

Barton Deakin Brief: NSW State Budget 2015-16**23 June 2015**

The New South Wales (NSW) Treasurer, the Hon Gladys Berejiklian MP, today delivered the 2015-16 NSW State Budget. The 2015-16 Budget is the first to be delivered under the re-elected Coalition Government.

This Barton Deakin Brief outlines key Budget measures across major portfolios.

Overview

The NSW Government will deliver a surplus of \$2.5 billion in 2015-16, with continuing surpluses over the forward estimates. This figure is bolstered by \$1.87 billion in revenue raised from the NSW Government's asset recycling programme, deposited in a new Transport Asset Holding Entity (TAHE) to be established on 1 July 2015. The Budget posts an underlying surplus of \$713 million.

Financial Year	2015-16	2016-17	2017-18	2018-19
Underlying Budget Surplus (\$m)	713	756	811	895
Budget Surplus including TAHE Revenue (\$m)	2,520	3,194	2,590	2,257

Although officially forecast to reach \$272.4 million, Treasurer Berejiklian announced that the final 2014-15 State Budget surplus was \$2.1 billion - \$1.8 billion higher than anticipated (including TAHE figures). This has been attributed to a \$1.3 billion boost to forecast revenue as a result of strong transfer duty receipts and increased Commonwealth grants.

Taking into account the impact of the electricity privatisation plan on the State Budget, expenditure in 2015-16 will reach \$69.62 billion, less than the corresponding \$72.15 billion raised in revenue.

Expenses are \$311 million below the 2014-15 Budget estimate, and revenue growth is forecast to average 2.8 per cent over the forward estimates.

Unemployment in NSW will decrease to 5.75 per cent in 2015-16, before falling a further 0.5 per cent to June 2017. Wage growth will increase by 2.5 per cent in 2015-16.

Real Gross State Product (GSP) is expected to grow at above 3 per cent in 2015-16 and 2016-17, but is projected to reduce to 2 per cent towards the end of the forward estimates period.

Net debt is \$6.7 billion, or 1.3 per cent of GSP at the end of the 2014-15 Financial Year.

Infrastructure

Over the four-year forward estimates period, the NSW Government will allocate \$38 billion on road and public transport infrastructure, not including a further \$20 billion of infrastructure expenditure by government businesses. This \$68.6 billion investment does not include the \$20 billion in forecast



spending on major projects that will be delivered through the government's plan to lease public electricity assets.

In 2015-16 alone, infrastructure will receive \$16.5 billion, including \$9 billion in public transport spending. In announcing these initiatives, the [Premier has detailed](#) \$208.85 million of transport funding that has been brought forward to accelerate infrastructure investment.

The 2015-16 Budget outlines funding for the following major projects over the next twelve months, including:

- WestConnex - \$1.7 billion;
- Pacific Highway Duplication (Hexham to Queensland Border) - \$1.4 billion;
- Rail maintenance and operations; \$1.27 billion;
- Sydney Metro Northwest - \$977 million;
- NorthConnex - \$275 million;
- CBD and South East Light Rail - \$120 million;
- Newcastle Light Rail construction - \$103 million;
- Parramatta Light Rail - \$19 million;
- Intercity train fleet procurement - \$94 million;
- Second Sydney Harbour Rail Crossing planning and development - \$84 million;
- Various road projects across Sydney designed to clear congestion - \$180 million;
- New and replacement buses - \$92 million; and
- New ferries for Sydney Harbour- \$12 million.

A total of \$4.1 billion is allocated to rural and regional road upgrades.

The Commonwealth and NSW Government will also jointly fund a further \$164 million in road projects to support the future Western Sydney Airport over the coming year.

Over the next four years, the Government will spend \$890 million on upgrades to Sydney's train stations and commuter parking facilities. Key stations that will benefit include Campbelltown, Hornsby, Penrith and Ashfield - see [here](#).

The NSW Government has announced that a metro station will be built at the new Barangaroo precinct on the western edge of the Sydney CBD. This hub will also be connected to the Sydney ferry network. The Barangaroo Development Authority will initiate a new tender process for the metro station, the details of which will be informed by a new working group between the Department of Premier and Cabinet, Transport for NSW and Treasury – see [here](#).

A media release with details of the NSW Government's infrastructure investment can be read [here](#).

Barton Deakin's Brief on the NSW State Infrastructure Strategy can be read [here](#).

Barton Deakin's Brief on the NSW Government's *Plan for Growing Sydney* can be read [here](#).

Barton Deakin's Brief on the Half-Yearly Review of the 2014-15 NSW State Budget can be read [here](#).



Health

The Government is delivering a \$21 billion budget for health in 2015-16, including \$1.4 billion to be spent on health infrastructure. The Government has committed to providing funding for an additional 2,100 nurses and 700 doctors in line with its [2015-19 election commitments](#). Other major health spending measures include:

- \$325 million for increased hospital activity, including 90,000 extra emergency department attendances and 40,000 extra admissions (including 3,100 extra elective surgeries);
- \$1.7 billion for mental health services, representing a 6.7 per cent growth in funding on last year;
- \$159 million over four years for medical research (media release [here](#)); and
- \$49.9 million for the National Partnership Agreement on Adult Public Dental Services.

A media release from the Minister for Health, the Hon Jillian Skinner MP, regarding health measures in the 2015-16 State Budget can be read [here](#).

Education

In 2015-16, the Government is spending \$12.8 billion on schools and early childhood education, which represents an increase of \$635 million over last year. The Department of Education has been allocated a \$456 million capital budget in 2015, representing a 27 per cent increase on last year. Key spending measures in the education portfolio include:

- More than \$2.3 billion in vocational education and training (VET), which includes a \$2 billion investment in TAFE (media release [here](#)).
- \$348 million for improved access to preschool and early childhood education services;
- \$167 million over four years for the *Supported Students, Successful Students* package to provide additional counselling support at schools;
- \$20 million to provide up to 45,000 new before and after school care places; and
- \$12.5 million for capital works in non-government schools under the Building Grants Assistance Scheme.

A media release from the Minister for Education, the Hon Adrian Piccoli MP can be read [here](#).

Other spending measures

Justice and Police

- \$3.3 billion has been allocated to the NSW Police Force, along with \$178 million for capital works (media release [here](#));
- \$100 million over four years for the *Policing for Tomorrow Fund* to equip the State's police officers with the latest technological advancements; and
- More than \$20 million over four years for a new 600-bed prison in Grafton and the expansion of Parklea Correctional Centre to provide capacity for 400 more prisoners.



Social Services, Disability Services and Prevention of Domestic Violence

- A \$6.1 billion budget for the Department of Family and Community Services, representing an increase of 7 per cent on 2014-15;
- \$3.3 billion for people with disabilities, including funding to ensure the transition to the National Disability Insurance Scheme (**NDIS**);
- An increase in funding for Out of Home Care (**OOHC**) by \$200 million over four years; and
- \$148.5 million over the forward estimates to prevent and respond to family violence (media release [here](#)).

ICT and Corporate Services

- The 2015-16 State Budget includes funding of almost \$1.9 billion towards improve service delivery, including:
 - \$362 million for Service NSW to improve digital transactions services and rollout a further 27 one-stop shops;
 - \$167 million to provide and improve services to government agencies in the areas of procurement, fleet management, information technology, business improvement and shared services; and
 - \$36 million to drive reform in the delivery of information and communications technology (ICT) including data centre reform and government licensing.

Environment

- \$1.66 billion will be invested to protect the State's National Parks, preserve heritage assets and protect local communities from pollution and environmental harm;
- Over \$160 million will be allocated to the NSW Environment Protection Authority; and
- More than \$120 million over four years will be allocated to improving and developing Western Sydney parkland facilities.

Trade, Tourism, Sport and Recreation

- \$176 million to support tourism, major events and business events (media release [here](#)); and
- \$175 million investment in sports and facilities across NSW over the next year (media release [here](#)).

Regional Development

- \$26 million over three years to assist families, businesses and emergency services connect under the Mobile Black Spot initiative to encourage telecommunication providers to invest in regional areas (media release [here](#));
- \$31 million for new and approved applicants to be supported from the Murray Darling Economic Diversification program over 2015-16 and 2016-17; and
- The continued \$110 million investment in the *Regional Tourism Infrastructure Fund* to deliver tourism infrastructure projects in regional NSW.



Further information

A joint media release from Premier Baird and Treasurer Berejiklian regarding the 2015-16 NSW Budget is available [here](#).

For further information

- The 2015-16 Budget Papers are available at <http://www.budget.nsw.gov.au/>
- The Treasurer's budget speech is available [here](#).
- The 2014-15 half-yearly budget review released on 18 December 2014 is available [here](#).
- Barton Deakin's Brief on the 2014-15 NSW State Budget can be read [here](#).
- Previous budget papers can be viewed [here](#).
- Barton Deakin's Budget Briefs page can be accessed [here](#).

Barton Deakin's Briefs on the policy activities of the NSW Government can be accessed [here](#).

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