

Barton Deakin Brief: New South Wales 2016 Intergenerational Report

26 May 2016

Today the New South Wales Treasurer and Minister for Industrial Relations, the Hon Gladys Berejiklian MP, released the New South Wales 2016 Intergenerational Report '[Future States: NSW 2056](#)'.

The New South Wales Intergenerational Report is published every five years. The Report projects key demographic and economic trends over the next 40 years. The following projections are included in the 2016 Intergenerational Report:

- The New South Wales economy will be worth \$1.3 trillion (in 2014 terms) by 2056;
- Population will be 11.2 million;
- Median age will be 41, up from 37 in 2015;
- Gross capital expenditure in 2056 will be 49.2 billion;
- Net migration will be at 41,000 per year; and
- Per capital income will be \$116,000, up from \$67,000 in 2015.

Key challenges for New South Wales identified in the Report include:

The provision of services and infrastructure to support the increasing population

Health spending is expected to increase from approximately 28 per cent of the State Budget in 2014 to 36 per cent in 2055. Similarly, infrastructure spending in 2015 was 1.8 per cent of Gross State Product (**GSP**), and is expected to grow to 4.1 per cent of GSP in 2056.

Decreasing State Revenue

State Government revenue has grown on average at 5.7 per cent a year over the last decade. The Report projects that the revenue will grow at the slower rate of 4.7 per cent a year over the next four decades, less than the expected growth in the State's expenditure requirements.

In order to address these challenges the Report highlighted a number of 'opportunities and choices' available to the State Government, including:

- Strengthening the economy through 'light touch' regulation and implementing recommendations in the [Competition Policy Review](#) to lift workforce productivity;
- Increasing the size of the New South Wales workforce through migration;
- Expanding housing supplies and investing in transport to link housing to jobs;
- Using data through the [Data Analytics Centre](#) to ensure that public services are targeted and managed in line with best practice data analysis; and
- Reforming taxation to facilitate productivity and growth while retaining a sufficient revenue base.



Further information

To view the media release from the Treasurer, click [here](#).

To read the New South Wales 2016 Intergenerational Report '*Future States: NSW 2056*', click [here](#).

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