drive growth in the NSW visitor economy.



Greater sporting infrastructure

The Government's reservation of **\$600 million** of Rebuilding NSW proceeds for sporting infrastructure, focusing on Moore Park and Western Sydney, will assist in drawing major sporting events to Sydney.

\$12 million over three years is also being provided to assist with the development of the Western Sydney Sport and Community Centre in Penrith and **\$5.8 million** to support the masterplan for the Sydney Cricket and Sports Ground Trust.

Growing the arts and culture sector

A thriving arts and cultural sector is an essential part of a liveable city. The Government is providing funding to cement Sydney as the arts and cultural hub of the Asia-Pacific, including:

- **\$20 million** over four years for the arts in Western Sydney, including **\$7.5 million** in additional funds for local arts and cultural organisations
- **\$10 million** over two years to commence planning for the Parramatta Cultural precinct and the relocation of the Powerhouse Museum to Parramatta
- **\$11 million** over two years for planning, detailed design and approvals for the Walsh Bay Arts Precinct.



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