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Media Release

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Building a better NSW

The 2025-26 Budget is focused on building a prosperous future for NSW.

The Minns Labor Government is securing the state's economy and the essential services people rely on, while accelerating growth across NSW.

We are making key investments to counter a housing crisis, to support our most vulnerable people, to deliver the schools, hospitals, public transport and roads we need and to back businesses and workers.

This progress is made possible by careful management of the public's finances.

The Budget result

The Minns Labor Government has improved the state's fiscal position without privatisation or an unfair wages cap.

After inheriting a \$15.3 billion budget deficit, the government can outline a responsible pathway to a modest surplus – the first since 2018-19.

Budget Result (\$b)	2024-25	2025-26	2026-27	2027-28	2028-29
2024-25 Half-Yearly Review	-5.0	-2.2	-1.7	-1.3	N/A
2025-26 Budget	-5.7	-3.4	-1.1	1.1	1.1

Expense growth is now projected to average just 2.4 per cent a year, down from 6.2 per cent in the five pre-Covid years under the previous government.

Pressures remain on the State Budget, including the cost of natural disasters and rising workers compensation, which the Minns Labor Government is addressing with a comprehensive reform package currently before Parliament.

Debt under control

The 2025-26 Budget reveals the Minns Labor Government has lowered gross debt by almost \$10 billion.

The \$188.2 billion of gross debt projected in the Pre-election Budget Update is now set to be \$178.8 billion by June 2026.

Reducing this debt means NSW saves more than \$400 million in annual interest payments, money that we can now spend to secure essential services.

Growing a stronger NSW

Labor's careful fiscal approach has seen inflation in NSW fall below the national average at 2.3 per cent, while at the same time real wages are moving, up 0.8 per cent to March 2025.

The future prosperity of NSW relies on economic growth and the 2025-26 Budget lays the foundation to deliver the homes and the jobs, and to foster the innovation that will lead us there.

The Minns Labor Government is halfway through its term, but not halfway finished on the work to build a better NSW for all.

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