

# NSW BUDGET 2025–26



Overview: Our plan for New South Wales









# Regeneration

*A long time ago in this place we know now as New South Wales, this place was known by many names. The names known by the people who tended the land and nurtured it as it nurtured them.*

*A great storm came. The wind whipped across the land. It stripped the trees of their seeds, throwing them into the air. Then came the rain, drumming across the land. It hurled the seeds to the ground. And still down came the rain. It flooded the land, until there was nothing but water. And the seeds tossing in the turbulent water.*

*Slowly, the storm subsided. The wind quieted. The rain gentled to a fine mist, burned away by the sun. In time, the seeds began to germinate in the water. In time, the seeds regrew the land. They regrew the bush flowers and the trees.*

*They regrew the people of New South Wales. The seeds regenerated the land and the people. The people who will walk together, hand-in-hand, to nurture the land as it nurtures them, to heal the land and the people affected by the storm, and to build a future where all the people who call this place New South Wales can prosper.*

**– Josie Rose**



## **Regeneration (2020)**

Josie Rose is a Gumbaynggirr woman who expresses her contemporary Gumbaynggirr cultural heritage through art. For *Regeneration* her chosen medium is acrylic paint on canvas and the design embodies both creative and cultural expression. The inspiration for her artworks comes from a deep place of spiritual connection to her family, community, culture and respect for Mother Earth. Gumbaynggirr Country, on the Mid North Coast, is beautiful land with both freshwater and saltwater waterways which inspire her holistic connection to the Ancestors.

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## 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.



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# Foreword





# Building a better New South Wales

Each Budget is a moment in time. But the real work of governing happens in sequence.

This Budget continues the journey embarked upon in our first: restoring essential services, rebalancing public finances, and laying the foundation for long-term growth.

In Budget one, we reset. We began repairing a State budget that had been left with unfunded programs, soaring debt and broken service delivery. We made hard decisions to restore stability and credibility: ending the wages cap, redirecting resources, and lifting frontline pay so we could rebuild the public services people rely on.

In Budget two, we responded. We faced a \$12 billion GST cut as we wrote the papers – the single biggest federal shock to New South Wales’ revenue base in a generation. But we held our course. We kept inflationary pressure down, reduced expense growth, and delivered major investments in housing, health and education.

Now in Budget three, we accelerate. This Budget is about sequencing reforms to maximise growth. It is about coordinating housing, water, energy, transport, manufacturing and technology – the vital systems that empower our people and secure our prosperity.

This Budget invests in the services our people rely on – better hospitals, better schools, and a stronger public sector.

We are providing help with the cost of living – where and when it counts.

We are building the roads, the rail, and the homes that growing communities need.

And we are modernising our economy – and making sure that people have the skills and education to thrive in it.



And all this means, that at a time of global churn – at a time when stability is prized and predictability commands a premium – New South Wales is one of the best places not just to live, but to invest.

That’s the opportunity that underpins our strategy.

This Budget sends a clear message.

We are ready to partner with those who want to invest in the future of New South Wales – and the future of our people.

We are thinking long term.

We are planning for the long term.

And we are building a better New South Wales for everyone.



**The Hon Daniel Mookhey MLC**  
NSW Treasurer

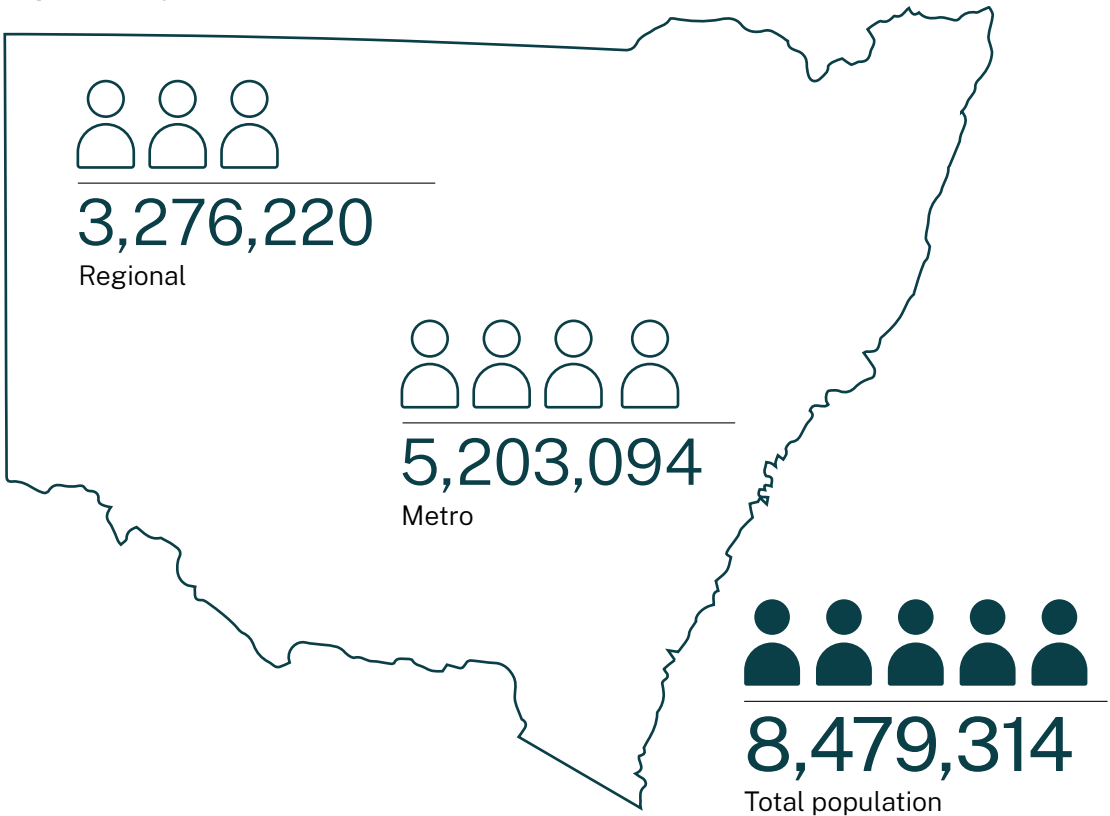


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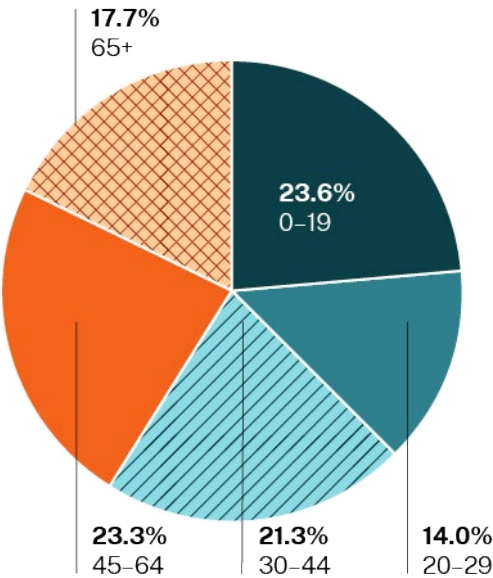
# NSW snapshot



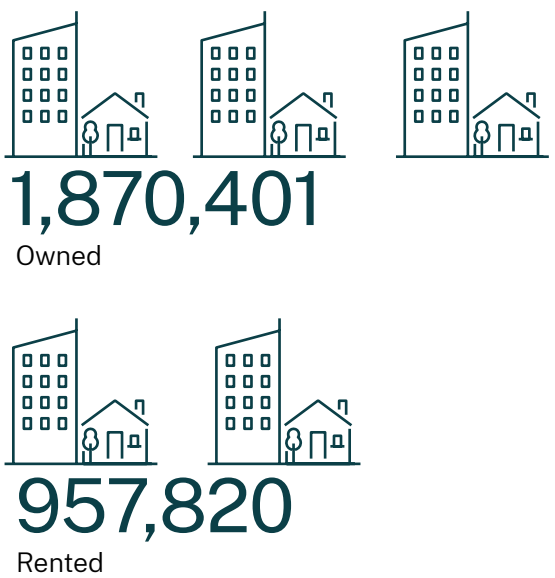
Population by area



Population by age



Share of occupied dwellings (2021 Census)



Sources: Australian Bureau of Statistics, 2021 Census.  
Data across this snapshot reflects the most recent 12-month period available. Time periods may vary.



# Health

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226

public hospitals



369

community health centres



1.2 million

incidents responded to by  
NSW Ambulance

340,262

surgeries performed

253

ambulance stations

3.2 million

emergency department  
presentations

## Emergency services

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6,822

Fire and Rescue NSW  
firefighters



70,175

NSW Rural Fire Service  
volunteers



11,456

NSW State Emergency  
Service volunteers

335

fire stations

1,984

NSW Rural Fire Service  
brigades

262

NSW State Emergency  
Service units

## Police

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16,252

police officers



398

operational police stations



1,442,941

incidents attended

# Education

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**2,216**  
public schools



**785,232**  
public school and  
preschool students



**102**  
public preschools

# Transport

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**22,929**  
train services per week



**46,333**  
daily bus services



**5,302**  
ferry services per week

**23**  
train and metro lines

**10,089**  
bus routes

**11**  
ferry routes

# Energy transition

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**48 TWh**  
(67%)  
fossil fuel energy  
generation



**24 TWh**  
(33%)  
renewable energy  
generation



**5,399**  
public electric  
vehicle charging  
ports

Sources: Australian Government, NSW Government.



# Driving economic growth to secure our future



# A responsible pathway to surplus

Having inherited a **\$15.3 billion** budget deficit, the largest ever passed from one government to another, the 2025-26 Budget outlines a responsible path back to a moderate surplus.

The budget turnaround is supported by a **\$9.4 billion** reduction in the debt projected prior to the last election under the former Government.

The NSW Government will save more than **\$400.0 million** in interest payments every year, allowing us to make **record investments in essential services** while presenting a sustainable pathway to surplus.

The 2025-26 Budget also lays the **foundation for our future economic growth** with measures that facilitate rapid investment, create jobs, and accelerate the delivery of new homes.

Following a global pandemic, bushfires, floods, high inflation and interest rates, families and businesses in New South Wales are under pressure.

We are now seeing the first signs that the NSW Government's fiscal consolidation strategy has avoided additional pressure on inflation without restricting wage growth or increasing joblessness. Inflation declined to 2.3 per cent in the March quarter of 2025.



0.8%

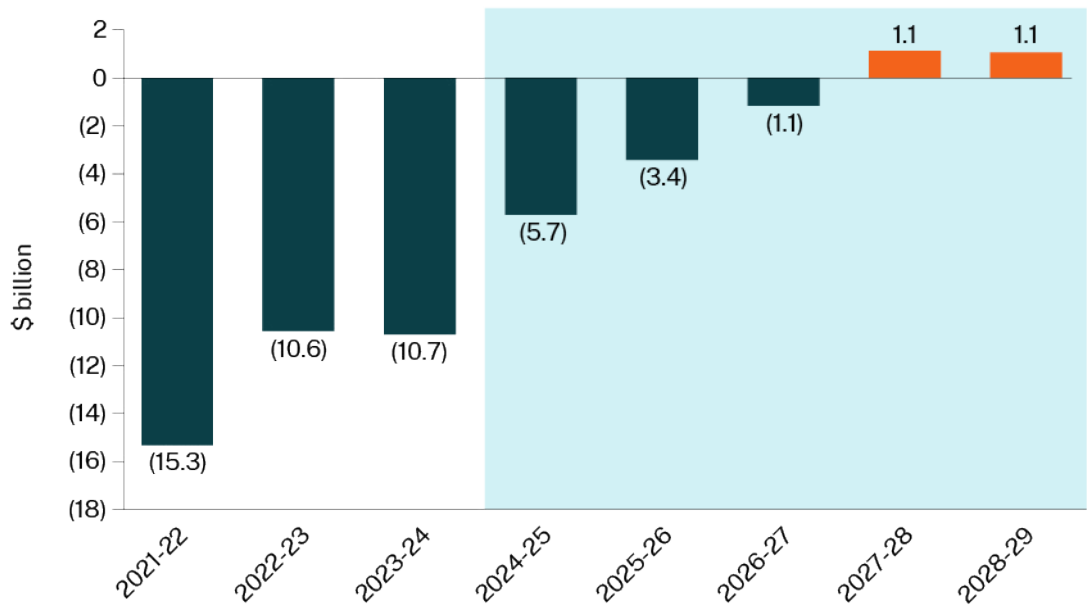
real wages  
through the year WPI growth to the March 2025 quarter



2.3%

inflation  
through the year CPI growth to the March 2025 quarter

## Budget result





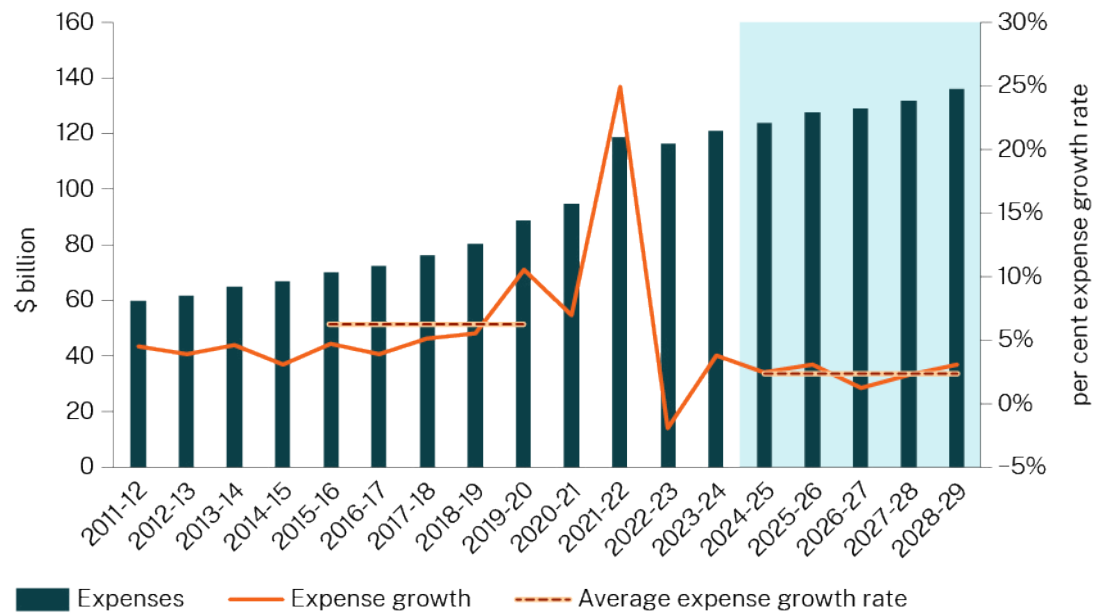
# Investing in economic growth

Having made progress to address inflation and fiscal repair, New South Wales enters a new economic challenge. Now is the time to secure New South Wales' future economic growth.

The 2025-26 Budget lays the foundation for our economic success with:

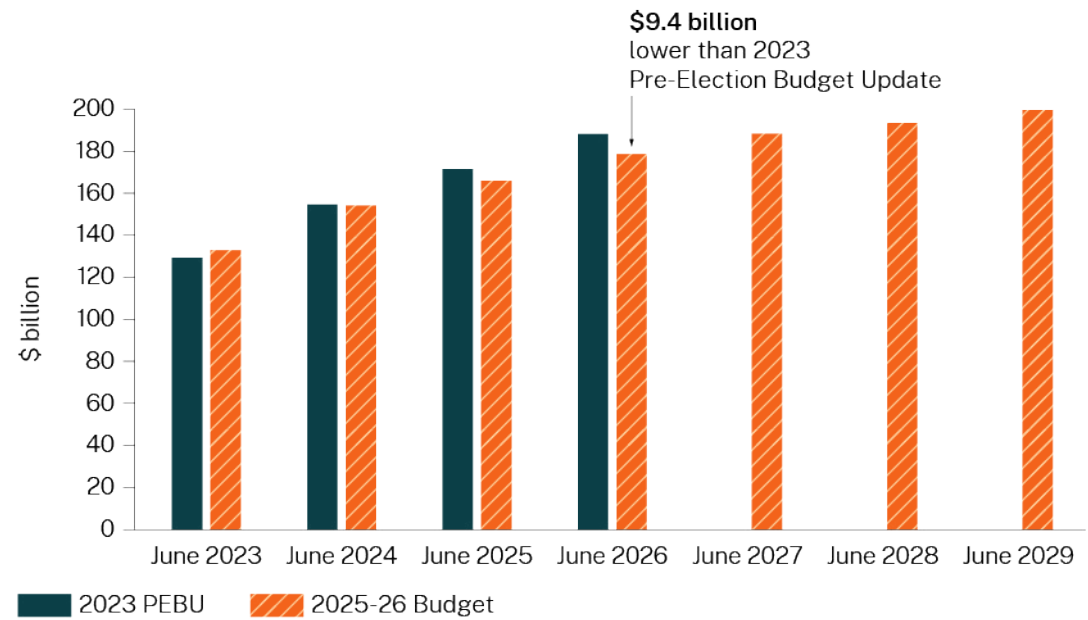
- a new **Investment Delivery Authority** to fast-track non-residential investments over **\$1.0 billion**, to bring forward up to **\$50.0 billion** of investment per year into the state
- the world-leading **Pre-Sale Finance Guarantee** to allow thousands of housing projects that have planning approval to secure finance earlier and begin construction
- **\$586.2 million** to grow the creative economy and attract visitors, tourism and trade through the revival of Sydney as a vibrant world-class city
- accelerating the training of 4,800 new construction trades workers alongside the growing care economy as part of a **\$1.2 billion** funding injection into TAFE training.

## General government expenses



Expenses growth is projected to be contained at an average rate of 2.4 per cent per year over the next four years, well below the 6.2 per cent average per year under the former Government in the four years to 2019-20.

# Gross debt



## Rebuilding essential services

The NSW Government’s commitment to responsible budget management has allowed for the next step towards rebuilding our essential services after 12 years of neglect. Major investments in child protection (page 35), TAFE (page 25), education (page 25) and healthcare (page 27) headline the 2025-26 Budget.

Gross debt is down **\$9.4 billion** from the projection in the Pre-Election Budget Update. This has been achieved while investing in an essential infrastructure program that exceeds **\$30.8 billion** in 2025-26.

Lower debt allows for more than **\$400.0 million** per year in avoided interest expenses to be redirected towards essential services. This has allowed for investments including:

- **\$1.2 billion** for child protection reforms, including a 20 per cent increase to the foster care allowance, more and better paid caseworkers, and new safe housing for children in care
- **\$5.6 billion** additional investment in public schools over the next 10 years, on top of **\$4.8 billion** from the Australian Government
- **\$12.4 billion** investment in health infrastructure, including new and upgraded hospitals at Bankstown, Rouse Hill, Westmead and Wollongong.

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# Budget highlights







**\$1.0  
billion**

for a Pre-Sale Finance Guarantee to help housing developments get finance earlier, fast-tracking more than 5,000 homes and creating 1,500 jobs



**\$12.4  
billion**

to build and upgrade health infrastructure over the next four years



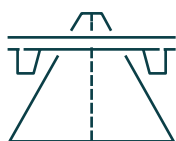
**\$10.4  
billion**

for New South Wales schools over the next 10 years



**\$2.8  
billion**

investment in 2025-26 for TAFE to grow the skilled workforce we need



**\$5.5  
billion**

to build and upgrade roads across Western Sydney



**\$50.0  
billion**

the Investment Delivery Authority expects to assist around 30 large projects per year, potentially bringing forward up to **\$50.0 billion** of investment each year



**\$1.2  
billion**

child protection package to rebuild the out-of-home-care system and better care for our most vulnerable children



**\$650.0  
million**

to support victim-survivors and build a safer New South Wales

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# Building a better New South Wales

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# Jobs and industry

## 1.1

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Our economic prosperity depends on securing the jobs and industries of the future. Along with industry-enhancing infrastructure and increased funding for training, our innovation program ensures we can attract investment, inspire talent and take advantage of the technology our businesses need to grow.

## Investment Delivery Authority

The Government is creating a new Investment Delivery Authority to fast-track proposals valued over **\$1.0 billion** through our planning system and regulators. More than 45 projects worth around **\$100.0 billion** in total are currently seeking approval, including renewable energy, data centres and logistics precincts.

## Future jobs and investment

The **\$27.3 million** Future Jobs and Investment Authority will coordinate new economic opportunities in coal-producing regions in the Hunter, Illawarra, Central West and North West.

The **\$12.5 million** NSW Take-Off Fund will boost our tourism and export industries.

## Primary industries and regional jobs

The Budget invests more than **\$140.0 million** in protecting and growing primary industries through biosecurity enhancements, pest control, and additional funding for research and development.

- **\$100.0 million** will sustain critical biosecurity functions.
- **\$41.2 million** will enhance and modernise primary industries research and development.

The Government will defer up to **\$250.0 million** of royalties on new critical minerals projects, enabling investment in regional areas and supporting the energy transition.

## Innovation Blueprint

A **\$79.2 million** package will cement New South Wales as the best place to innovate. These Innovation Blueprint programs will help businesses and researchers leverage private investment and new technology to drive innovation and growth at scale.

- **\$20.0 million** for the Emerging Technology Commercialisation Fund, including the continuation of the Biosciences Fund and Physical Sciences Fund, helping businesses commercialise research into marketable products and services.
- **\$6.0 million** to establish an Innovative Manufacturing Adoption Fund, helping manufacturing businesses expand and adopt new technology.
- **\$6.0 million** to continue the Minimum Viable Product Ventures Program, supporting businesses to commercialise innovative products.
- **\$4.0 million** to establish the Diversity Pre-Accelerator Program to support founders from diverse backgrounds develop their business models and secure seed investment.
- **\$4.0 million** will establish the Housing Innovation Network and Housing Construction Program to connect researchers, start-ups and industry, and promote new technologies that speed up housing construction.
- **\$700,000** for the extension of the National Space Industry Hub.

## Tech Central Hub

- **\$38.5 million** investment in Tech Central including the relocation of the Sydney Startup Hub and an enhanced collaboration hub at the centre of New South Wales' innovation ecosystem.

A further **\$2.1 million** will extend support for the Industry Capability Network.



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# Housing and planning

## 1.2

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## Pre-Sale Finance Guarantee

The NSW Government will guarantee pre-sales for up to **\$1.0 billion** of approved housing projects on a rolling basis, allowing developers to secure finance earlier and commence construction more quickly. This could help fast track more than 5,000 homes over the next five years and create over 1,500 jobs.

## Housing delivery

This Budget provides **\$83.4 million** to accelerate planning approvals, including for large-scale market, social and affordable housing projects. This includes **\$10.6 million** for the newly established Housing Delivery Authority, which has sped up planning approval for 53,500 homes across 136 residential projects since January.

The Budget also invests:

- **\$20.9 million** to support regional councils to bring forward critical enabling infrastructure for new homes by funding interest on loans
- **\$10.1 million** to deal with water issues that affect housing and development.

This is in addition to existing investment of **\$450.0 million** for build-to-rent dwellings for essential workers.

## Enhancing construction capability

An investment of **\$145.0 million** will support the ongoing work of the Building Commission NSW to reform the building and construction industry and give homeowners confidence in the quality of new construction.

More housing requires more skilled workers and innovation in construction. A **\$1.2 billion** investment in TAFE will grow the skilled workforce we need to build more homes and infrastructure. This includes **\$40.2 million** to continue fee-free apprenticeships and traineeships for priority qualifications.

## More well-located homes

The NSW Government is continuing its audit of surplus government land to identify well-located sites that are suitable for housing with an additional **\$7.6 million**. To date, the Government has released land with potential to deliver more than 8,200 new homes.

## Driving investment in community infrastructure

Developers who build approved infrastructure to enable housing will be eligible for offsets on their Housing and Productivity Contribution.

## Better for renters

The Government's rental reforms are reducing or eliminating unnecessary fees imposed on New South Wales' 2.3 million renters. This includes by providing fee-free ways to pay rent, banning fees before entering a tenancy and limiting rent increases to once per year. This is supported by the nation's first Portable Rental Bonds Scheme.

The NSW Government is also extending land tax concessions for new build-to-rent developments.



### Delivered

#### First home buyer support

More than 60,000 first home buyers have received transfer duty discounts averaging around \$20,500 since July 2023.

#### 3D-printed social homes

In June 2025, the first 3D-printed social homes from the Government's **\$10.0 million** Modern Methods of Construction program were completed in Dubbo, ready for residents to move in.

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# Education

## 1.3

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# Better and Fairer Schools

The new 10-year Better and Fairer Schools Agreement injects **\$10.4 billion** of funding into New South Wales public schools over the next 10 years.

The NSW Government is adding **\$5.6 billion** alongside **\$4.8 billion** from the Australian Government.

## Funding per student



\$14,819

2023



\$17,022

2025

In just two years in Government, average funding per student has increased from \$14,819 in 2023 to an estimated \$17,022 in 2025.

Teacher vacancies across New South Wales have been reduced by 40 per cent since 2023.

# School infrastructure

This Budget continues the historic investment in school infrastructure to respond to the enrolment growth audit which showed schools had not been built where they were most needed.

This includes a record **\$9.0 billion** of school infrastructure investment over four years for new and upgraded schools.

A further **\$50.0 million** will expand high potential and gifted education opportunities at more public schools across the State, bringing total program funding to **\$100.0 million**. This program is already delivering specialist school facilities at six metropolitan and seven regional New South Wales schools with another 20 schools included in this year's Budget.

# Skills and TAFE

Investment in TAFE has now increased for the third successive year, to **\$2.8 billion** in 2025-26. This is critical to grow our skilled workforce including to build the homes and infrastructure we need.

This Budget includes funding for **\$480.4 million** over four years for asset renewal and critical capital maintenance, including **\$100.0 million** to relocate Bankstown TAFE.

This investment is on top of **\$215.9 million** for 1,300 apprentices and trainees in local government, funded in last year's Budget.

# Early childhood education and care

The NSW Government is stepping in to fix the early childhood education and care market. This includes the largest expansion of public preschool in the State's history and better regulation of private and not-for-profit services.

The NSW Government is continuing to deliver on its commitment for 100 new public preschools.

A further **\$10.0 million** in 2025-26 will progress work on expanding the public provision of early childhood education and care.

**\$200.9 million** will increase First Nations access, enrolment and attendance in early childhood education.



## Delivered

### New preschools

The Gulyangarri Public Preschool opened in October 2024, with another four preschools to open in 2025-26.

### Teacher vacancies

Down by 40 per cent since 2023.

### Merged and cancelled classes

Reduced by half since 2023.

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# Health

## 1.4

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## Health infrastructure

The NSW Government will invest **\$12.4 billion** to build and upgrade health infrastructure over the next four years, with **\$3.3 billion** in 2025-26.

New capital investment in health includes:

- **\$700.0 million** in additional funding for the New Bankstown Hospital, bringing total investment to **\$2.0 billion**
- **\$492.0 million** to develop a Statewide Pathology Hub on the Westmead campus
- **\$210.0 million** (including **\$120.0 million** committed by the Australian Government) to provide the full range of maternity and birthing services at the new Rouse Hill Hospital – bringing the total project to **\$910.0 million**.

## Essential Health Services

The Essential Health Services package invests **\$836.4 million** in 2025-26 to support core health services and reduce overdue surgeries. It also funds the opening of new and upgraded hospitals including the Sydney Children's Hospitals at Randwick and Westmead, Gunnedah Hospital and the Statewide Mental Health Infrastructure Program.

### Health innovation

An additional **\$9.5 million** will create an internal health locum agency to improve workforce coordination and retention.

We are relieving pressure on emergency departments by creating more pathways to care. Virtual care is allowing people to be treated quickly and wherever they are.



### Ending Privatisation

The Government has prohibited further public-private partnerships being imposed on the State's acute hospitals, preventing Northern Beaches Hospital-style arrangements.

## Maternity services

This Budget expands maternity services:

- **\$83.8 million** for a Maternity Care and First 2,000 Days package to grow and upskill the maternity workforce, and increase continuity of midwifery care and parenting support in regional areas
- **\$21.9 million** for the Aboriginal Families First 2,000 Days package to provide culturally responsive care during pregnancy and the first five years of life.

## Regional healthcare

This Budget invests in a stronger regional healthcare system:

- **\$158.8 million** to continue delivering three new regional helicopter bases
- **\$37.5 million** to expand the mobile dental van program and other dental services.

## Mental health

This Budget increases investment in mental health services in New South Wales with:

- **\$23.1 million** to expand community-led suicide prevention and wellbeing support programs for First Nations people
- **\$15.4 million** in 2025-26 to boost the community mental health workforce and enhance mental health support for young people and regional communities.

**\$669.8 million** will continue delivering infrastructure required to progress key mental health reforms for improved mental health care. This includes child and adolescent and older persons services, forensic services, and facilities to promote recovery and enhance opportunities for people to transition to or receive care within the community.

A **\$344.0 million** package will better support injured workers, including to restore the independence of SafeWork NSW, ensuring it is resourced to protect workers from harm, including psychosocial hazards.

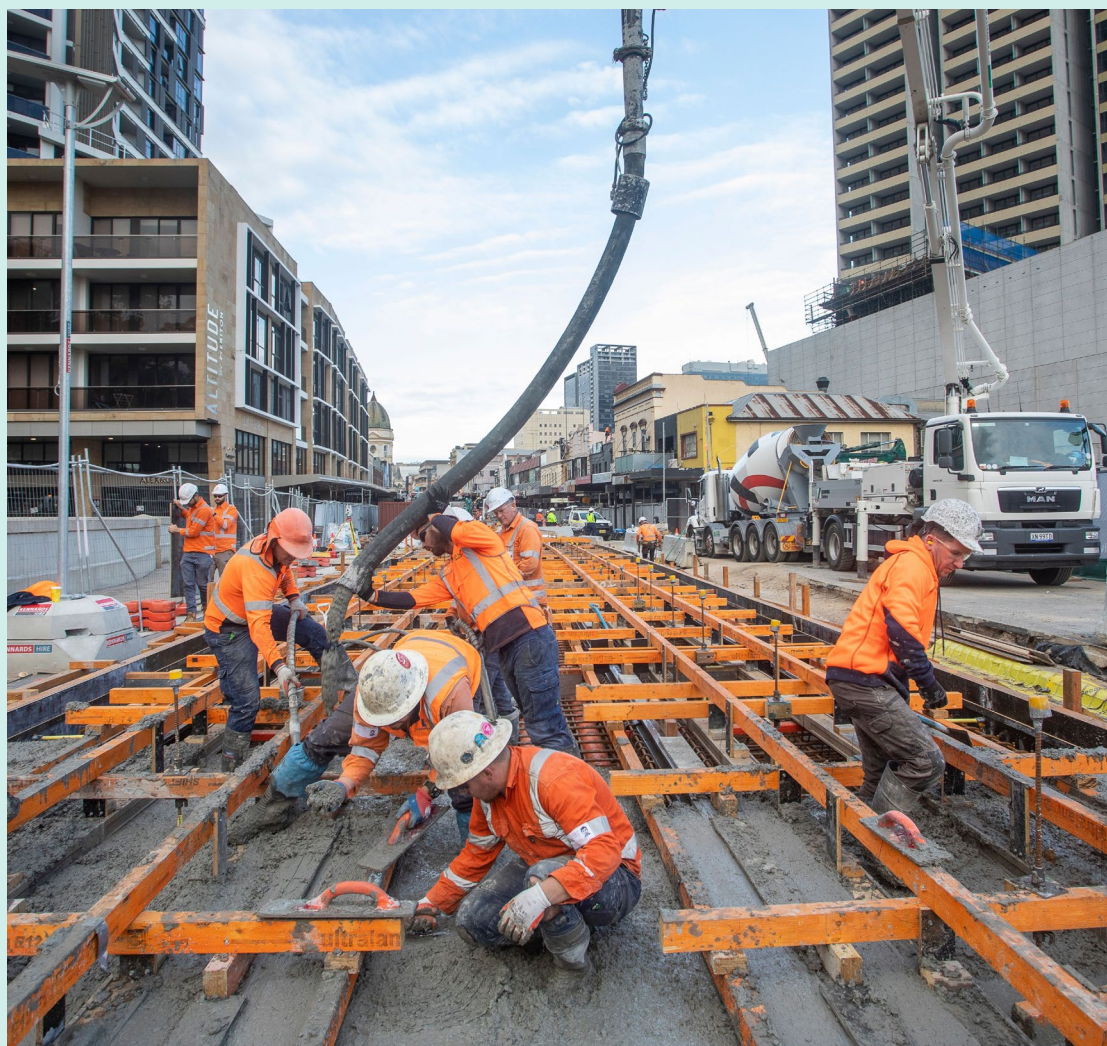


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# Transport and roads

# 1.5

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## Public transport

This Budget invests **\$522.2 million** to improve public transport. This includes:

- **\$369.9 million** to maintain and uplift bus services, including improved connections to trains and metros, and increased school services
- **\$82.3 million** for 75 new buses
- **\$70.0 million** for a 35-metre ferry wharf and upgrading the Wentworth Park Light Rail stop at the new Sydney Fish Market.

## Road upgrades

Funding for Western Sydney roads now totals **\$5.5 billion**. This Budget provides **\$2.4 billion** in new and improved roads, in partnership with the Australian Government. This includes additional funding to deliver the following projects, with total project costs of:

- **\$1.0 billion** for the first stage of the Fifteenth Avenue Upgrade between Liverpool and the new airport
- **\$500.0 million** for Mona Vale Road West
- Henry Lawson Drive Upgrade Stage 1B – **\$220.0 million**
- Homebush Bay Drive – **\$200.0 million**
- Western Sydney Heavy Vehicle Rest Area – **\$80.0 million**
- Devonshire Link Road and Bradfield Metro Link Road planning – **\$25.0 million**
- Dapto Ramps planning – **\$40.0 million**
- Bucketts Way and Medowie Road/M1 Intersection Upgrades planning – **\$12.0 million**.

Australian Government funding will allow New South Wales to deliver:

- Terrigal Drive Upgrade – **\$115.0 million**
- Westbound Overpass at the Maitland Roundabout – **\$100.0 million**
- Upgrades to Peak Hill Road, Tooraweenah Road, Central Coast Roads Package, Coreen Avenue and Coombes Drive, Kurrajong Road Intersection at Beech Road and Lyn Parade, a Central

Coast Roads package and Lemongrove Road Signals – **\$52.2 million**

- Wagga Wagga Freight Bypass planning – **\$30.0 million**
- Empire Bay Drive Intersection Strategy planning – **\$15.0 million**
- Cessnock Bypass – Northern Alternative Route planning – **\$5.0 million**.

## Northwest Sydney

Upgrade plans will be funded for:

- M7-Richmond Road corridor – **\$49.0 million**
- Townson and Burdekin Road – **\$30.0 million**
- Garfield Road West – **\$27.0 million**
- Toongabbie Bridge – **\$25.0 million** (Australian Government funding)
- critical road upgrades to support the Rouse Hill Hospital – **\$10.0 million**
- Francis Road Rail overpass in Rooty Hill – **\$3.5 million**
- the Flushcombe Road/Bungarribee Road intersection in Blacktown – **\$1.5 million**.

## Western Sydney Aerotropolis

- **\$123.6 million** for safety and access road upgrades and planning for Devonshire Road. This brings NSW and Australian Government investment in the Aerotropolis to over **\$25.0 billion**.

## Road safety

This Budget continues investing in road safety with **\$731.7 million** in 2025-26 jointly with the Australian Government. This will provide thousands of kilometres of line markings, school safety infrastructure and crash barriers.

## Toll reform

**\$58.0 million** will establish, operate and manage the NSW Motorways Entity and continue the Toll Reform Program.

Since the \$60 toll cap began in January 2024, motorists have saved **\$139.0 million**.



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# Energy and climate change

## 1.6

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Reliable, renewable and affordable energy is key to our economic future with increased productivity, higher standards of living and lower emissions.

This Budget continues the Government’s investment in the Electricity Infrastructure Roadmap, transforming our electricity system to provide clean, reliable and affordable energy.

## Renewable Energy Zones

This Budget includes continued investment of **\$2.1 billion** over the next four years in the Transmission Acceleration Facility, primarily to support the five Renewable Energy Zones at Central-West Orana, New England, Hunter-Central Coast, Illawarra and South West. This builds on the **\$1.1 billion** invested to date on these critical projects.

### Central-West Orana

This investment completes the financing arrangements of the Central-West Orana Renewable Energy Zone transmission project, unlocking **\$20.0 billion** in private investment into the Central-West Orana region by 2030, and supporting more than 5,000 construction jobs at its peak. Ten new projects, which will deliver over seven gigawatts of renewable generation and storage, have been awarded access rights. They will provide enough power for two million homes each year.

To support the construction of the Central-West Orana Renewable Energy Zone, the Budget invests an additional **\$115.5 million** to build a logistics precinct at the Port of Newcastle that will facilitate storage and transportation of critical components. This project is expected to deliver around 90 construction jobs and 20 full-time positions once operational.

It is important that the benefits of Renewable Energy Zones are realised by local communities. The NSW Government is continuing the Community and Employment Benefit program and has allocated **\$128.0 million** to communities which will host the Central-West Orana Renewable Energy Zone, with future funding for the other Renewable Energy Zones host communities.

## Cheaper energy

The Budget also includes an additional **\$579.0 million** from the Australian Government to extend the national Energy Bill Relief payment, providing all households and eligible small businesses with energy bill rebates up to \$150 between 1 July and the end of 2025.

	<b>Delivered</b>
<ul style="list-style-type: none"><li>• 1,083 new public electric vehicle charging ports built in the past year.</li><li>• 1,884 energy-saving upgrades to social housing dwellings in 2024-25.</li><li>• Renewable Energy Zone access rights for renewable energy projects to power 4.3 million homes.</li><li>• NSW has enough renewable energy projects locked in to get us more than halfway to our 2030 target.</li><li>• More than 1 million rooftop solar installations.</li><li>• Emissions in 2024-25 are 20 per cent lower than in 2019-20.</li></ul>	

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# Emergency services and disaster recovery

## 1.7

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## Natural disasters

New South Wales has been experiencing a run of the most devastating natural disasters in its history.

In the six years since the unprecedented 2019-20 bushfires, the NSW and Australian Governments have spent **\$9.5 billion** providing disaster relief and recovery across the state. That averages **\$1.6 billion** per year – more than a 1,000 per cent increase compared to **\$154.0 million** per year in the prior six years.

This Budget also outlines a further **\$4.2 billion** of disaster relief across the forward estimates, a figure that is likely to increase in response to both previous and potentially new natural disasters.

Since coming to office, the Government has approved an additional **\$8.2 billion** in expenditure to support recovery from natural disasters.

### Response and recovery

In partnership with the Australian Government, the NSW Government is providing critical relief and recovery support to communities impacted by Tropical Cyclone Alfred and recent flood events.

#### Tropical Cyclone Alfred

- **\$154.5 million** for disaster recovery and relief measures in response to Tropical Cyclone Alfred. This includes **\$125.5 million** in immediate assistance in 2024-25.

#### Floods

- **\$358.3 million** for disaster recovery and relief measures in response to the May 2025 East Coast floods. This includes **\$56.6 million** in immediate assistance in 2024-25.
- **\$27.0 million** for repair and restoration of water and sewer infrastructure in the Central West, damaged by 2022 severe weather and flooding.

## Emergency response

The NSW Government is investing to improve our ability to respond and protect communities during emergencies, with:

- **\$42.2 million** to operate a new 24-hour fire station with 52 permanent firefighters at Badgerys Creek, providing dedicated fire and rescue coverage for the Western Sydney International Airport and the broader Aerotropolis precinct
- **\$35.9 million** for Fire and Rescue NSW to maintain critical fire, rescue and hazardous materials response services
- **\$34.4 million** for the NSW Rural Fire Service to continue leasing its essential fixed-wing aircraft and helicopters for emergencies
- **\$33.9 million** for telecommunications to strengthen the Public Safety Network to better support Emergency Services Organisations, government agencies, and local councils in delivering critical services that protect communities and infrastructure
- **\$17.0 million** for the renewal of Fire and Rescue NSW' firefighting fleet to strengthen frontline emergency response
- **\$7.5 million** for enhanced management systems to handle the increasing number and complexity of disasters
- **\$6.4 million** to maintain the Emergency Alert System, ensuring communities are provided early warnings during natural disasters.

### Emergency services funding reform

The Government continues work on the design of a replacement levy informed by tax modelling and consultation with industry and the wider community.



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# Caring for communities

## 1.8

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# Out-of-home care

Out-of-home care (OOHC) provides alternative care for children and young people who are unable to live safely at home. The child protection system has often failed to consistently meet the needs of vulnerable children and young people.

The Government’s major reforms aim to create a world-class system – one that supports children in stable, supportive environments, and enables recovery and restoration for more families.

## Progress to date

These reforms have led to there being no children in unaccredited emergency accommodation as of April 2025 – for the first time in 20 years, and a 35 per cent decrease in the use of high-cost emergency arrangements since November 2023.

The system has also recruited an additional 240 emergency foster carer households to provide stable, carer-based emergency support.

## New commitments

A **\$1.2 billion** child protection package will begin the process of rebuilding the OOHC system and improving outcomes for the state’s most vulnerable children:

- **\$797.6 million** to reform OOHC and continue support during the transition
- **\$191.5 million** to recruit more than 200 and retain 2,126 caseworkers with higher pay and specialised training, including 100 new leading caseworker roles
- **\$143.9 million** to provide an increase of 20 per cent to foster care allowances for the first time in two decades
- **\$49.2 million** for 44 government-owned, purpose-built or upgraded residential care homes for children aged 12+ with complex needs
- **\$10.0 million** for the Office of the Children’s Guardian.

# Crisis accommodation, homelessness and community supports

- **\$20.0 million** for crisis accommodation.
- **\$10.4 million** to expand early intervention and homelessness services at the Bill Crews Foundation.
- **\$10.3 million** for the NSW Food Transport Program to help Foodbank deliver food relief.
- Long-term certainty for non-profit providers through five-year contracts.

## Disability support

- **\$8.5 million** to fund disability initiatives and upgrade government-owned disability properties.
- **\$8.0 million** for the Ageing and Disability Commission to continue its frontline safeguarding work.

These measures are **in addition to the \$4.1 billion in cash and in-kind contributions** budgeted in 2025-26 for individual support packages and other services delivered under the National Disability Insurance Scheme.



## Delivered

### Portable long service leave

From 1 July 2025, community sectors workers will have access to a portable long service leave scheme. **\$30.2 million** will build a new digital platform to support the program and attract workers to the sector.



## Ending Privatisation

The Government has banned the use of unaccredited emergency accommodation for vulnerable children in the out-of-home care system.

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# Justice and community safety

## 1.9

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This Budget invests over **\$650.0 million** to support victim-survivors and build a safer New South Wales.

## Support for victims

- **\$226.8 million** for the Victims Support Scheme, ensuring continued access to counselling and financial support for victims of violent crime and modern slavery.
- **\$272.7 million** for domestic, family and sexual violence services to continue work on reducing violence against women and children and supporting victim-survivors.

## Access to justice

- **\$48.3 million** for the Office of the Director of Public Prosecutions to keep pace with the growing volume and complexity of cases and maintain an efficient, fair and just prosecution service.
- **\$12.8 million** for the Child Sexual Offence Evidence Program, to employ child-friendly practices and avoid delays to give evidence, that aim to reduce the stress, distress and trauma of child sexual offence complainants and child witnesses who go through the criminal justice system.

## Courts

- **\$49.4 million** for a new hub to support victim-survivors to participate in legal proceedings in a trauma-safe environment, allowing witnesses to give evidence remotely via video link without having to re-encounter their perpetrators.
- **\$34.5 million** for upgrades to the Downing Centre and John Maddison Tower, allowing for the creation of 10 new courtrooms to facilitate centralised bail hearings and five courtrooms for non-custodial matters, which will improve time to justice for victims and their families.

## Police

- **\$50.0 million** to deliver critical upgrades to NSW Police Force ICT infrastructure to support and enhance modern digital policing capabilities.
- **\$46.3 million** for a new replacement Police Class 1 Ocean Patrol Vessel to ensure the NSW Police Force can continue to conduct extended offshore operations.
- **\$6.0 million** to purchase critical communications and analysis equipment to assist in specialist investigations to disrupt crime and keep citizens of New South Wales safe.
- **\$945,000** for surveillance systems to support serious, major and organised crime investigations.

## Corrections

An additional **\$100.5 million** is being provided to address rising demand in the corrections system, driven by an increase in alleged offenders (including domestic violence) both in custody and in the community. This funding will also sustain Corrective Services NSW supervision and service delivery to support rehabilitation and community safety.

## Cyber security

- **\$87.7 million** to fund Cyber Security NSW' work with government entities to prevent, detect and recover from cyber incidents.



### Delivered

- A 71 per cent increase in applications to join the NSW Police Force since 2022.
- Paying student police officers \$1,451 per week plus superannuation and award-based allowances as they train.
- Police pay increase averaging 19 per cent over four years for non-commissioned officers.

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# First Nations

## 1.10

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The 2025-26 Budget includes a record **\$731.8 million** to support First Nations communities in New South Wales and build upon previous spend to improve outcomes.

## Closing the Gap

The total Closing the Gap package is now **\$246.8 million**.

This Budget includes a significant further investment in Closing the Gap, with **\$202.4 million** of new funding. This includes:

- **\$33.4 million** for community-led justice initiatives to reduce recidivism and contact with the justice system including developing Therapeutic Pathways for Children and an Aboriginal Throughcare Strategy
- **\$31.5 million** to improve shared access to data and empower First Nations communities to use data to drive decision-making
- **\$23.8 million** to revitalise First Nations languages through investment in community-led language programs across New South Wales
- **\$23.1 million** for culturally responsive community-led suicide prevention initiatives
- **\$21.9 million** to expand Aboriginal Maternal and Infant Health Services and Building Strong Foundations programs to support families in the first 2,000 days of a child's life
- **\$18.4 million** for the NSW Coalition of Aboriginal Peak Organisations to support existing partnerships and participate in Closing the Gap governance
- **\$12.1 million** for the Aboriginal Employment Program to enable Aboriginal people in regional communities to work on country and practice sustainable natural resource management

- **\$11.8 million** to continue the Community Connectors program and expand Aboriginal Language and Culture Nests to improve education outcomes for First Nations students.

In addition to the Closing the Gap package, this Budget includes **\$484.9 million** of investment for First Nations communities, including:

- **\$210.2 million** for the Aboriginal Housing Office to deliver social and affordable housing in New South Wales, as part of the new social housing supply announced in the 2024-25 Budget
- **\$200.9 million** to improve access to culturally safe, high-quality early childhood education, including through a refreshed First Steps Strategy and **\$6.9 million** in 2025-26 for culturally responsive support in public preschools
- **\$5.2 million** in 2025-26 to finalise the state's first Aboriginal Water Strategy
- **\$3.0 million** for a First Nations gallery that will create a unique tourism experience focused on truth-telling
- **\$2.0 million** in 2025-26 to start rolling out a New South Wales Aboriginal Domestic, Family and Sexual Violence Plan
- **\$1.8 million** to improve access to identity cards for First Nations people exiting a correctional facility.

## Native title

- **\$61.9 million** over four years to support and improve whole-of-government native title claims management, policy and governance, supporting land justice and cultural economic aspirations for native title groups.

These investments reflect the Government's ongoing commitment to work in partnership to improve outcomes for First Nations communities through shared decision-making, culturally responsive services and community-led initiatives.



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# Environment

1.11

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The 2025-26 Budget delivers on the NSW Government's commitment to protect and restore our natural environments.

## Biodiversity

- **\$472.9 million** for long-lasting biodiversity protections and environmental management through improving the Biodiversity Offset Scheme, nature protection, visitor infrastructure in national parks, biodiversity conservation and environmental water management.

## Caring for nature

We are investing an additional **\$91.3 million** to renew and upgrade visitor infrastructure in national parks to provide unforgettable nature-based experiences with new and improved walkways, camping grounds, picnic facilities and amenities. The Government is also funding:

- **\$21.5 million** to deliver on the Government's election commitment for the Stockton Beach Repair Project
- **\$18.7 million** to deliver the Pindari Dam Cold-Water Pollution and Fish Friendly Water Extraction projects as part of the Northern Basin Toolkit, fully funded by the Australian Government
- **\$17.6 million** for Local Land Services for asset maintenance and facility upgrades to address safety risks to workers and the community
- **\$12.4 million** to maintain and upgrade fire trails on Crown land and adjoining land to provide safe access for firefighters to battle bushfires and protect local communities.

## Access to nature

- **\$5.3 million** to allow free entry for veterans into national parks and reserves.

## Heritage

- **\$2.2 million** for the Blue Plaques program to deliver the Freedom Ride plaque trail and to construct a pavilion in the Freedom Ride Memorial Park, Walgett.
- **\$1.6 million** for local initiatives that will drive improved environmental and Indigenous heritage outcomes in regional areas.

## Animal protection

- **\$16.7 million** in 2025-26 to support the establishment of an Office of Animal Welfare and the animal welfare compliance and enforcement functions of approved charitable organisations.
- **\$6.0 million** to support improved animal welfare outcomes for companion animals by approved non-government organisations.

## Water

- **\$319.1 million** for the Sustainable Diversion Limit Adjustment Mechanism Program to improve river health and increase the amount of water returned to the environment.
- **\$75.1 million** is being invested to protect the health of our rivers so communities can enjoy them.
- **\$3.0 million** to improve water quality at Coogee Beach by upgrading pumps and diverting stormwater flows.
- **\$2.7 million** to provide critical local water utilities reforms.
- **\$1.5 million** for coastal waterway improvements on the South Coast.
- **\$948,000** for Dams Safety NSW to continue the monitoring and regulation of dams.



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# Culture and sport

## 1.12

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# Creative and vibrant

- **\$280.6 million** for Screen NSW to support the Made in NSW and Post, Digital and Visual Effects Rebate programs.
- **\$135.0 million** for Destination NSW events, promotion and industry support to grow the State’s visitor economy.
- **\$100.0 million** capital funding to locate a new screen production space.
- **\$54.1 million** for critical capital maintenance, including to address the backlog of capital works for cultural institutions, improve creative infrastructure and activate creative spaces.
- **\$20.6 million** for the Office of the 24-Hour Economy Commissioner to support the night-time economy and local councils through regulatory reform, grants programs, precinct-based initiatives, digital tools and other support.
- **\$20.0 million** for Sound NSW to implement the NSW Contemporary Music Strategy through grants programs, capacity-building initiatives and regulatory reform to strengthen the New South Wales music industry.
- **\$20.0 million** for Create NSW to continue delivering services to support creative industries and the NSW Creative Communities Policy.
- **\$5.0 million** for the Vibrant Streets Package, to support the NSW Government’s Vibrancy Reforms by creating more flexible, safe and welcoming streets, transport hubs and public spaces.

# Better public spaces

- **\$59.8 million** to refurbish the iconic heritage-listed Pyrmont Bridge to keep it as a key active transport link in and out of the Sydney CBD.
- **\$41.6 million** to deliver the Better Open Spaces grant program to embed best-practice inclusive design in public open spaces across New South Wales through a matched-funding council grants program.


- **\$5.2 million** over two years to ensure the continued operation of Penrith Beach to provide a publicly accessible place to swim for Western Sydney.

# Sports and multiculturalism

- **\$50.0 million** to transform part of Moore Park South into a new 20-hectare public park, including facilities for community sport.
- **\$25.8 million** for the Office of Sport to support local community-based sport.
- **\$14.5 million** for Multicultural NSW to support community cohesion and the state’s diverse multicultural communities.
- **\$8.3 million** to replace and maintain the synthetic athletics track at the Sydney Academy of Sport following its closure due to safety risks.

# Veterans

- In collaboration with the Australian Government, the NSW Government is supporting veterans with funding of **\$12.9 million** in 2025-26 to deliver the NSW Veterans Strategy 2025-2030, which includes the new **\$2.0 million** memorial in the Domain.



**Delivered**

**A calendar of events supported by Destination NSW, including:**

- 2025 Emerging Matildas Championships
- 2025 GWM BMX Racing National Championships
- NSW Waratahs vs British and Irish Lions
- MJ the Musical
- TCS Sydney Marathon
- Vivid Sydney
- Yolŋu power: the art of Yirrkala at the Art Gallery of New South Wales.

And many more sporting, cultural and artistic events confirmed for 2026.

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# Cost-of-living relief

# 1.13

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The NSW Government is continuing to provide cost-of-living relief. Immediate support is matched by longer-term initiatives to improve housing affordability and lower energy costs.

## A better, fairer system for 2.3 million renters

The Government's rental reforms are reducing or eliminating unnecessary fees imposed on renters. This includes by providing fee-free ways to pay rent, banning fees before entering a tenancy, and limiting rent increases to once per year. This is supported by the nation's first Portable Rental Bonds Scheme.

## Support first home buyers

From 1 July 2023 to 1 June 2025, more than 44,500 first home buyers, who purchased a home for up to \$800,000 or vacant land up to \$450,000, have received a transfer duty exemption or concession. More than 17,600 first home buyers, who purchased a home valued between \$800,000 and \$1.0 million received a transfer duty concession. In total, over 62,000 first home buyers have had their purchasing power boosted by an average transfer duty saving of around \$20,500, or a total of **\$1.3 billion** in support to first home buyers across New South Wales. The concessions and exemptions will continue to support more people to purchase their first home.

## Energy relief

The NSW Government's energy social program supports up to 1.0 million households per year and has delivered **\$693.2 million** in cost-of-living support over the last two Budgets. This provides additional relief to households alongside the extension of the \$150 national Energy Bill Relief payment to the first two quarters of 2025-26.

## Boosting bulk billing

In its first eight months, the Bulk-Billing Support Initiative has provided around **\$4.0 million** worth of payroll tax savings for GP clinics that enable them to provide more bulk-billing appointments for the community. This is in addition to commuting more than **\$100.0 million** in historical payroll tax liabilities for contractor GP wages.

## New pay agreements for public sector workers

Since 2023, the Government has delivered significant industrial relations reforms, including:

- abolishing the wages cap
- introducing a mutual gains bargaining approach through the Fair Pay and Bargaining Policy
- delivering the biggest pay increase to essential workers in over a decade, reaching multi-year pay agreements with Crown employees, school and TAFE teachers, police, correctional officers, transport workers, school support staff, paramedics and an in-principle multi-year agreement for rail employees.

Reaching multi-year agreements for better pay and conditions provides certainty and financial security to our public sector workforces. It also attracts and retains highly skilled and qualified workers and reduces vacancies, supporting:

- enhanced safety for our community by ensuring we have police on our streets
- quality education and support for our students by providing permanent teachers and support staff in our classrooms
- timely emergency response by recognised and accredited paramedics.



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# Cost-of-living support measures

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In 2025-26, the NSW Government will assist households with cost-of-living pressures through dozens of measures, including:

- **\$579.0 million** for the Australian Government's **energy bill relief** to households and small businesses
- increased battery discount from 1 July 2025 through the **Cheaper Home Batteries Program** (administered by the Australian Government)
- double the current incentive from 1 July 2025 through the **Virtual Power Plant** scheme.
- Around a 30 per cent discount on the upfront cost of installing small-scale battery systems through the **Cheaper Home Batteries Program** (administered by the Australian Government) for eligible households and small businesses from 1 July 2025.
- Up to \$1,500 discount (double the current incentive) through the **Virtual Power Plant** scheme from 1 July 2025.
- The **Pensioner Council Rates Concession** provides up to a \$250 rebate on council rates and waste services to eligible pensioners, jointly funded by councils.

## Housing

- **First Home Buyer Assistance** transfer duty exemptions on properties valued less than \$800,000 and concessional transfer duty on properties valued less than \$1.0 million for eligible first home buyers.
- A \$10,000 **First Home Owner (New Homes) Grant** for eligible first home buyers of a newly built house, townhouse, apartment, unit or similar with a purchase price below \$600,000 or land and new house package below \$750,000.
- **Rent Choice, Advance Rent, Bond Loan** and other programs to help eligible people, including those escaping domestic violence, take up a private lease.

## Energy and water

- Extension of the \$150 national **Energy Bill Relief** payment to the end of 2025 (automatically applied to electricity bills in \$75 quarterly instalments) for all households and eligible small businesses – in partnership with the Australian Government.
- **Energy Accounts Payment Assistance** for eligible people with short-term financial hardship, crisis or emergency.
- **Energy rebates** for eligible concession card holders, Family Tax Benefit recipients, seniors and eligible people who rely on mechanical and life support equipment.
- **Water rebates** for eligible pension and Department of Veterans' Affairs card holders, as well as community organisations.



## Health

- Assisting people in New South Wales, who have specific, short-term or ongoing health needs, by providing appropriate assistive technology through the **Aids and Equipment Program**.
- Providing ambulance services free of charge for certain concession holders and victims of sexual assault, domestic violence or child abuse.
- Providing new parents with a **Baby Bundle** filled with essential items to assist in their child's early health and development.
- Free dental care for children attending schools participating in the **NSW Health Primary School Mobile Dental Clinics** program.
- Providing financial assistance towards travel and accommodation costs when a patient needs to travel long distances for treatment that is not available locally through the **Isolated Patients Travel and Accommodation Assistance Scheme**.
- Free glasses and vision aids for financially disadvantaged residents through the **NSW Spectacles Program**.
- Free parking at rural and regional public hospitals.
- The **Pre-IVF Fertility Testing Rebate** of \$250 which helps eligible NSW residents cover the costs of fertility testing and \$2,000 through the **Fertility Treatment Rebate** for eligible fertility treatments.

## Education

- Up to \$4,347 in fee relief for parents and carers of 3 to 5-year-olds in community and mobile preschools in 2025.
- Between \$515 and \$2,174 in fee relief to parents and carers of children aged 3 to 5 years attending eligible preschool programs in long day care centres in 2025.
- 44,995 fee-free training places for the formal training component of apprenticeships and traineeships.
- Subsidised vocational education and training for in-demand skills and industries, and fee concessions for Australian Government welfare beneficiaries and people with a disability through the **Smart and Skilled** program.

- The **Vocational Training Assistance Scheme** travel and accommodation allowance for apprentices or new entrant trainees who are required to travel more than 120 km round trip to attend day or block-release training.
- **Bert Evans Scholarships** for apprentices in New South Wales who are facing hardship in their personal circumstances but demonstrate a capability for vocational education and a positive attitude in their training and workplace.

## Recreation

- Two \$50 **Active and Creative Kids** combined vouchers for eligible families available twice a year to enable kids to participate in sports, recreation, cultural or creative activities.
- Free or subsidised swimming lessons for children and adults from culturally and linguistically diverse, and financially disadvantaged communities through the revised **Learn to Swim Program**.
- **Discounted entry to national parks** for certain concession holders including pensioners and veterans.
- **Fishing licence fee exemptions** for First Nations persons, youths and certain concession card holders, including pensioners and veterans.

## Transport

- **Toll Relief – \$60 Weekly Toll Cap** enabling eligible private motorists who spend between \$60 and \$400 on tolls a week to claim a rebate of up to \$340 a week, each quarter through to 31 December 2025.
- The **M5 South-West Cashback Scheme** which enables residents to claim back the value of tolls paid (excluding GST) while using a vehicle registered in New South Wales for private, pensioner, or charitable use on the M5 South-West Motorway.
- Daily, weekend and weekly **Opal Card Travel Caps** for adults, children, youths and concession holders.
- The **School Student Transport Scheme** which provides subsidised travel to and from school for eligible students on government and private bus, rail and ferry services, long-distance coaches, and in private vehicles where no public transport services exist.
- **Concessional Driver Licence Renewal** fees for eligible concession holders.
- **Vehicle registration exemptions** for eligible concession card holders including pensioners.





- The **Taxi Transport Subsidy Scheme** provides a 50 per cent subsidy of a taxi fare, up to a maximum of \$60, for eligible NSW residents who cannot use public transport because of a severe and permanent disability.
- Providing a \$100 rebate to registered first and second year apprentices through the **Apprentice Vehicle Registration Rebate**.
- Reducing the cost of towing privately registered caravans, boats and horse floats on toll roads through the **Large Towed Recreational Vehicle Toll Rebate** for up to eight trips per month.
- Free **Working with Children Checks** for volunteers, students on a professional placement, and potential adoptive parents or authorised carers.
- **Reduced or waived court fees** in some circumstances where a person's capacity to pay may otherwise limit his or her access to justice.
- The NSW Trustee and Guardian offers **free preparation of Will and Power of Attorney** documents for individuals eligible for a full Centrelink Age Pension, and for those receiving Department of Veterans' Affairs Pension or Disability Support Pension and would otherwise be eligible for a full Centrelink Age Pension.

## Other

- The **NSW Companion Card** is for people with significant and permanent disability who need a high level of care in the community. The program allows a cardholder's support person free entry into participating venues and events.
- **Land Tax Early Payment Discount** provides a 0.5 per cent early payment discount where the full amount is paid within 60 days of issue of the notice of assessment in the land tax year.





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# NSW Treasury

First published June 2025

## 2025–26 NSW Budget publications include:

Budget Paper No.01 Budget Statement

Budget Paper No.02 Performance and Wellbeing

Budget Paper No.03 Infrastructure Statement

Budget Paper No.04 Agency Financial Statements

Budget Paper No.05 Appropriation Bills

Overview: Our plan for New South Wales

Our plan for Regional New South Wales

Our plan for Western Sydney

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