

2022-23 Half-Yearly Review



Last year, the Government handed down a reform Budget that invested in the people of New South Wales to overcome the challenges of today and secure a more prosperous tomorrow.

Since then, the resilience of the NSW people has been tested once again. Communities have seen their homes and businesses inundated by floods. Families have seen their household budgets hit by inflation as the impact of Putin's illegal invasion of Ukraine and the aftershocks of the pandemic reverberate through the global economic system.

That is why, since the Budget, we have continued to stand shoulder-to-shoulder with the NSW people. We have committed more than \$6 billion with the Australian Government to flood relief and recovery. We have continued to roll out \$7.2 billion in cost-of-living support. And we are investing in the health system, including a further \$612.5 million to support the COVID-19 health response in 2023-24. This is on top of the \$4.5 billion additional health workforce investment over the next four years.

These measures were made possible by the strong public finances this government has delivered. One of the central beliefs of Coalition governments is that it is strong financial management that underpins the investment that our community relies on when times are tough.

This belief is evident in this Half-Yearly Review. The Budget remains on track to return to surplus in 2024-25. That is a promise we first made in November 2020, and it is a promise we have kept despite the headwinds we have faced since then: Delta, Omicron, floods, energy shocks and inflation.

A strong budget and a resilient balance sheet are essential to safeguard against unforeseen shocks. But good economic management is about more than just balancing the books—it is about having a plan to tackle the scourge of inflation and grow our prosperity.

This Half-Yearly Review continues our plan to deliver comprehensive short-term support for families struggling with the cost of living, through programs such as our Toll Relief Rebate Scheme, our Energy Bill Buster Program and \$150 Back to School NSW vouchers.

It is also a plan to invest in the reforms that will lift the productive capacity of our economy in the medium and long term. The only lasting way to bust inflation and boost real wages is to unlock greater productivity and growth.

That is why we are investing \$5 billion to deliver affordable childcare across New South Wales and expand the economic opportunities for women.

It is why we are investing \$5.8 billion to deliver a year of universal pre-kindergarten to every child in our state, so they can not only reach their dreams but dream bigger in the first place.

It is why we are rolling out a \$116.6 billion infrastructure pipeline, the largest in our nation's history.

It is why we are supporting more people to own their own home by giving first home buyers the choice to jettison upfront stamp duty, a significant obstacle to the Australian dream of home ownership.

And it is why we are securing New South Wales' position as a renewable energy superpower, with the country's most ambitious strategy to modernise our energy system and thrive in the global net-zero economy.

This Government's plan is clear. We will continue to support families to overcome the challenges they face. We will continue to deliver world-class infrastructure and services. And we will continue to invest in the reforms that unleash the talent and aspiration of our people to build a brighter future for New South Wales.

The Hon. Matt Kean MP
NSW Treasurer,
Minister for Energy
7 February 2023

Supporting families,
building a brighter future

Economic and fiscal update

The NSW economy is facing headwinds but remains resilient. Household consumption and a strong labour market have supported stronger-than-expected growth.

Economic outlook – a resilient NSW economy

Since the 2022-23 Budget, the NSW economy has grown faster than expected despite global headwinds, high inflation and rising interest rates. Households have continued to spend, aided by robust employment and solid savings buffers.

The labour market remains strong with the participation rate close to record highs and the unemployment rate around its lowest level in nearly 50 years. New South Wales' female participation rate reached its highest monthly rate on record at 62.3 per cent in November 2022. The NSW Government continues to support opportunities to boost women's labour force participation through initiatives introduced in the 2022-23 Budget's Women's Opportunity Statement.

Inflation is expected to ease in 2023 as commodity prices moderate, supply chain pressures resolve and household spending slows. The implementation of the National Energy Price Relief Plan is expected to put downward pressure on rising energy bills, further helping to constrain inflationary pressures.

Economic growth is expected to slow in 2023-24, in part due to the impact of higher interest rates and cost pressures on households and businesses. However, the strong labour market and large build-up of net household savings over the course of the pandemic is anticipated to underpin continued growth, albeit at more moderate rates.

Fiscal outlook – on track for a return to surplus despite near term pressures

NSW economic growth outcomes since the 2022-23 Budget have been stronger than expected. The resilient economy is supporting State revenues. Revenues (including GST) are forecast to increase by \$11.1 billion over the four years to 2025-26.

The State's fiscal position continues to be impacted by floods and the effects of COVID-19. Since the 2022-23 Budget, the NSW and Australian governments have jointly provided an additional \$2.6 billion to support those impacted by flooding, deliver the Resilient Homes Fund, repair flood-damaged local roads and implement recommendations of the 2022 NSW Independent Flood Inquiry.

The NSW Government has also made additional investments in the health system to support the transition to living with COVID-19. These measures, alongside additional expenditure on cost-of-living support and priority reforms, have increased expenditure and placed pressure on the State's operating position, particularly in 2023-24.

These increased expenses have flowed through to the budget result, with the 2022-23 deficit deteriorating slightly to \$11.4 billion, and the deficit in 2023-24 deteriorating by \$3.7 billion to \$6.5 billion. Nevertheless, the State remains on track to return to a surplus in 2024-25 (\$333 million) and 2025-26 (\$1.2 billion), ensuring the NSW Government rebuilds its fiscal buffer and moves towards a sustainable operating position.

The State's infrastructure program is projected to rise to a record \$116.6 billion over the four years to 2025-26, an increase of \$3.9 billion, driven by investments in new and existing transport infrastructure.

Long-term economic plan

Since the 2022-23 Budget, the NSW Government has continued to deliver its long-term economic plan to support families and build a brighter future.

Supporting opportunities for women

The Women's Opportunity Statement committed \$5.6 billion over the next decade to help make New South Wales a place where women have full access to opportunities and choice, live freely and safely, and are valued for their diverse skills and experiences.

It consolidates the NSW Government's long-term commitment to supporting women's economic wellbeing, and in turn growing the economy for all people of New South Wales.

To address key barriers to workforce participation, including factors such as health and safety, the NSW Government will deliver a range of initiatives over the next decade, including:

- **\$5 billion** to establish the Childcare and Economic Opportunity Fund, which was legislated in October 2022. This will make childcare more affordable and accessible so that parents, particularly women, are supported to have a genuine choice to participate in the workforce
- **\$123.3 million** to establish up to 16 new menopause services, supporting women experiencing menopausal symptoms to maintain a fulfilling social and work life. As part of this, the locations of four Australian-first menopause hubs have been announced for women experiencing severe symptoms of menopause
- **\$102.8 million** to further improve the Safer Pathway program, New South Wales' overarching response to domestic and family violence. The State's first Women's Safety Commissioner has been appointed to oversee the NSW Government's five-year domestic and family violence plan.



More than 1,200 fertility treatment rebates paid since 1 January 2023



Expanded paid parental, family and domestic violence leave for public sector employees



Paid fertility leave established for public sector employees



Four Australian-first menopause hub locations announced



Appointed the State's first Women's Safety Commissioner

Giving children and young people the best start to life

The 2022-23 Budget committed \$10.9 billion over the next decade to support children and young people to have the best start in life.

The NSW Government is delivering its **Universal Pre-Kindergarten** initiative, a \$5.8 billion commitment over 10 years to progressively deliver high-quality play-based education for all children in the year before school. Pilots have now opened to trial key features of the program. When fully implemented, the reform will ensure that all children, regardless of their family's wealth or circumstances, can access a solid foundation of early learning to achieve better outcomes throughout their school years and later in life.

The NSW Government is also investing \$4 billion over 10 years for **Affordable Preschool** to improve access for families with children in preschools.

The NSW Government is investing \$312.7 million over 10 years to attract, retain and upskill early childhood education and care educators through measures such as the **Early Childhood Education and Care Vocational Education and Training Qualifications Scholarships Program**, which opened in December 2022.

Increasing housing access and ownership

The NSW Government has a long-term vision to increase opportunities to help people access and own a quality home.

The **First Home Buyer Choice** gives eligible first home buyers the choice to pay upfront stamp duty or a smaller annual property tax for purchases up to \$1.5 million. On 16 January 2023, applications through Revenue NSW opened, with 761 first home buyers choosing the property tax to save a combined \$34.6 million in upfront stamp duty costs as at 31 January 2023.

The **Shared Equity Home Buyer Helper** has been launched to assist lower-income single parents, singles over 50 and first-home-buyer key workers employed as nurses, midwives, paramedics, teachers, early childhood educators or police officers. The NSW Government can contribute up to 40 per cent of the purchase price of a home. Applications via Bendigo Bank opened on 23 January 2023, with 3,000 places available in 2022-23 and another 3,000 places opening on 1 July 2023 for 2023-24.

These initiatives are part of the \$2.8 billion housing package announced in 2022-23 Budget to improve housing access and help more people own their own home.

Growing the clean economy

The NSW Government's commitment to **Net Zero Emissions by 2050** has been strengthened by its new interim emissions reduction target of 70 per cent by 2035. This has been enabled by the continued delivery of government policies, including:

- the \$7.8 billion agreement with the Australian Government to use the **NSW Transmission Acceleration Facility** and the Australian Government's Rewiring the Nation Plan. This agreement supports the delivery of eight critical transmission and Renewable Energy Zone projects and will support more than 3,900 jobs
- the **NSW Electricity Infrastructure Roadmap**, with 16 projects shortlisted under the first tender round for Long-Term Energy Service Agreements. These projects will be capable of powering the equivalent of almost 1.6 million homes. Overall, the Roadmap will support 6,300 construction jobs and 2,800 ongoing jobs, mostly in regional New South Wales
- **rebates and stamp duty exemptions for eligible electric vehicles (EVs)**. At the end of December, 3,862 rebates, valued at \$3,000 each, have been paid, and stamp duty has been refunded for 4,733 eligible EVs.



\$10.9 billion
over the next decade to
improve child development



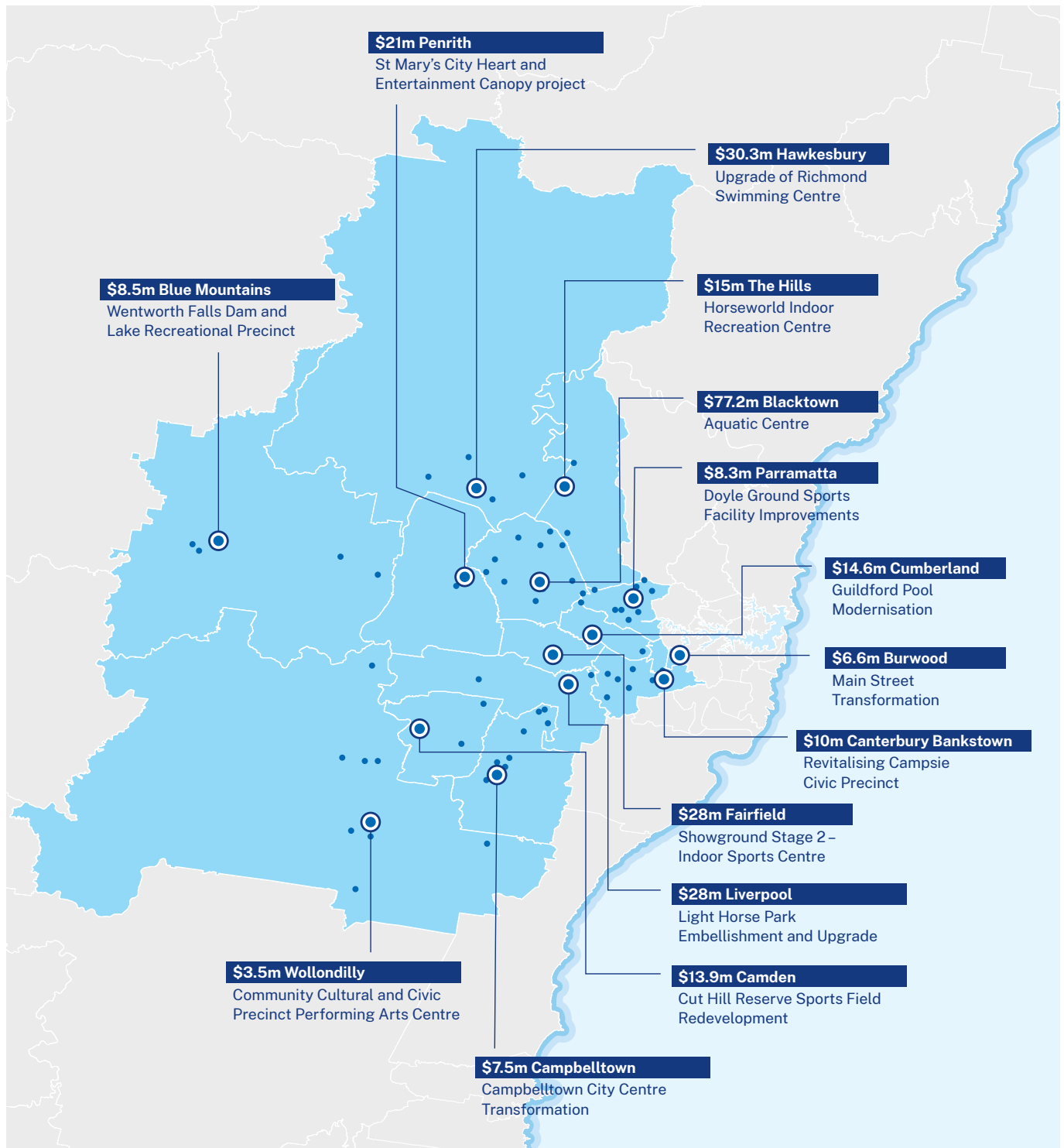
\$5.6 billion
over the next decade
to improve women's
opportunities



\$2.8 billion
housing package

WestInvest

WestInvest will deliver transformational projects to enhance communities throughout Western Sydney, one of the youngest, fastest-growing and most diverse areas in the nation.



This map represents a selection of projects to be delivered through the WestInvest program. For more information, visit nsw.gov.au/grants-and-funding/westinvest

WestInvest

The \$5 billion WestInvest program is divided into two streams, the NSW Government Projects Fund and Community Projects Fund. All WestInvest projects support Western Sydney across any of six focus areas.



Quality green and open spaces



Community infrastructure



School modernisation



Arts and cultural facilities



High street activation



Local traffic programs

NSW Government Projects Fund

The NSW Government Projects Fund consists of \$3 billion to be allocated towards projects led by NSW Government agencies to deliver transformational projects for the benefit of local communities.

The initial tranche of projects, announced at the 2022-23 Budget, provides \$478.2 million towards upgrading nine public schools in Western Sydney.

Further projects approved prior to the 2022-23 Half-Yearly Review include the Westmead Education Campus, as well as \$1 billion in upgrades for critical roads in Western Sydney to keep residents moving, reduce congestion and improve flood resilience. These projects include:

- **\$600.0 million** set aside for road infrastructure upgrades across WestInvest local government areas
- **\$200.0 million** towards improving safety on Elizabeth Drive at critical sections between Devonshire Road and Western Road, Kemps Creek
- **\$100.0 million** to support the construction of the Pitt Town bypass to extend Pitt Town Road past Bathurst Street onto Cattai Road (east of Eldon Street). This project is crucial to improve flood resilience given the recent floods in the Hawkesbury-Nepean area
- **\$100.0 million** to enable the upgrade of a 3.4 km section of Garfield Road East between Piccadilly Street, Riverstone and Windsor Road, Box Hill.

Community Projects Fund

The Community Projects Fund allocates \$2 billion to priority community projects, with \$1.6 billion in grants allocated to non-government organisations (including charitable organisations and community groups) and local councils through a competitive process and the remaining \$400 million allocated directly to the 15 eligible local governments (based on population).

Successful projects funded through the competitive process include:

- **\$106.7 million** towards the Indoor Multi-Sports Facility project to renew an undeveloped site in Claremont Meadows
- **\$79 million** to deliver the Campbelltown Arts Centre project which will create a new flexible theatre, galleries, community and workshops spaces and artist studios
- **\$77.2 million** for the Blacktown Aquatic Centre Masterplan, which will create a modern leisure centre equipped with high-quality fitness facilities
- **\$53.4 million** to deliver the Carnes Hill Aquatic and Leisure Centre project which includes a new 50 metre pool and a range of aquatic, fitness and wellness activities
- **\$44.0 million** to YMCA NSW for The Y Yarramundi Camping, Conference and Outdoor Education Retreat Redevelopment
- **\$24.7 million** towards the Scalabrini North project, which includes high-quality open space and community infrastructure to support the new strategic town centre of Leppington
- **\$14.0 million** to deliver the Blue Mountains LGA Wide Active Transport Links project to link 27 towns and villages in the Blue Mountains through 24 km of active transport links

- **\$5.0 million** to Autism Spectrum Australia to build a new two-storey autism-specific primary school in the Box Hill education precinct
- **\$2.8 million** to deliver the Chandos St, Yanderra Shared Path project which will construct a new 1.8 km shared pathway to link the town centre and sporting grounds to the wider Yanderra community.

Successful projects through the local government allocation include:

Blacktown

- **\$27.0 million** for the Revitalisation of the Mount Druitt Hub project to transform the existing community centre with a fully accessible library, art studios and cafes to promote an environment to learn, work and play

Blue Mountains

- **\$8.5 million** towards the Wentworth Falls Dam and Lake Recreational Precinct project to establish the 1.5 km loop walk and establish a 66 metre viewing platform across the weir spillway to ease access to the lake for recreational activities

Burwood

- **\$6.6 million** for the Burwood Main Street Transformation project to refurbish Burwood Road into a vibrant food and culture destination

Camden

- **\$10.0 million** for the Camden Animal Shelter and Community Education Hub project to transform an existing industrial area into a community-focused shelter

Campbelltown

- **\$7.5 million** for the Campbelltown City Centre Transformation project to revitalise Queen Street by developing new pedestrian links and event spaces

Canterbury Bankstown

- **\$10.0 million** towards the Revitalising Campsie Civic Precinct project to develop a dedicated arts and culture precinct equipped with a new library, civic meeting facilities and indoor/outdoor community spaces

Cumberland

- **\$14.6 million** for the Guildford Pool Modernisation project to transform the existing centre with the addition of a new outdoor pool, water play park and change room facilities

Fairfield

- **\$28.0 million** towards Fairfield Showground Stage 2 Indoor Sports Centre project, which will include grandstand seating, a sports hall and stage, change rooms, showers and umpires' room

Hawkesbury

- **\$5.4 million** for the Woodbury Reserve Upgrade project to develop a new playground, sports courts, BMX pump track, skate park and walking tracks

Liverpool

- **\$28.0 million** towards the Light Horse Park Embellishment and Upgrade project to improve amenities and safety for visitors

Parramatta

- **\$4.6 million** for the Somerville Park Improvement Project, which will develop new facilities for recreation and exercise including accessible playgrounds, multipurpose sports courts and outdoor fitness equipment

Penrith

- **\$7.0 million** towards the Gipps Street Recreation Precinct to transform the waste facility site into a multipurpose open space facility

The Hills

- **\$15.0 million** towards the Horsecworld Indoor Recreation Centre project to refurbish an existing private indoor equestrian centre into a new indoor recreation centre

Wollondilly

- **\$3.5 million** towards the \$22.3 million Wollondilly Community Cultural and Civic Precinct Performing Arts Centre project towards an enhanced auditorium fit out.



Artist impression of Wollondilly Performing Arts Centre

Rebuilding from natural disasters and COVID-19

The NSW Government has responded to the challenges of drought, bushfires, the COVID-19 pandemic and floods over the past five years, and the NSW economy has remained resilient.

The NSW Government has responded with comprehensive support for people and businesses affected by COVID-19 and natural disasters.

There are 210,000 more people in work than before the 2019-20 bushfire season, and the unemployment rate is 1.5 percentage points lower than in June 2019. Unemployment is now close to its lowest level in nearly 50 years.

Since the 2022-23 Budget, the NSW Government has acted to address further pressures in the health system stemming from COVID-19 and the extensive damage from the 2022 floods.

Recovering from the 2022 floods and building resilience against future floods

The 2022-23 Budget included a \$3.5 billion joint commitment between the NSW and Australian governments in response to the February and March 2022 floods. The Half-Yearly Review builds on this commitment with a further \$2.6 billion in joint funding including:

- **\$1.1 billion** to support communities, businesses and councils impacted by the floods, including since late June
- **\$800 million** for the Resilient Homes Fund to improve the resilience of homes in high-risk flood areas in the Ballina, Byron, Clarence Valley, Kyogle, Lismore, Richmond Valley and Tweed local government areas
- **\$500 million** for the Regional and Local Roads Repair Program to repair flood-damaged roads
- **\$199 million** to implement a number of recommendations from the 2022 NSW Independent Flood Inquiry.

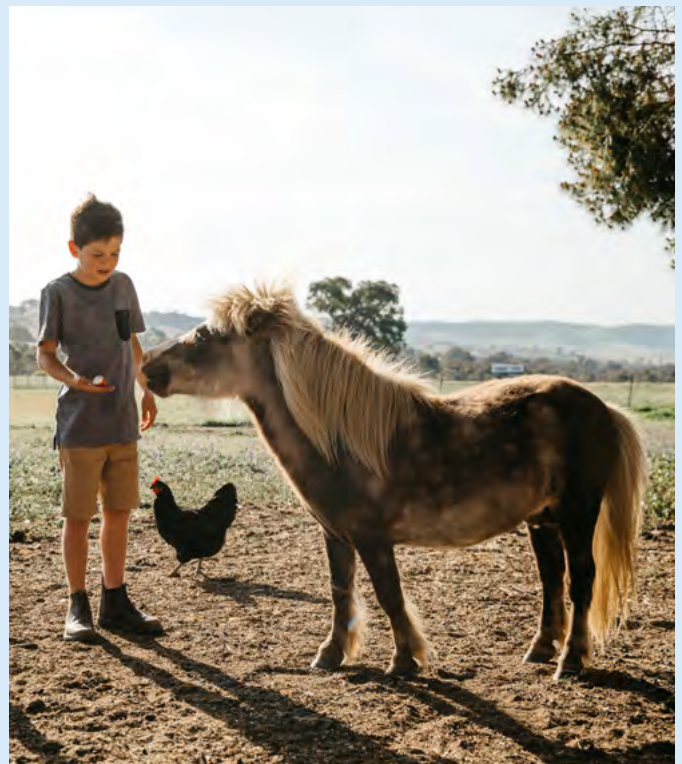
The NSW Reconstruction Authority has been established to oversee the State's natural disaster prevention, preparedness, resilience, recovery and reconstruction. This was a key recommendation of the 2022 NSW Independent Flood Inquiry.



\$6.1 billion
in flood-response funding
(with the Australian
Government)



Unemployment rate
close to its lowest level
in 50 years





Building a strong economy and health system following COVID-19

Since March 2020, the NSW Government has committed about \$56 billion for COVID-19 health, economic and social response, recovery and reform measures. This includes Australian Government contributions and covers both expenditure and revenue commitments. As at November 2022, the NSW Government had delivered about \$27.8 billion to support the health system in responding to COVID-19 and to build strong foundations for recovery in the economy, including more than \$11 billion in support to businesses and community through the Delta outbreak.

Since the 2022-23 Budget, a number of COVID-19 economic recovery programs have concluded, including the Parents NSW and Stay NSW vouchers and the Al Fresco Rebate program. In total, \$179 million in payments were made through these programs to businesses in highly affected sectors, aiding their recovery.

At the same time as promoting a strong economy, the NSW Government has supported the health system to manage the continuing impacts of the COVID-19 pandemic and maintain services. The 2022-23 Budget provided \$4.5 billion over four years to recruit an additional 10,148 full-time equivalent staff, including 3,800 in regional areas. This includes nurses and midwives, doctors, paramedics, pathologists and scientific staff, pharmacists and allied health professionals, as well as support and ancillary staff.

Building on this support, the Half-Yearly Review provides a further \$676.5 million in 2023-24 including:

- **\$612.5 million in 2023-24** to address pressures associated with the direct and indirect impacts of COVID-19
- **\$60.0 million in 2023-24** (\$139.0 million over three years to 2024-25 in new and existing funding) to deliver new or enhanced urgent-care services
- **\$4.0 million in 2023-24** (\$16.0 million over four years to 2026-27) to increase the availability of paediatric respite and hospice facilities.



\$56 billion
for COVID-19 health,
economic and social
response, recovery and
reform commitments



An additional
\$612.5 million
in COVID-19 health
response in 2023-24

Delivering a record infrastructure program

Over the past 12 years, the NSW Government has opened 213 new and upgraded schools, delivered more than 180 hospitals and health facilities, and delivered record and transformative investments in transport infrastructure. This essential infrastructure ensures that growing communities across New South Wales have the new services and facilities they require to be great places to live, work and raise a family.

Since the 2022-23 Budget, the NSW Government has committed to further major infrastructure investments, expanding the infrastructure program to a record \$116.6 billion over four years, including:

- \$450.0 million additional capital expenditure in partnership with Victoria as part of a \$558 million redevelopment of the **Albury Base Hospital**
- the **Westmead Education Campus**, through WestInvest
- planning and delivery of the **Elizabeth Drive Connection**, the **M7-M12 Interchange** and the **M7 widening** to improve road networks serving the new Western Sydney International Airport, scheduled to open in 2026.

The 2022-23 Half-Yearly Review also includes significant new infrastructure commitments across regional New South Wales through an Australian Government commitment of \$385 million towards a suite of regional transport infrastructure projects.

Alongside these commitments, the NSW Government has also continued to develop and deliver its pre-existing infrastructure program with highlights including:

- the opening of the **M4 and M8 motorway link** (a 7.5 km mega-tunnel providing a critical new link between the M4 at Haberfield and the M8 at St Peters) to motorists two months ahead of schedule on 20 January 2023
- the completion of the **Coffs Harbour Hospital Expansion** in December 2022, which included a new Clinical Services Building (opened in November 2021) and refurbishment of parts of the existing hospital building. The expansion also includes a larger emergency department, additional operating theatres and refurbishment of outpatient services



- the completion of the **Manly Adolescent and Young Adults Hospice** in December 2022, which is providing respite care, symptom management or end-of-life care to patients aged 15–25 with life-limiting illness
- the opening of **Murrumbateman Public School, Googong Public School, Edmondson Park Public School, Nangamay Public School and Ngarala Public School** and the redevelopment of **Canterbury South Public School**
- early works commencing on the **Great Western Highway** between Katoomba and Lithgow
- construction contracts signed for a range of major projects, including the **M1 Pacific Motorway Extension to Raymond Terrace**, Stage 2 of the **Western Harbour Tunnel** and the **Sydney Metro Western Sydney Airport**
- planning and development work commencing for Stage 2 of the **Parramatta Light Rail**, which will connect Stage 1 and Parramatta's CBD to Sydney Olympic Park via Camellia, Ermington, Melrose Park and Wentworth Point
- work continuing on other major projects across the state including Stage 1 of **Parramatta Light Rail, Sydney Metro City & Southwest, Sydney Metro West** and upgrades on the **Princes Highway, Newell Highway** and **New England Highway**.

Easing the cost of living and building strong regions

Easing cost-of-living pressures for households

Households are experiencing increasing cost-of-living pressures, including rising energy, housing and transport costs. The NSW Government is providing \$7.2 billion in cost-of-living support for households in 2022-23 to help ease these pressures.

Since the 2022-23 Budget, the NSW Government:

- launched the new broad-based **Toll Relief Rebate Scheme**, allowing eligible motorists to claim a 40 per cent rebate on their toll expenditure from 1 July 2022 up to a maximum of \$750 a year
- opened applications for the **Back to School NSW vouchers** to help parents buy school supplies and pay for excursions, with up to \$150 per eligible student. More than 3.3 million vouchers valued at \$167.5 million have been issued to 31 January 2023
- rolled out the **Energy Bill Buster Program** which, to 31 January 2023, has received more than 5,000 applications for its solar stream and more than 680 applications for its energy-efficient upgrades stream. Additionally, 1,822 solar systems have been installed, and energy-efficient installations are expected to commence in March 2023. A further 827 registrations of interest have also been received for the Solar for Social Housing Tenants offer
- continued delivering more than \$300 million per year of **energy assistance programs** including the Low Income Household Rebate, Energy Accounts Payment Assistance, Life Support Rebate, Medical Energy Rebate and Family Energy Rebate.

The 2022-23 Half-Yearly Review also contains measures to reduce the pressure on household energy bills caused by global supply shocks (such as the ongoing illegal war in Ukraine) through the **Energy Bill Price Relief Plan**, which legislates for a cap on the price that coal may be sold, offered for sale or supplied.

Building strong regions with stronger opportunities

Since the 2022-23 Budget, the NSW Government's investment across regional New South Wales has ensured that the economic potential of our regions is unlocked and those living in regional and rural areas have a high quality of life. This investment includes:

- continued delivery of the \$1.3 billion uplift to the **Regional Growth Fund**. To date, the Fund has provided more than 2,700 community-boosting projects in our regions
- expanding the **Isolated Patients Travel and Accommodation Assistance Scheme** on 1 August 2022 to increase subsidies and expand service eligibility criteria
- opening applications soon for the **Regional Student and Apprentice Travel Card** program. The card will provide eligible apprentices and university students living in regional, rural and remote areas of New South Wales with a \$250 prepaid card to help reduce the cost of travel and support access to education and training.

The 2022-23 Half-Yearly Review also includes \$67.4 million to bolster **biosecurity measures** including improving our resilience and preparedness for any potential disease outbreak (such as foot-and-mouth disease). This industry support is critical to families that rely on the \$20.9 billion primary industries sector.



\$7.2 billion
in cost-of-living
support in 2022-23



\$1.3 billion
uplift to the Regional
Growth Fund



\$67.4 million
to bolster
biosecurity
measures

Economic successes



\$333 million

return to surplus in 2024-25



\$7.2 billion

in cost-of-living support in 2022-23



\$5.6 billion

increasing women's opportunities



\$2.8 billion

housing package



\$116.6 billion

record program of infrastructure over four years



More than

10,000

new healthcare jobs



\$5 billion

WestInvest program



\$883 million

to attract and retain rural and regional healthcare staff

Image credits: Destination NSW, NSW Health, Renee Nowytarger, Wollondilly Council

Supporting families,
building a brighter *future*

