

Media Release

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2022-23 NSW BUDGET: STEADFAST SUPPORT FOR FAMILIES AND BUSINESSES TODAY, VISION AND REFORM ON EDUCATION, HEALTH, HOUSING, WOMEN'S OPPORTUNITY, ENVIRONMENT

The NSW Government is setting the stage for the State's prosperity, delivering a transformational budget that will secure a brighter future for New South Wales by offering steadfast support for families and businesses.

Highlights of the 2022-23 NSW Budget's blueprint for reform to create opportunity and help our people prosper include:

- \$33 billion investment in health and recruiting more than 10,000 full-time equivalent staff to hospitals, NSW Ambulance and health services across the State
- \$16.5 billion over 10 years to break the barriers to opportunity for women and help give our children the best start in life including by investing in affordable and accessible childcare and creating a universal year of prekindergarten in the year before school
- More than \$7.2 billion in cost-of-living measures, including the Premier's Back to School program and new Energy Bill Buster Program
- \$2.8 billion to help more families find a place to call home, including \$728.6 million for tax reform to help people own their first home
- \$1.2 billion to establish the Transmission Acceleration Facility, which will unlock massive investments in our electricity system and build our renewable energy zones—the power stations of the future
- A \$500 million commitment to deliver on the NSW Government's Fast Rail vision

This Budget also provides comprehensive measures to boost family budgets, and support for communities impacted by floods.

It is a Budget that takes the lessons of COVID-19, fire and floods, and builds on a decade of delivery and responsible economic management to blaze a bright path to future prosperity.

NSW Premier Dominic Perrottet said: "The people of New South Wales have stood tall through enormous challenges over the past few years, and this budget backs in their efforts, with more steadfast support, stronger services, and strategic reform to set our State up for a brighter future.

“For more than a decade we have delivered on our vision, reinforcing the State’s economic foundations, rebuilding the infrastructure, and establishing services strong enough to withstand unprecedented pressures.

“With this budget, the NSW Government sets out a transformational roadmap for the decade ahead, delivering not just for our people today, but for generations to come.”

The Budget forecasts above trend economic growth of 4¼ per cent for 2022-23 and a return to historically low unemployment of 3½ per cent in the June quarter next year.

For 2021-22, revenue is forecast to be \$103.7 billion and expenditure \$120.3 billion. The State’s deficit for 2021-22 has improved from the half-year review of \$19.5 billion to \$16.6 billion.

The State is projected to return to surplus in 2024-25—the same year as forecast in last year’s Budget, despite the Delta and Omicron outbreaks and floods—and that surplus is projected to increase to \$1.4 billion in 2025-26.

Net debt is projected to stabilise at about 14 per cent of GSP by June 2026 (compared to a projected 19.8 per cent for Victoria at 30 June 2022) followed by a gradual decline towards the end of the decade.

As part of managing net debt to sustainable levels, the proceeds of the successful sale of the NSW Government’s residual stake in WestConnex have been used to retire a total of \$11 billion in debt over a two-year period. The 2022-23 NSW Budget also includes \$2 billion in budget improvement measures to support fiscal sustainability and a return to surplus, comprising:

- \$1.4 billion in 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 through the introduction of a further efficiency dividend from 2023-24 to 2025-26, amendments to workers compensation funding arrangements and lower wages growth for senior executives

NSW Treasurer Matt Kean said that with an unemployment rate of 4 per cent, and record high workforce participation, NSW could look to the future with confidence.

“NSW has the most competitive economy in the nation and the 2022-23 NSW Budget is a 10-year Blueprint for prosperity,” Mr Kean said.

“Over the past decade, we have cut taxes by \$10.5 billion and made them more competitive, recycled infrastructure assets to build new ones, digitised government services and kept a lid on expenses.

“This, together with Commonwealth contributions, provided the capacity for the \$53 billion committed to COVID-19 response and recovery, supporting communities and businesses during the worst of the pandemic and \$3.5 billion for flood restoration and recovery without threatening

future economic prosperity, and it's why in the 2022-23 NSW Budget we are able to announce new programs that support future economic prosperity and address cost-of-living pressures.

"There is no better investment that we can make for the people of this State, than investing in the people of this State themselves.

"In this Budget, we choose to do that, pursue historic reform and unlock opportunity right across our State."

In addition to the Budget's investments to drive women's opportunity, introduce universal prekindergarten, reduce the tax burden of buying a first home, and unlock massive investments in renewable energy, this Budget includes:

- \$112.7 billion four-year infrastructure program
- \$2.8 billion Housing Package—including tax reform—to help new homebuyers enter the market, provide new and upgraded social homes and new and upgraded homes in regional areas for frontline workers and for First Nations people
- \$2.4 billion over 10 years to attract doctors and nurses to rural and regional hospitals, to make sure no matter where a person lives they have access to quality healthcare;
- \$1.3 billion to expand the Regional Growth Fund, in addition to the \$2 billion already funded, to continue creating opportunities and supporting communities in regional NSW
- \$715.8 million for First Nations policies and programs
- \$703.4 million Future Economy Fund—while many of the industries of the future haven't been thought of yet, this Fund will mean many of them will be thought of here
- \$520 million in new toll relief
- \$128 million for the Energy Buster program to help households cut energy bills by installing rooftop solar and energy efficient appliances.

Other major investments in the 2022-23 NSW Budget include:

- \$39.8 billion for public transport and roads
- \$3.3 billion for sustainability and the clean economy
- \$3.0 billion for NSW Health including 51 new and upgraded hospitals
- \$1.6 billion for 23 new and upgraded schools and additional minor works
- \$1.6 billion to build stronger regional communities
- \$640.3 million for training and further education

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