

NSW Budget 2022-23

Overview



Supporting families,
building a brighter *future*

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

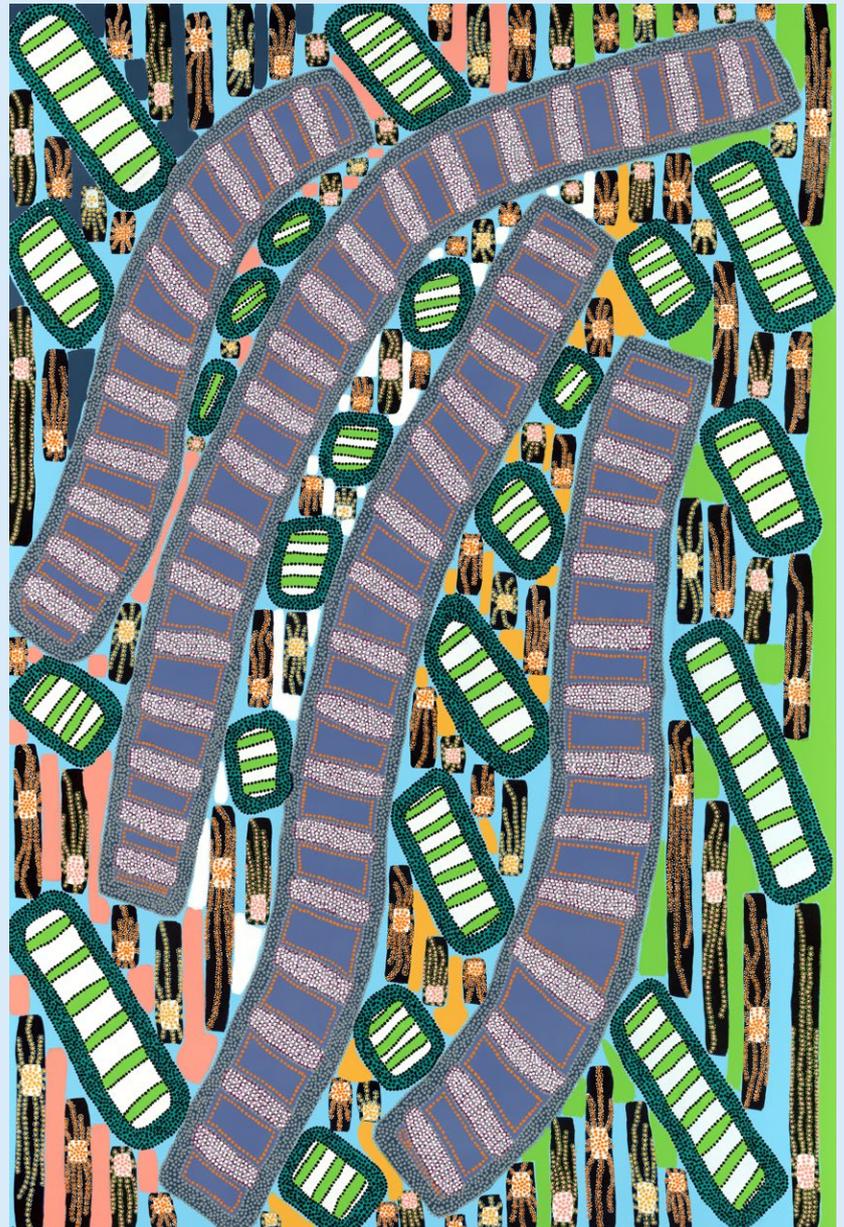
We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:
Regeneration by Josie Rose



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Treasurer's message



We choose to build a brighter future by unleashing aspiration and empowering our people.

The people of this State have, again and again over the past few years, demonstrated their determination, creativity and limitless potential. Confronted by the Black Summer bushfires, a global pandemic and once-in-a-generation floods, families and businesses across New South Wales stepped up to help each other through.

The fall in employment during the Delta outbreak has since been recovered. At 4 per cent in May, the NSW unemployment rate has fallen to a historically low level.

However, while our economy has recovered, we continue to feel the aftershocks of the pandemic — generationally high inflation driven by supply-chain constraints and intensified by Russia's invasion of Ukraine.

Just as the NSW Government was there to support the people of New South Wales through the hardship wrought by COVID-19 and the floods, we will support our State in navigating today's challenges as well.

But we will also not lose sight of tomorrow. This Budget makes investments that will throw open the doors of opportunity to everyone, so they can follow their own hopes and aspirations for a better future.

We choose to make these investments because they are the right thing to do by our principles and for our future prosperity. The great promise of our country is to honour the equal human dignity of every person by affording them the freedom to choose the path of their own life. This is not just a foundational principle of our politics, it should also be the common sense of our commerce: while a great society needs a strong economy — so too a great economy needs a strong society.

That is why, in this Budget, we have laid out a plan of transformational reform to unleash the great productive potential of the people of this State.

We will invest an additional \$5.6 billion over the next decade to address the barriers that stand between women and their aspirations for greater financial prosperity.

\$3.8 billion will be spent to help ensure that our children get the best possible start in life, so they can not only reach their dreams, but dream bigger in the first place.

A \$2.8 billion package will expand access to quality, affordable housing for every family in New South Wales.

\$1.0 billion will go towards backing in our best and brightest to unlock the wonders of modern science, to help them develop the technologies and products of tomorrow.

And \$1.4 billion will be invested to help transform New South Wales into a renewable-energy superpower, and hand the planet to our children in a better state than we found it.

At the same time, you cannot build a stronger future without safeguarding the State's finances. We will return the Budget to surplus in 2024-25. This is the same year we committed to in last year's Budget, before we were faced with Delta, Omicron and the floods. This is a testament to the economic management of this Government, but also to the people of New South Wales.

Together, we have weathered the storm of the past few years. Together, we will meet the challenges of the moment. And, together, we will turn towards tomorrow, to build a better, brighter future for the people of this State.

A handwritten signature in black ink, appearing to read 'Matt Kean'. The signature is stylized and fluid.

The Hon. Matt Kean MP

NSW Treasurer,
Minister for Energy



Budget highlights



**\$3.8
billion**

giving children and young people the best start to life



**\$1.2
billion**

package to support opportunities for women



**\$7.2
billion**

boosting household budgets 2022-23



**\$2.8
billion**

housing access and affordability



**\$112.7
billion**

record infrastructure program



**\$2.6
billion**

the future economy



**\$3.3
billion**

sustainability and the clean economy



**\$1.6
billion**

strong regions with stronger opportunities

Supporting families, building a brighter future

01





335,000

increase in employment since the height of the Delta outbreak



2.5%

average Gross State Product forecast over five years



130,000

increase in employment by May 2022 from February 2020 (pre-COVID-19)



\$53 billion

committed for COVID-19 health, economic and social support and stimulus since March 2020*



4.0%

May 2022 unemployment rate consistent with estimates of full employment



\$3.5 billion

committed for flood response and recovery*

*incl. Commonwealth Government contributions

Over the past year, the Government has stood with the people of New South Wales as the State has confronted some of the biggest challenges in its history. Together, residents of New South Wales have come out stronger on the other side. This Budget continues to invest in people, not just to overcome great challenges, but to deliver transformational reforms that will build a brighter future for the State.

The NSW economy continues to bounce back strongly from the COVID-19 pandemic and the storms and floods.

High vaccination rates, ongoing economic support measures and the State's shift to living with COVID-19 have meant that the impact of the Omicron strain has been lower compared with previous outbreaks.

Growth in the domestic economy (known as State Final Demand) is expected to be 2¾ per cent in 2021-22 despite these challenges. In addition, the employment decline recorded during the Delta outbreak has been recovered, with employment more than 130,000 higher than immediately before the onset of COVID-19 in February 2020. The NSW unemployment rate has fallen to a historically low level of 4.0 per cent in May 2022.

Building a brighter future for NSW families

To build a brighter future for families across the State, the NSW Government is investing in what matters. This includes strengthening frontline services, delivering a record infrastructure program, and taking pressure off families and small businesses.

In the medium-to-longer term, the Budget supports sustainable economic growth with a focus on increasing productivity and participation. This will support New South Wales to preserve and strengthen the State's asset base to ensure economic prosperity, while capturing the opportunities associated with the global shift to a low-carbon, environmentally sustainable, resilient and inclusive economy.

The Budget remains on track to return to surplus in 2024-25, which will strengthen the State's capacity to respond to future shocks. This is as forecast in the 2021-22 budget, notwithstanding the challenges of the Delta and Omicron outbreaks, floods and global inflationary pressures. Rebuilding fiscal sustainability for future generations supports ongoing investment in better services and allows the Government to continue delivering its record \$112.7 billion infrastructure program across the State.

Maintaining sustainable levels of debt over the next decade is at the forefront of the NSW Government's fiscal strategy. The 2022-23 NSW Budget supports the economy, with growth resulting in higher State revenues and implementation of measures to improve fiscal sustainability. For example, in 2021-22 and 2022-23, \$11 billion of debt will be retired through the NSW Generations Fund. This was possible only through the sale of the State's residual stake in WestConnex for \$11.1 billion.

Economic outlook

The NSW economy has continued to rebound strongly from the Delta outbreak last year, despite the challenges posed by the Omicron strain and floods in early 2022. The economic impact of Omicron has been lower than previous outbreaks due to high vaccination rates, economic support measures and the community adapting to living with COVID-19.

Gross State Product (GSP) growth is forecast to average 2½ per cent over the five years to 2025-26, aided in the near-term by strong momentum in the labour market and the resilient state of aggregate balance sheets. The NSW unemployment rate fell to a historically low level of 4.0 per cent in May 2022. It is expected to remain at or below the level consistent with full employment (assumed to be broadly consistent with an unemployment rate of 4.0 per cent) for the forecast period.

A tight labour market is expected to drive higher wages. For the public sector, the new wages policy provides for higher remuneration increases of 3.0 per cent in 2022-23 and 2023-24. An additional 0.5 per cent is on offer in 2023-24 for employees who make a substantial contribution to productivity-enhancing reforms.

Strong growth in the demand for goods at a time of strained global supply and tight labour markets has driven up inflation across the developed world. The rate of inflation is expected to ease next year but will remain higher than pre-pandemic levels across the forecast period. Monetary policy remains supportive of growth, with the cash rate remaining very low (0.85 per cent in June), though further rate increases are expected.

The outlook is subject to an unusually elevated level of risks. These extend beyond the threat posed by COVID-19 and any potential new variants. Notable other sources of risk include supply-chain pressures arising from the conflict in Ukraine, China's zero-COVID-19 policy, and the reaction of central banks globally to elevated readings for inflation. The NSW Government is investing in sustainable economic growth, supporting increased workforce participation and transitioning towards clean energy.

Fiscal outlook

The State's strong financial position enabled the NSW Government to provide comprehensive support to the economy and the community through the worst of COVID-19 and floods. These measures have protected jobs and businesses.

The rebounding economy underpins revenue improvement of \$28.2 billion over the five years to 2025-26, relative to the Half-Yearly Review.

However, the pandemic is continuing to create challenges for the State and its economy. The 2022 flu season and cases of COVID-19 continue to apply pressure to the NSW health system. China's public health responses to COVID-19 and global supply chain issues created by the pandemic have driven higher inflation. These international economic and inflationary pressures are exacerbated by Russia's invasion of Ukraine.

The 2022-23 NSW Budget accelerates investment in the health system, and provides immediate support for cost-of-living pressures and housing to deal with these temporary challenges. Furthermore, the NSW Government is investing to rebuild and support flood-affected communities.

As a result of these measures, a budget deficit of \$11.3 billion is projected for 2022-23. Nevertheless, the State remains on track for a return to surplus by 2024-25, as forecast in the 2021-22 Budget, prior to the Delta and Omicron outbreaks and the 2022 floods. The return to surplus will help restore capacity for New South Wales to respond to future shocks.

In addition to responding to these short-term challenges, the Budget also prioritises investment in productivity enhancing reforms that will help drive sustainable economic growth and protect the long-term strength of the State's fiscal position. This includes a \$112.7 billion four-year infrastructure program, \$1.2 billion over four years to support women's economic participation, \$3.8 billion over four years to improve developmental outcomes for children in the years before school and \$1.0 billion in investment over 10 years to improve New South Wales's research and development precincts.

Fiscal sustainability for future generations

The NSW Government is committed to maintaining sustainable debt levels over the medium term. The 2022-23 NSW Budget projects a stabilisation of net debt at about 14 per cent of Gross State Product by June 2026, followed by a gradual decline towards the end of the decade.

To manage net debt to sustainable levels, the NSW Government has undertaken the following initiatives:

- **WestConnex transaction:** completing the sale of the Government's residual stake in WestConnex for \$11.1 billion.
- **Debt retirement:** using the NSW Generations Fund and the proceeds of the WestConnex sale to retire \$11 billion over a two-year period.
- **Sustainability bonds:** the NSW Government is one of the largest semi-government issuers, with \$7.0 billion in bonds issued to help diversify the State's investor base and facilitate capital flows towards ESG objectives.

The 2022-23 NSW Budget also includes \$2.0 billion in budget improvement measures to support fiscal sustainability and a return to surplus, comprising:

- **\$1.4 billion** from revenue measures, including amending the point of consumption and betting tax rates, increasing the foreign investor surcharge land tax rate, a reduction in the discount available for the early payment of land tax, and investment in additional compliance within Revenue NSW.
- **\$645.8 million** in savings measures largely through the introduction of a further efficiency dividend from 2023-24 to 2025-26 onwards and lower wages growth for senior executives.





Budget at a glance



**\$0.6
billion**
2024-25 return
to surplus



**\$10.5
billion**
tax relief over the
past 10 budgets



**\$11
billion**
delivered to
businesses and the
community through
the Delta outbreak*



**\$13
billion**
for strategic
reforms to improve
productivity and
participation



**\$112.7
billion**
four-year
infrastructure
program



10.4%
net debt to GSP
June 2023



**\$280.3
billion**
net worth at
June 2026



**\$7.0
billion**
sustainability
bonds issued

*incl. Commonwealth Government contribution

Supporting families

02



The Budget will improve the lives of our people and communities, build prosperity and create opportunity for everyone. Following unprecedented challenges since 2020, the NSW Government is committed to supporting families in reducing the cost of living and improving their quality of life.

The NSW Government will continue building a robust economy that propels prosperity for decades to come by supporting families, investing in communities and strengthening our frontline services.

Boosting household budgets

The global economy is experiencing substantial inflationary pressures because of COVID-19-related supply chain constraints and disrupted international energy markets caused by Russia's invasion of Ukraine.

The NSW Government is addressing these issues through \$7.2 billion in 2022-23 in cost-of-living support. In this Budget, new measures introduced amount to \$2.2 billion over four years and include:

- **\$1.3 billion** for the Brighter Beginnings Affordable Preschool initiative to provide fee relief for families with children across the community and mobile preschool and long day-care sectors.
- **\$520.0 million** over two years to deliver the new broad-based Toll Rebate Scheme where, every quarter, eligible non-business and small business customers will receive a 40 per cent cash rebate for every dollar spent on tolls once they have reached a minimum of \$375, saving NSW drivers up to \$750 a year.

- **\$193.0 million** for the Back to School Subsidy, providing \$150 to every NSW schoolchild towards the cost of school supplies in 2023.
- **\$128.0 million** for the Energy Bill Buster program over eight years to help eligible households reduce their gas and electricity bills by providing technology solutions, including solar panels and high-efficiency appliances.
- **\$98.0 million** for a two-year pilot of a \$250 prepaid Regional Apprentice and Uni Travel Card for university students and apprentices in regional New South Wales each year to ease the cost of travel.

Investing in our public sector

- An **increase in remuneration to public sector** employees of 3.0 per cent in each of the next two years. An additional 0.5 per cent is on offer in 2023-24, where productivity improvements can be delivered and the cost of the increase can be absorbed.
- **\$3,000 payment to NSW Health employees** in recognition of their work on the frontline of the COVID-19 pandemic.
- Providing **five days of paid fertility treatment leave** for teachers, nurses and other NSW public sector workers.



\$1.3 billion

Brighter Beginnings Affordable Preschool initiative



\$520.0 million

in new toll relief over two years



\$193.0 million

Back to School Subsidy



\$128.0 million

Energy Bill Buster program over eight years

Strengthening frontline services

The NSW Government continues to invest in public services and infrastructure to deliver better services sooner and closer to home for communities across New South Wales. This includes delivering world-class healthcare and hospitals.

Regional health

Every person in modern Australia is entitled to the very best health care that science can offer. A person's health should not depend on whether they live in the city or in the regions. This budget invests in the building frontline services for our growing State, including:

- **\$2.4 billion** over 10 years to increase the regional workforce with strategies to address the future pipeline of healthcare workers. This includes:
 - increasing health training positions locally in rural areas
 - supporting professional development of the rural workforce
 - providing recruitment and retention incentives to support sustainable workforce supply.
- **\$149.5 million** to boost patient travel and accommodation assistance by improving access to timely health care and reduce out-of-pocket costs for patients.
- Attracting key workers to the regions with **\$9.0 million** for a Regional Concierge Service focusing on factors outside work that influence a person's decision to live and work in regional areas.
- Enhancing the regional health directory with **\$3.0 million** to deliver an expanded customer-centric and geographically based health directory.



10,148

more staff in Health workforce boost, including:

2,128

more NSW Ambulance staff

600

nurses, allied health professionals, doctors and support staff over five years to support palliative care



\$2.4

billion

over 10 years to attract doctors and nurses to rural and regional hospitals



550

more police



\$173.8

million

for an additional 200 firefighters and 50 bushfire conservation staff

Delivering world-class healthcare and hospitals

- A record investment of **\$4.5 billion** in the NSW Health workforce to ease pressure on existing health workers and support the delivery of quality health care by recruiting 10,148 full-time equivalent staff to hospitals and health services across the State.
- **\$1.8 billion** to enable NSW Ambulance to recruit 2,128 staff and open 30 new ambulance stations. The first eight stations will be at Warilla, Kincumber, Lisarow, Gateshead, Swansea, Cherrybrook, Raby and Narellan in the coming year, with 22 more stations over the following three years.
- **\$776.7 million** for Health Service resilience programs.
- **\$743.4 million** over five years to enhance end-of-life and palliative care services. The increased investment will support the employment of an extra 600 nurses, allied health professionals, doctors and support staff.
- **\$460.0 million** for the Integrated Mental Health Complex at Westmead.

- **\$94.5 million** to provide in-house Secondary Triage and Alternative Referral Services within a new Ambulance Virtual Clinical Coordination Centre.
- **\$13.5 million** to expand the Statewide Community and Court Liaison Service to an additional 36 local courts, providing people with serious mental illness charged with low-level offences access to necessary treatment and care from Local Health District Mental Health Services as an alternative to custody.

Other frontline services

- **\$568.7 million** capital expenditure and \$17.0 million in-principle funding for recurrent expenses to replace end-of-life Opal ticketing systems with a flexible, modular and future-ready system across Greater Sydney and outer-metropolitan and regional areas.
- **\$95.9 million** for 550 additional police. These will join the 950 police recently recruited as part of the NSW Government's commitment to deliver 1,500 new police to enhance the State's crime-fighting capability and keep the community safe.
- **\$21.0 million** for Fire and Rescue NSW to enhance workplace safety and increase women's participation in the Fire and Rescue workforce.



Helping families get through tough times

COVID-19 response and recovery

At the pandemic's outset, the NSW Government had the fiscal capacity and strong economic foundations to support its people and economy through the worst of the pandemic.

- The Government paid more than **\$11 billion** in response to the Delta outbreak to keep businesses afloat, people in jobs and the community safe (including up to \$3.5 billion contributed by the Commonwealth Government).
- About **\$200 million** delivered in response to the Omicron outbreak to support businesses and vulnerable communities.
- **\$2.8 billion** committed for the COVID-19 Economic Recovery Package.
- More than **64 per cent** of people aged 16 and over have received a third vaccination against COVID-19.
- By May 2022, about **50 million rapid antigen test kits** had been delivered to schools and early childhood education providers.
- **\$4.1 billion** invested in the health response to COVID-19 in 2021-22.

The economy will continue to be supported by targeted recovery measures into 2022-23.

- About **\$2.3 billion** (excluding infrastructure and health) to deliver a range of measures to support the State's economic recovery. Ongoing commitments include:
 - **\$192.0 million** Parents NSW program to reward and thank eligible NSW households for their efforts to support learning from home in 2021
 - **\$155.0 million** Before and After School Care program, providing a \$500 voucher towards the cost of before and after-school care for every child in New South Wales
 - **\$130.0 million** Mental Health and Wellbeing package
 - **\$66.2 million** Alfresco Restart Package and **\$50.0 million** CBDs Revitalisation Program to bring the streets of New South Wales back to life with outdoor dining, live music and entertainment
 - A range of regional projects, including **\$40.0 million** for priority regional infrastructure.
- An additional **\$961.4 million** for the ongoing health costs of the continued management of COVID-19 including fever clinics, long COVID-19 clinics, and infection prevention and control.



50 million

Rapid Antigen Test kits for schools and early childhood education providers



\$4.1 billion

for COVID-19 health response in 2021-22



64%

of people aged 16 and over have received their third vaccination against COVID-19



\$3.5 billion

committed for flood response and recovery*

*incl. Commonwealth Government contribution

Flood response and rebuilding

Across New South Wales, 61 LGAs were Disaster Declared as a result of the February and March 2022 storms and floods. In response to these events, the NSW and Commonwealth governments have jointly committed \$3.5 billion to support impacted communities, including:

- **\$350.0 million** for immediate clean-up assistance for properties and other public, community and environmental assets, and waste disposal.
- **\$350.0 million** for the procurement and management of temporary and medium-term housing in approved sites to support people unable to secure stable, ongoing accommodation because of the floods.
- **\$312.5 million** to deliver State and local government transport infrastructure resilience improvements to reinforce and upgrade infrastructure and assets.
- Housing and accommodation support, including:
 - **\$285.2 million** for rental assistance support, temporary housing measures and a housing flood recovery service
 - **\$168.0 million** for social and police housing support
 - **\$112.5 million** for Back Home grants to help restore housing to a habitable condition.

- Establishing the **Northern Rivers Reconstruction Corporation** to set and implement reconstruction priorities in the region, working closely with communities.
- A range of **grant programs** to help businesses, primary producers, not-for-profit organisations, families and individuals return to their lives as quickly and as safely as possible.

The NSW economy has rebounded strongly

- All the decline in employment during the Delta outbreak has been recovered.
- Job vacancies are at record levels.
- Retail sales are 6.5 per cent higher over the four months to April despite disruptions from the Omicron strain and wet weather.
- Business confidence is almost double the decade average.



Building a brighter future

03



Women's opportunity

The NSW Government will invest in significant reforms to make New South Wales the best place in Australia for women to live, work and raise a family. These investments are based on the findings of the Women's Economic Opportunities Review, which was commissioned by the Government as part of the NSW Economic Recovery Strategy in October 2021.

This investment will drive economic gains through higher women's workforce participation, while achieving better outcomes for children through its focus on early childhood education and care.

Workforce

Up to \$5.0 billion (over 10 years) will be invested to establish the Affordable and Accessible Childcare and Economic Participation Fund, which is part of a package of early childhood education and care reforms, including universal pre-kindergarten and affordable preschool. These reforms, in combination with the changes to the Commonwealth Child Care Subsidy as proposed by the new Commonwealth Government, are estimated to:

- Close the women's workforce participation gap by between 4 and **14 per cent** by 2032-33.
- Increase economic activity in New South Wales (Gross State Product) by between \$4.7 billion and **\$17.1 billion** (in real 2021-22 dollars) per year by 2032-33.
- This translates to an additional \$1,200 to \$4,400 (in real 2021-22 dollars) income per household by 2032-33.
- Increase NSW Government revenue by between \$750 million and **\$3.5 billion** (inclusive of up to \$713 million extra GST receipts) over the 10 years to 2032-33.
- Lead to between 26,000 and 95,000 women entering the workforce or switching from part-time to full-time work by 2032-33.
- Deliver 47,000 ongoing affordable childcare places, ramping up over a number of years.

Additional measures to support greater economic opportunities for women in the workforce include:

- **\$20.2 million** towards the objective of women making up 15 per cent of trades and non-traditional roles in the construction industry by 2030.
- **\$32.0 million** in grants and tailored wraparound training support to assist women to return to work after lengthy stints out of paid employment as full-time parents, carers or for other reasons.
- **Additional two weeks' bonus Paid Parental Leave** for NSW public sector workers where parental leave is shared more equally between both parents, and no distinction between a primary or secondary carer, meaning that every parent in the public sector will be entitled to at least 14 weeks' paid parental leave.

Small business and entrepreneurship

- **\$12.0 million** to establish the Carla Zampatti Fund (a women's venture capital fund) to support female entrepreneurs and small business owners, including \$10.0 million for the Fund and \$2.0 million for establishment and operation.
- **\$9.5 million** for dedicated support for female business owners through Service for Business and Business Connect programs.

Health

- **\$80.0 million** to support families with the high cost of fertility treatments.
- **\$40.3 million** to establish 16 new menopause services, including four hubs across the State for women experiencing severe symptoms of menopause and address associated health risks.
- **\$5.2 million** to extend support for post-natal mental health services delivered by not-for-profit organisations.

Safety and security

- **\$43.6 million** for expansion and enhancement of Safer Pathway to support victim-survivors of domestic and family violence.
- **\$30.0 million** to increase safety and levels of comfort for women and girls in public spaces and when using public transport.
- **\$25.0 million** to increase the number of fit-for-purpose, safe, accessible and inclusive female sports facilities in New South Wales.
- **\$18.0 million** to expand audio-visual links to enable remote evidence, including for victim-survivors of domestic violence.
- **\$9.7 million** for safe workplaces through the Respect at Work SafeWork taskforce to reduce sexual harassment in the workplace.
- **\$8.0 million** for court-appointed questioners to facilitate cross-examination of domestic violence complainants.

Giving children and young people the best start to life

This Budget will set children and young people up for success through continued investment in early education, local schools and vocational education, including TAFE. This investment comprises:

Ensuring every child has the best start in life

- **\$111.2 million** for development checks in preschools, delivered jointly by the Department of Education and Ministry of Health.
- **\$70.9 million** to expand the Sustaining NSW Families program to support families to reach their full potential.
- **\$38.6 million** for a State-wide expansion of Pregnancy Family Conferencing for vulnerable women and their families, delivered jointly by the Department of Communities and Justice and Ministry of Health.



Providing more schools and learning opportunities

- **\$5.8 billion** over 10 years towards the establishment of universal pre-kindergarten for all children in the year before school by 2030.
- **\$1.6 billion** to deliver 23 new and upgraded school projects and additional funding for minor works.
- **\$1.3 billion** for the Brighter Beginnings Affordable Preschool initiative to provide fee relief for families with children across the community and mobile preschool and long day-care sectors.
- **\$1.2 billion** to maintain and enhance the quality of education facilities at NSW public schools.
- **\$281.6 million** to ensure quality, retention and supply of early childhood educators to address existing shortages and build for future demand.

Boosting education and training to set young people up for success

- **\$108.5 million** to continue the rollout of Institutes of Applied Technology pilots, bringing together industry, Vocational Education and Training and higher education providers.
- **\$82.7 million** for Fee Free Vocational Education and Training to support a further 70,000 students to access apprenticeships, traineeships and other high-priority training.
- **\$25.1 million** to expand the Careers NSW pilot, providing comprehensive careers and education advice to NSW schools.
- **\$18.2 million** co-investment towards development of a University of Newcastle campus in the Gosford CBD.



A quality home for everyone

The NSW Government will invest \$2.8 billion in measures to support greater opportunities to access and own a quality home and help the most vulnerable, including:

- **\$780.4 million** two-year trial of a shared equity scheme for up to 6,000 eligible single parents, older singles and first home buyers who are teachers, nurses or police.
- **\$728.6 million** to introduce an option for first home buyers purchasing a home for up to \$1.5 million to pay an annual property tax instead of upfront stamp duty.
- **\$300.0 million** for a third round of the Accelerated Infrastructure Fund, including \$120.0 million for regional areas, to co-fund critical housing-enabling infrastructure.
- **\$300.0 million** for maintenance and upgrades to more than 15,800 social housing properties, extending the life of social homes and ensuring tenants have safe accommodation.
- **\$174.0 million** for 271 new homes for key workers in regional and remote New South Wales.
- **\$149.8 million** for 200 new and 260 upgraded homes for First Nations people, as well as 4,400 climate-resilience and energy-saving upgrades, helping to reduce overcrowding and improve the quality of life for tenants.
- **\$89.0 million** to reduce planning assessment timeframes and bring forward housing supply.
- **\$73.5 million** to undertake strategic planning and rezoning in State-led precincts to increase capacity for new housing and employment opportunities.
- **\$67.2 million** to continue and expand the Strong Family, Strong Communities program, to provide wraparound services and support to at-risk First Nations families and the Aboriginal Community Housing sector.
- **\$37.0 million** towards supporting the Community Housing Sector to deliver 120 social housing dwellings for households in the Together Home program.
- **\$33.8 million** for the Regional Housing Development Program to overcome data gaps and coordination and planning barriers to secure a pipeline of housing supply in regional New South Wales.
- **\$32.0 million** to deliver planning and infrastructure upgrades to First Nations communities through the Roads to Home program, supporting access to essential services.



Stronger regions, stronger opportunities

Regional New South Wales is a key driver of the State's economic success, and one-third of the NSW population have made the regions their permanent home. Thousands more spend time in the regions each year at holiday homes, for study and work, to visit family and friends and experience unique tourist attractions.

The NSW Government is continuing to support regional communities in building a better future:

Regional health

- **\$2.4 billion** over 10 years to provide flexible and bespoke recruitment and retention incentives to build and sustain the rural and regional health workforce. This includes increasing training positions locally and supporting professional development to build the skills and expertise to meet regional needs.

Regional economic activation

- Expanding the Regional Growth Fund, with a further **\$1.3 billion** to continue the successful program which has invested in more than 2,700 projects since 2017. This includes:
 - **\$250.0 million** over three years to expand the Stronger Country Communities Fund, for grassroots projects to reinvigorate rural communities across regional New South Wales
 - **\$230.0 million** to support tourism development projects and enabling infrastructure, leveraging recent significant growth in regional tourism and supporting job creation
- **\$220.0 million** over three years to expand the Resources for Regions program, supporting the ongoing prosperity of mining communities by improving economic opportunities, local amenities and creating positive social outcomes
- **\$175.0 million** for economic activation, providing investment to existing key regional industries in regional New South Wales
- **\$100.0 million** for the Regional Job Creation Fund to support NSW businesses to grow and incentivise interstate and international businesses to invest in regional New South Wales
- **\$65.0 million** for Regional Events Acceleration to allow them to reach a wider audience across regional New South Wales
- **\$20.0 million** to support projects and events for the activation of business opportunities in community facilities.
- **\$391.3 million** for the Snowy Mountains Special Activation Precinct, to support the development of the regional visitor economy and transition the region to a year-round destination to increase investment and jobs in the area.
- **\$369.6 million** for initiatives through the Safe and Secure Water Program, including \$90.0 million in new funding to address water supply, quality and safety risks for regional towns.
- **\$163.9 million** in 2022-23 to bolster the State's response capability and readiness for future biosecurity incursions.
- **\$130.0 million** over five years to create jobs and drive investment in mining and processing of critical minerals.
- **\$59.0 million** for additional regional youth initiatives to support children and young people across regional New South Wales.



Empowering First Nations communities

The 2022-23 NSW Budget will invest \$715.8 million in First Nations policies, programs, and to help meet NSW's targets under the National 'Closing the Gap' agreement, as part of the existing \$1.19 billion of planned expenditure, including:

- **\$317.3 million** for appropriate housing, land rights and interests, and essential community infrastructure, including:
 - **\$9.9 million** to develop culturally responsible building standards and design principles for First Nations housing in partnership with First Nations communities
 - For more First Nations housing measures, see the measures listed under the \$2.8 billion housing package.
- **\$178.8 million** to support young First Nations people to thrive, measures include:
 - **\$98.7 million** to expand existing Aboriginal Child and Family Centres and build nine new centres to provide a mix of culturally safe services and support for First Nations families with children aged up to 8 years
 - **\$43.5 million** for the Clontarf Foundation and other First Nations education providers to support First Nations students and undertake external quality assurance
 - **\$10.6 million** to support First Nations communities across New South Wales to self-determine and deliver local, regional and state-wide educational services
 - **\$9.9 million** to pilot a Child and Family Advocacy and Support program to provide legal and non-legal advocacy to families at risk of having their children removed through holistic early assistance.



\$317.3 million

for appropriate housing, land rights and essential community infrastructure



\$10.0 million

to establish an Aboriginal Bail Advocacy and Support Service

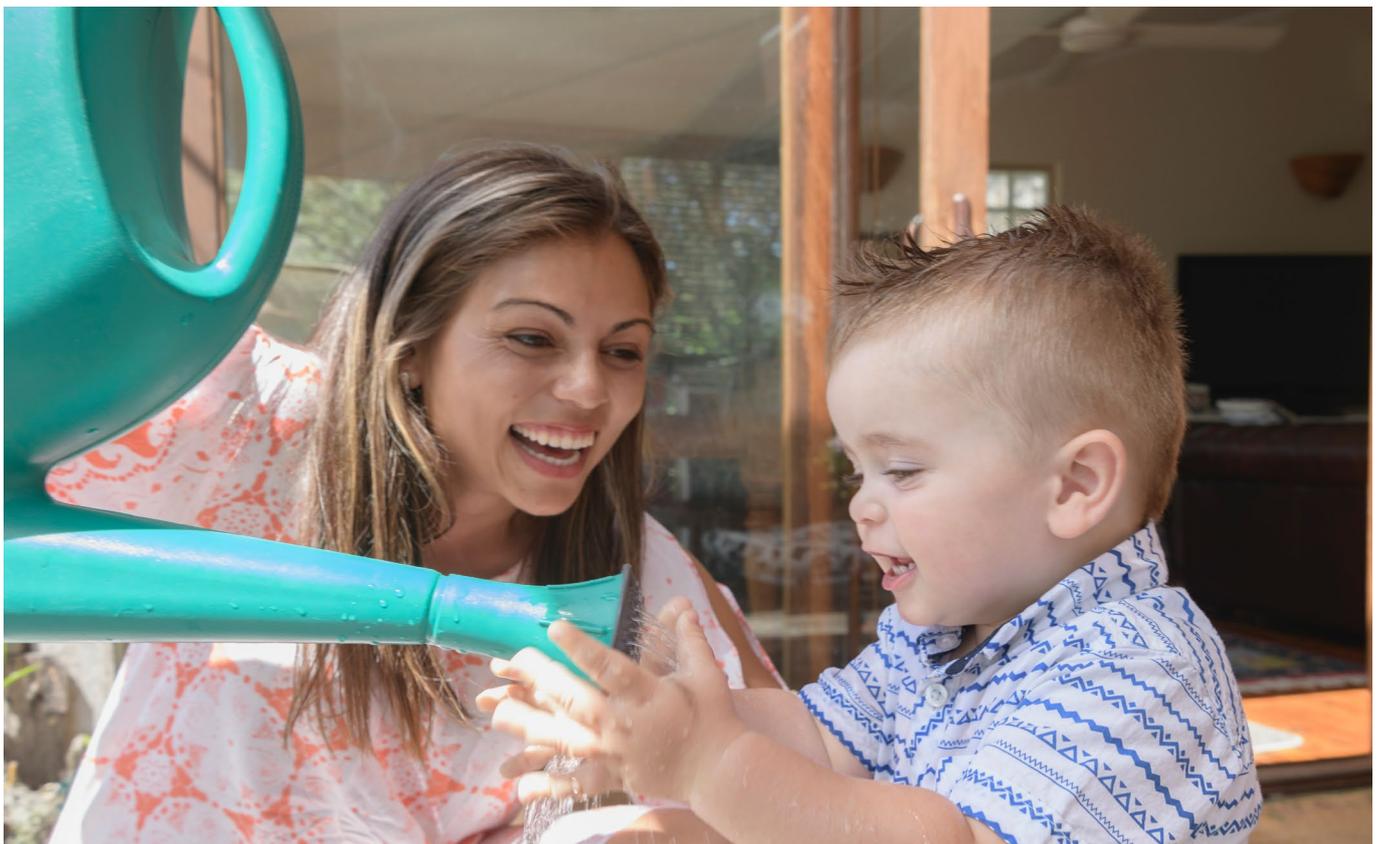


\$9.9 million

to pilot a Child and Family Advocacy Support program



- **\$91.1 million** to support First Nations languages, culture and survivors of the Stolen Generations and to accelerate the repatriation of First Nations remains, including:
 - **\$43.9 million** for the Aboriginal Languages Trust to deliver its Strategic Plan 2022-2027 and support Aboriginal Communities to grow their languages
 - **\$25.0 million** capital expenditure in 2022-23 to construct a third flagpole atop the Sydney Harbour Bridge for the permanent flying of the Aboriginal flag
 - **\$15.3 million** to support survivors of the Stolen Generations to establish memorials and keeping places, including on the sites of former Aboriginal Children’s Homes in Bomaderry, Cootamundra and Kinchela, and Keller House in North Parramatta.
- **\$47.0 million** to improve access to data and improved governance, including:
 - **\$22.1 million** to research and establish service partnerships between First Nations community-controlled organisations and NSW Government clusters and agencies
 - **\$18.8 million** to establish a data concierge service to support data sharing and oversee development of data and insight-sharing tools across NSW Government agencies.
- **\$32.3 million** to drive local decision-making and support the community-controlled sector, including:
 - **\$30.0 million** to provide grants of up to \$250,000 to community-controlled organisations to respond to the needs of local communities.
- **\$29.6 million** to drive health and wellbeing outcomes, including:
 - **\$10.1 million** to implement and sustain effective cultural models of mental health and wellbeing care for First Nations people in partnership with the community-controlled sector
 - **\$9.8 million** to expand the Building on Aboriginal Communities’ Resilience initiative to a further 12 Aboriginal Community-Controlled Health Organisations.
- **\$19.7 million** to improve community safety and the justice system, including:
 - **\$10.0 million** to establish an Aboriginal Bail Advocacy and Support Service aimed at reducing the number of First Nations women and young people remanded in custody
 - **\$7.2 million** to work in partnership with community-controlled justice organisations, grow the rate of community-controlled service delivery and develop a quality improvement framework to embed cultural safety into the design and delivery of justice-related policies and programs.



Investing in Western Sydney

The NSW Government is committed to creating opportunities and improving quality of life for people living in Western Sydney for decades to come. This Budget invests in transformational infrastructure to build a better future for Western Sydney communities, including:

- **\$1.5 billion** including \$220.1 million in 2022-23 on the Western Sydney Growth Roads Program to accommodate population and employment growth in Western Sydney. Key projects include:
 - Mulgoa Road upgrades (state and federally funded)
 - The Horsley Drive, M7 motorway to Cowpasture Road (state and federally funded)
 - Appin Road Improvements (Commonwealth Government-funded)
 - Spring Farm Parkway Stage 1
 - Mamre Road, M4 Motorway to Erskine Park Road
 - Memorial Avenue, Old Windsor Road to Windsor Road
 - Western Sydney Long-Term Strategic Transport Corridor Preservation.
- More than **\$1.2 billion** including \$205.6 million in 2022-23 towards the M12 Motorway to support the Western Sydney International Airport. The M12 Motorway provides direct access to the airport, running east-west, linking the M7 Motorway and The Northern Road. It will also improve the movement of freight in and through Western Sydney.
- **\$680.5 million** for Parramatta Light Rail Stages 1 and 2 to continue construction of the Light Rail, from Westmead to Carlingford via the Parramatta CBD and Camellia, and to deliver a new bridge connection across the Parramatta River between Wentworth Point to Melrose Park.
- **\$261.9 million** towards the establishment of the Advanced Manufacturing Research Facility at the heart of Bradfield City Centre, which ensures Western Sydney will continue to be the heart of Australia's high-tech manufacturing capability.
- **\$246.1 million** in 2022-23 for the new Powerhouse Museum at Parramatta and expansion of the Museum Discovery Centre in Castle Hill.
- **\$243.1 million** over three years including \$74.0 million in 2022-23 on Prospect Highway, Reservoir Road to St Martins Crescent to improve road safety for all road users, reduce congestion leading to improved travel times, and increase network efficiency.
- **\$185.4 million** in 2022-23 (as part of a \$619.0 million project) for Stage 2 of The Children's Hospital at Westmead Redevelopment.
- **\$126.8 million** in 2022-23 (as part of a \$740.0 million project) for the Liverpool Health and Academic Precinct.
- **\$60.0 million** to develop a final business case for a south-eastern extension of the Sydney Metro Western Sydney Airport project from the current southern terminus at Bradfield to Glenfield.



WestInvest

The new \$5.0 billion WestInvest program announced in September 2021 will fund transformational projects to support liveability and community amenity in Western Sydney.

The program is split between two funding streams.

1. \$2.0 billion is reserved for high-priority community projects:
 - **\$1.6 billion** to be allocated through a competitive grants process to non-government organisations, community groups, not-for-profits and local councils.
 - **\$400.0 million** directly allocated to eligible Councils to advance local projects in Western Sydney LGAs.

The community project stream is under way. Successful projects are expected to be determined from November 2022.

2. A further \$3.0 billion will be made available to NSW Government agencies to deliver transformational projects that will benefit local communities.

All funding through WestInvest will be allocated to projects that drive outcomes to improve one or more of the six focus areas below:

1. Quality green and open spaces
2. Community infrastructure
3. School modernisation
4. Arts and cultural facilities
5. High street activation
6. Local traffic programs.

This Budget announces \$478.2 million from WestInvest to support the modernisation of schools in Western Sydney. The program of works will deliver a broad range of capital investment to renew existing school assets and provide additional teaching spaces.

This includes upgrades at the following schools:

- Austral Public School
- Condell Park High School
- Leppington Public School
- Parramatta East Public School
- Riverbank Public School (Stage 3)
- Rouse Hill High School
- Schofields Public School
- Sir Joseph Banks High School
- Telopea Public School

Further assessment and decisions for projects in the State Government stream will be announced later in 2022.



Building the infrastructure of the future

Delivering a sustainable infrastructure program

This Budget builds on the Government's \$178 billion investment in infrastructure projects between 2011-12 to 2020-21 with a record \$112.7 billion investment in infrastructure over the next four years. This includes \$76.7 billion for transformative transport infrastructure, \$11.2 billion to deliver world class healthcare facilities and \$9.1 billion for new and upgraded schools and other education infrastructure. The Government remains committed to delivering our forward pipeline of road, rail, health, precinct renewal and other projects.

While the past two years have presented significant challenges for infrastructure delivery including the impacts of COVID-19, heightened geopolitical tensions and the impact of natural disasters, the Government will ensure the right projects are delivered at the appropriate time and at the best value to taxpayers, having regard to ongoing market constraints.

Metros

\$12.4 billion for the Sydney Metro West, which will deliver a new underground driverless metro line connecting Greater Parramatta with the Sydney CBD in about 20 minutes, including new metro stations at Westmead, Parramatta, Sydney Olympic Park, North Strathfield, Burwood North, Five Dock, The Bays, Pyrmont and Hunter Street in the Sydney CBD

\$8.4 billion for the Sydney Metro to Western Sydney Airport line, which will deliver six new Metro stations to service the future Airport and the Western Sydney Aerotropolis, interchanging with the T1 Western Line at St Marys

\$5.1 billion for the Sydney Metro City and Southwest, which will deliver an extension of Sydney Metro Northwest from Chatswood, under Sydney Harbour, through new CBD stations and southwest to Bankstown



Connecting communities

- **\$4.1 billion** for the Western Harbour Tunnel to deliver the first stage of tunnelling works for a new crossing of the Sydney Harbour.
- **\$3.2 billion** for the Great Western Highway Upgrade to reduce congestion and deliver safer, more efficient and reliable journeys through the Blue Mountains and better connect communities in the Central West.
- **\$2.3 billion** for the M6 Extension Stage 1 which, when completed, will remove more than 2,000 trucks a day from surface roads, enable motorists to bypass up to 23 sets of traffic lights on the Princes Highway and enhance pedestrian and cyclist safety through shared pathways.
- **\$1.9 billion** for Jervis Bay to the Victorian border to continue the transformation of the Princes Highway from south of Nowra to the Victorian border, including the delivery of the Milton-Ulladulla Bypass to improve safety, journey times and freight efficiency.
- **\$1.7 billion** for the Warringah Freeway upgrades to surface roads, bridges and interchanges along about 4 km of the freeway corridor.
- **\$123.7 million** to upgrade the Epping Station Bridge to provide additional road capacity and connectivity between multiple transport modes and improve accessibility to the Epping Town Centre by providing new active transport linkages and improving general traffic in the area.
- **\$41.1 million** for the delivery of the final leg of the Sutherland to Cronulla Active Transport Link to improve connections and increase road safety for active transport users between Sutherland and Cronulla as well as links to key attractors along the corridor.

Building the New South Wales of tomorrow

- **\$274.5 million** to continue planning of the Fast Rail program to deliver faster connections between Sydney, Canberra, Bomaderry, Newcastle, the Central Coast and the Central West which is NSW and Commonwealth Government-funded.
- **\$216.4 million** to refine the pre-concept design options for significant redevelopment of Circular Quay that will improve accessibility, revitalise arts and cultural offerings and refresh retail and dining experience and renewal of ageing wharves and train stations.
- **\$60.0 million** to develop a final business case for a south-eastern extension of the Sydney Metro Western Sydney Airport project from the current southern terminus at Bradfield to Glenfield.
- **\$45.9 million** to repair and upgrade ageing Crown Lands infrastructure supporting rural and regional communities, economic activity, and tourism.
- **\$26.2 million** for maintenance and upgrades across the State's property portfolio improving the useful life and sustainability of critical government and community assets.
- **\$11.8 million** for repairs and upgrades to Meadowbank Bridge, maintaining a vital pedestrian and cyclist commuter corridor and electricity transmission link across the Parramatta River to Rhodes.



The future economy

During the COVID-19 pandemic we were reminded of the immense potential of the human mind to help build a better world. Modern science created miraculous vaccines in record breaking time, saving countless lives. The NSW Government will invest in the potential of our best and brightest. Their ingenuity, creativity and imagination will provide the medicines of the future and the technologies that we cannot yet imagine. Their inventions will underpin the jobs, businesses and industries of the future that form the foundation of our State's economy for the next century.

Delivering research and development facilities

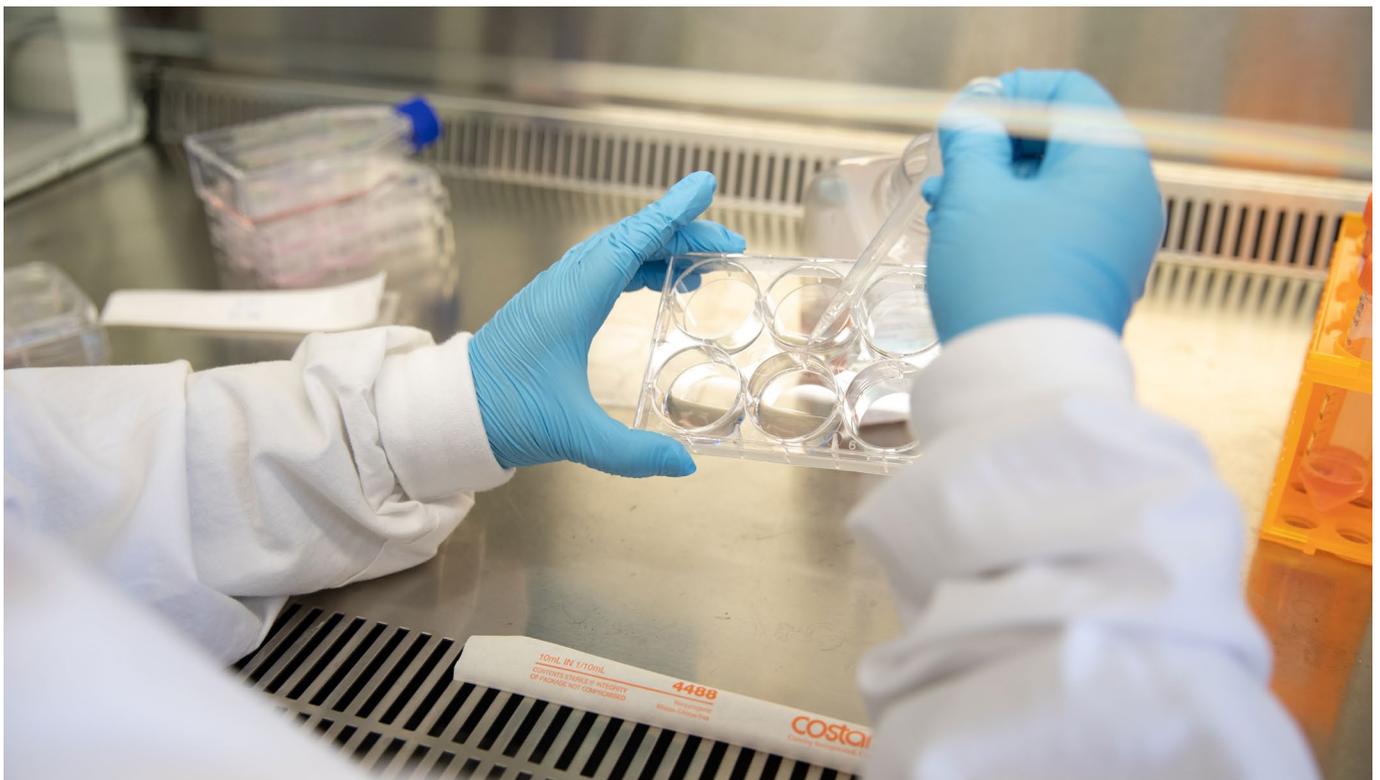
- **\$150.0 million** for the Biomedical Accelerator Complex in Camperdown. The Accelerator will be a state-of-the-art biomedical research complex offering a unique global concentration of biomedical research talent, enabling researchers and industry collaborators to work together on solving critical health challenges.
- **\$119.1 million** over 10 years in ribonucleic acid (RNA) therapeutics manufacturing, research and development for initiatives to translate RNA therapeutics research into clinical and commercial outcomes and ensure best use of the pilot manufacturing facility.
- **\$49.6 million** Viral Vector Manufacturing Facility at Westmead. This Facility will help New South Wales develop and test life-saving therapies for rare genetic diseases and cancers.

- **\$261.9 million** Advanced Manufacturing Research Facility in the Bradfield City Centre. The Facility will help develop the capacity of New South Wales in high-growth, technologically sophisticated manufacturing industries.

Investing in science and technology through the Future Economy Fund

The Budget includes \$703.4 million for a Future Economy Fund (the Fund) to drive growth in emerging high-value industries such as digital technology, medtech and the clean economy. The Fund will include the following themes:

- **\$342.4 million** to boost support for the commercialisation of products, services and emerging digital technologies in fields that will grow the economy and provide targeted support to research institutions, start-ups, scale-ups and small-to-medium enterprise sectors in New South Wales.
- **\$219.0 million** to accelerate growth and investment in priority industry sectors, such as modern manufacturing, medtech, defence and aerospace, to deliver significant benefits to the economy, including by building local capability, securing high-value jobs and boosting productivity.
- **\$142.0 million** of dedicated funding to drive research and development and innovation growth in sectors in which New South Wales has a natural competitive advantage, such as quantum computing, and advance collaboration with universities, the CSIRO and the private sector.



Protecting our planet and growing a clean economy

To support sustainable economic growth for the long term and leave a better planet for future generations, this Budget includes investments to address the physical risks of climate change as well as take advantage of clean technologies and emerging green markets. Stewardship of our State's stock of natural capital and the services that flow from them is critical to achieving a low-carbon, sustainable economic future for New South Wales.

Clean-energy initiatives to expand and accelerate the development of clean-energy production, transmission and storage in New South Wales will help address the affordability and reliability of energy to ensure families and businesses are prepared for and supported through the transition to net zero.

Climate adaptation

- More than **\$2.5 billion** investment from the Climate Change Fund over 10 years in programs to reduce emissions and make New South Wales more resilient to a changing climate from 2022 to 2030.
- **\$300.0 million** over 10 years to provide grants for new business activities to competitively produce low emissions materials, green chemicals, hydrogen, power fuels, clean fuels and agricultural materials.
- **\$93.7 million** over eight years for a whole-of-government response through the Climate Change Adaptation Strategy.

Renewable energy

- **\$1.2 billion** net (maximum, after recycling proceeds) to accelerate the delivery of the new transmission projects required for Renewable Energy Zones across regional New South Wales (total gross investment, which is intended to be fully recouped, is \$3.1 billion over the next 10 years).
- **\$250.0 million** over five years for grants to businesses to competitively manufacture components for renewable energy infrastructure, electrolysers, electrification of plant, and electric vehicles.
- **\$84.0 million** over 10 years to accelerate the Electricity Infrastructure Roadmap to replace retiring power stations with new sources of clean, cheap and reliable generation.



Protecting our natural environment and reducing emissions

- **\$222.1 million** for the National Parks and Wildlife Service to meet the growth in demand for nature-based tourism, including funding to remediate Sydney Harbour's Me-Mel (Goat Island) in preparation to transfer the island back to traditional owners.
- **\$206.2 million** over 10 years to enhance the State's natural capital, rewarding farmers to reduce their carbon emissions and improve and protect biodiversity outcomes on their land, while increasing the productivity of our primary industries.
- **\$173.8 million** for an additional 200 firefighters and 50 permanent bushfire conservation staff to boost frontline defences against bushfires in national parks, particularly through increased hazard reduction.
- **\$106.7 million** over three years for the Biodiversity Credits Supply Fund to simplify the delivery of environmentally sustainable development and infrastructure projects, allowing development to continue while protecting the environment.
- **\$74.0 million** for zero-emission buses to develop a final business case and commence enabling works to transition to a low-emission bus fleet to allow quiet and environmentally friendly travel services for Sydney commuters.
- **\$38.3 million** to further support the rollout of electric-vehicle-charging infrastructure to service the growing fleet of electric vehicles.
- **\$19.8 million** over three years for water strategy initiatives to address floodplain management, First Nations access and a groundwater framework.
- **New target of 50 per cent emission reductions below 2005 levels by 2030**, achieved through the Net Zero Plan initiatives including the NSW Electric Vehicle Strategy and the Electricity Infrastructure Roadmap.



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NSW Treasury

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Budget paper no. 1 Budget Statement	Treasurer's Speech
Budget paper no. 2 Outcomes Statement	Overview
Budget paper no. 3 Infrastructure Statement	Regional NSW
Budget paper no. 4 Agency Financial Statements	Western Sydney
Budget paper no. 5 Appropriation Bills	Women's Opportunity Statement

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