

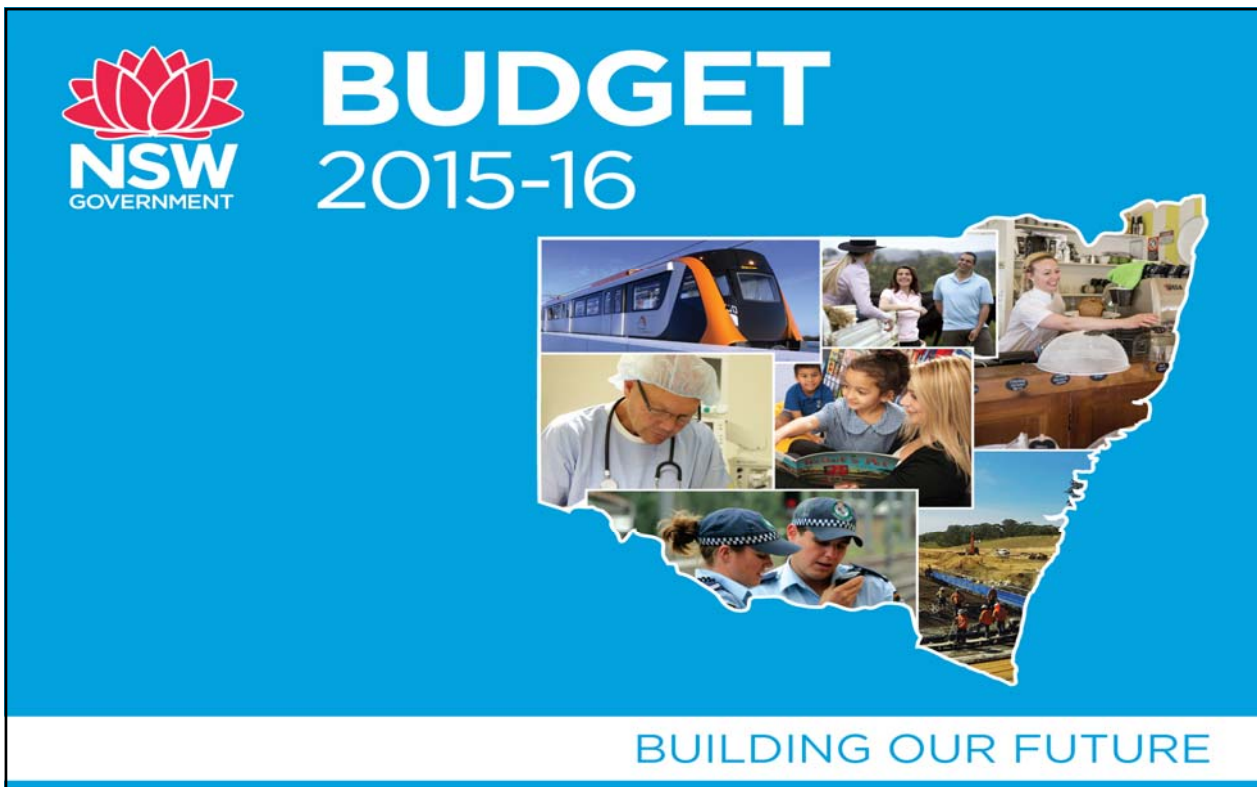



Budget 2015
New South Wales
Briefing and Discussion, 24 June 2015, Sydney



The Hon Gladys Berejiklian MP
Treasurer, New South Wales
Budget 2015





 **BUDGET** 2015-16 BUILDING OUR FUTURE

2015-16 Budget highlights

Strong financial and economic management

- Surpluses in 2015-16 and across the forward estimates
- Wages and expenses under control
- NSW economy leading the nation
- Maintaining the Triple-A

Building infrastructure

- Record \$68.6 billion over four years (non-financial public sector)

Supporting jobs

- 150,000 new jobs over four years

Delivering more services

- Record \$19.6 billion recurrent budget for health
- Record \$12.8 billion recurrent budget for education

4



BUDGET 2015-16

BUILDING OUR FUTURE

This Budget delivers four surpluses for the first time in five years

	2013-14 Actual	2014-15 Revised	2015-16 Budget	2016-17 Forward Estimates	2017-18 Forward Estimates	2018-19 Forward Estimates
Budget Result (pre-TAHE) (\$m)	1,247	2,058	713	756	811	895
Budget Result (\$m)	1,247	2,058	2,520	3,194	2,590	2,257
Per cent of GSP	0.3	0.4	0.5	0.6	0.4	0.4
Net Capital Expenditure (\$m)	2,484	3,254	4,302	3,347	2,591	5,003
Per cent of GSP	0.5	0.6	0.8	0.6	0.4	0.8
Net Lending / (Borrowing) (\$m)	(1,236)	(1,196)	(1,783)	(153)	(1)	(2,747)
Per cent of GSP	(0.3)	(0.2)	(0.3)	(0.0)	(0.0)	(0.4)
Net Debt (\$m)	6,869	6,655	9,875	12,270	13,112	15,799
Per cent of GSP	1.4	1.3	1.9	2.2	2.2	2.6

Source: NSW 2015-16 Budget. The impacts of electricity network lease transaction are not included until contracts are signed. The impacts of infrastructure investment under Rebuilding NSW are also not included.

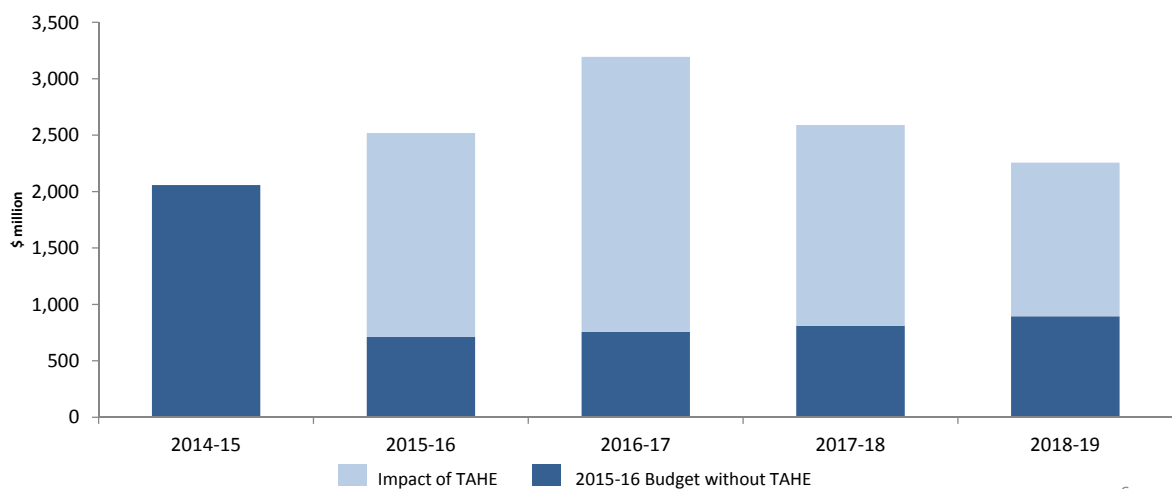
5



BUDGET 2015-16

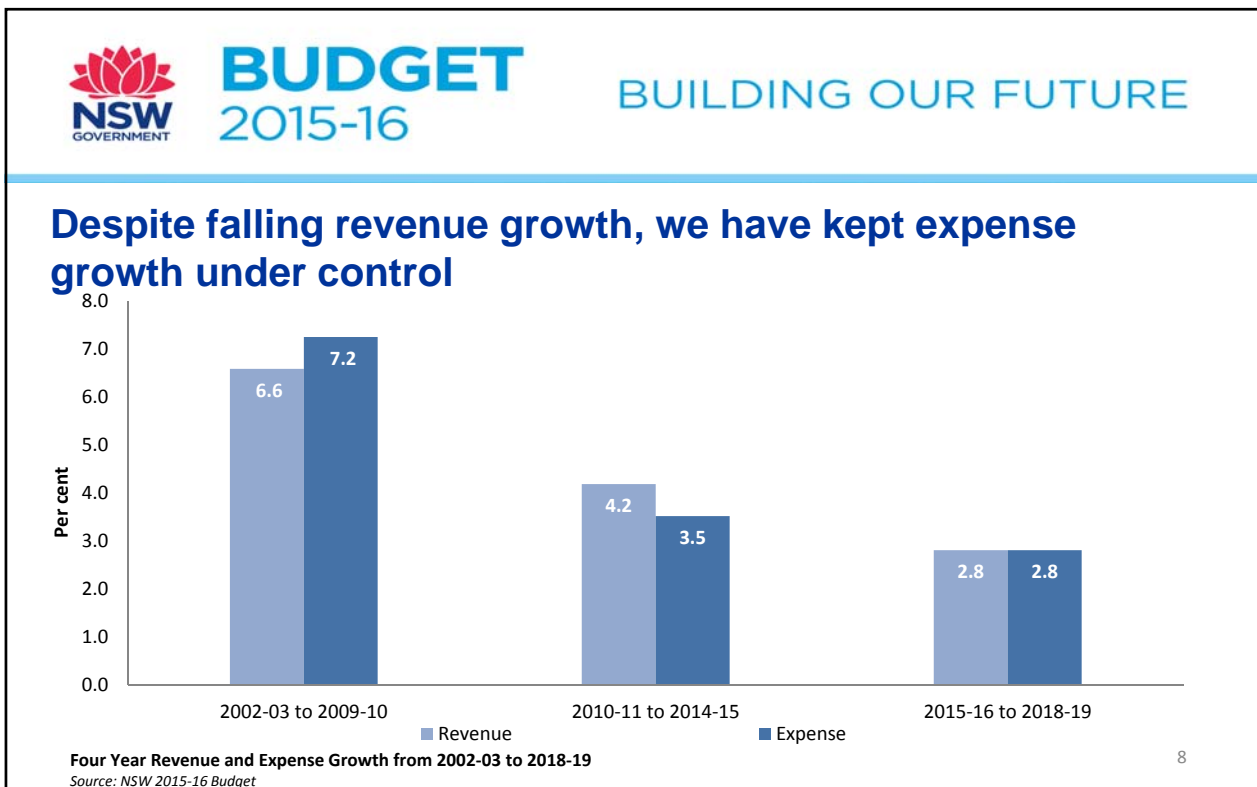
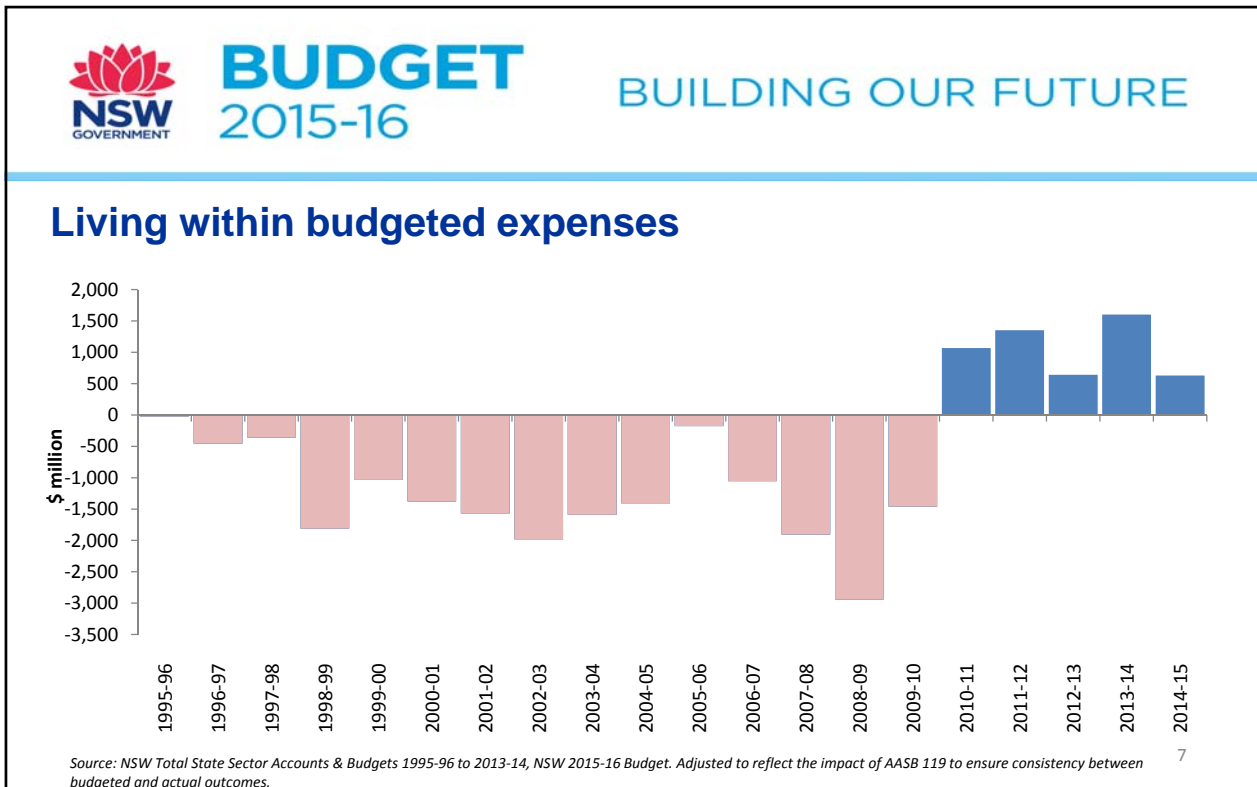
BUILDING OUR FUTURE

2015-16 Budget results



Source: NSW 2015-16 Budget

6

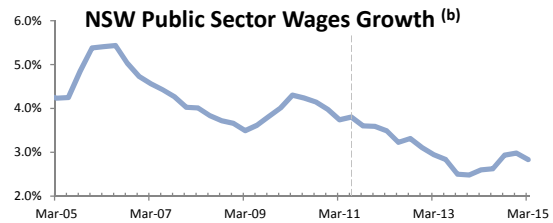
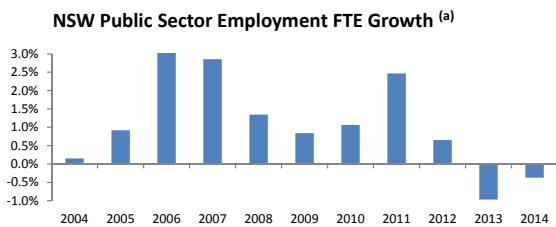




BUDGET 2015-16

BUILDING OUR FUTURE

Wages policy and reform have cut expense growth



The NSW Public Sector Wages Policy arrangements have avoided potential costs of around **\$1.6 billion** from June 2011 to March 2015.

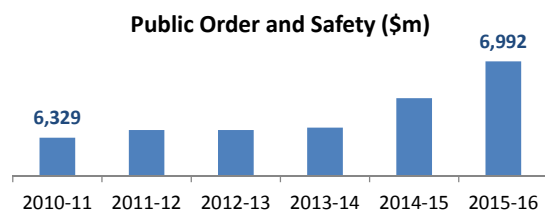
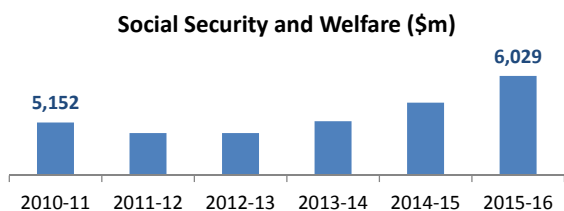
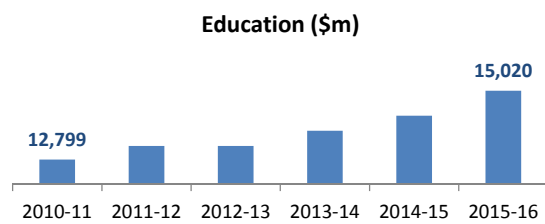
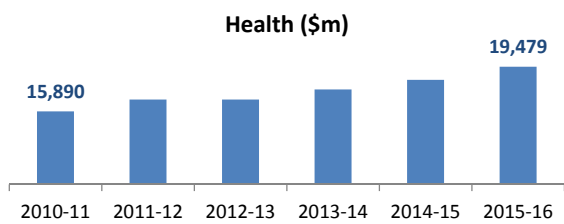
(a) Source: Workforce Profile Report 2014, NSW Public Service Commission, (b) 4Qtr average growth (per cent)



BUDGET 2015-16

BUILDING OUR FUTURE

Funding for key services has increased



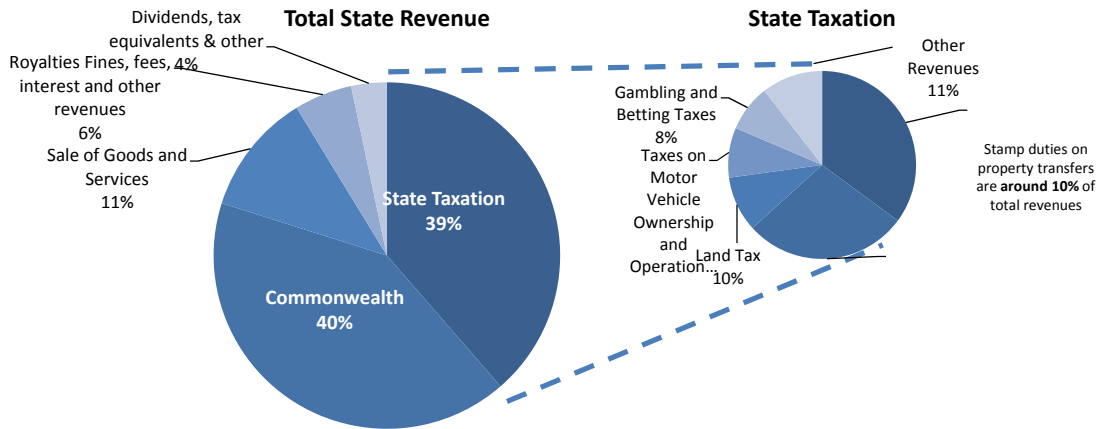
Australian Bureau of Statistics Government Purpose Classifications
Source: NSW Total State Sector Accounts 2010-11 to 2013-14, NSW 2015-16 Budget



BUDGET 2015-16

BUILDING OUR FUTURE

2015-16 revenue totals \$72.1 billion



Source: NSW 2015-16 Budget

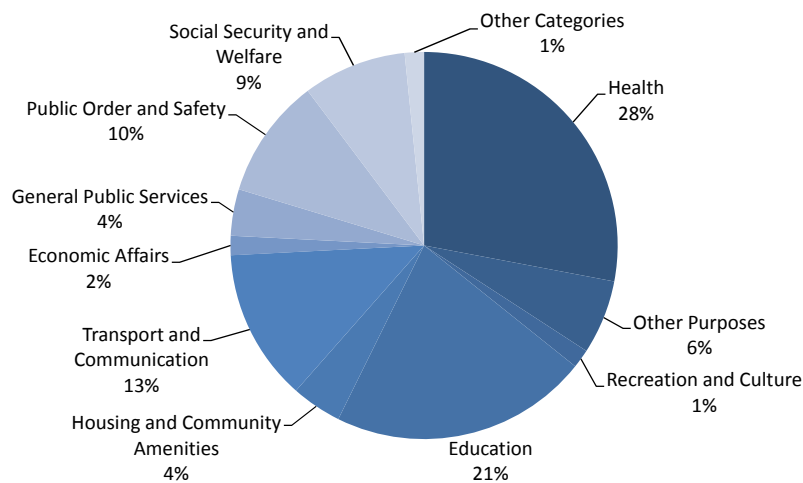
11



BUDGET 2015-16

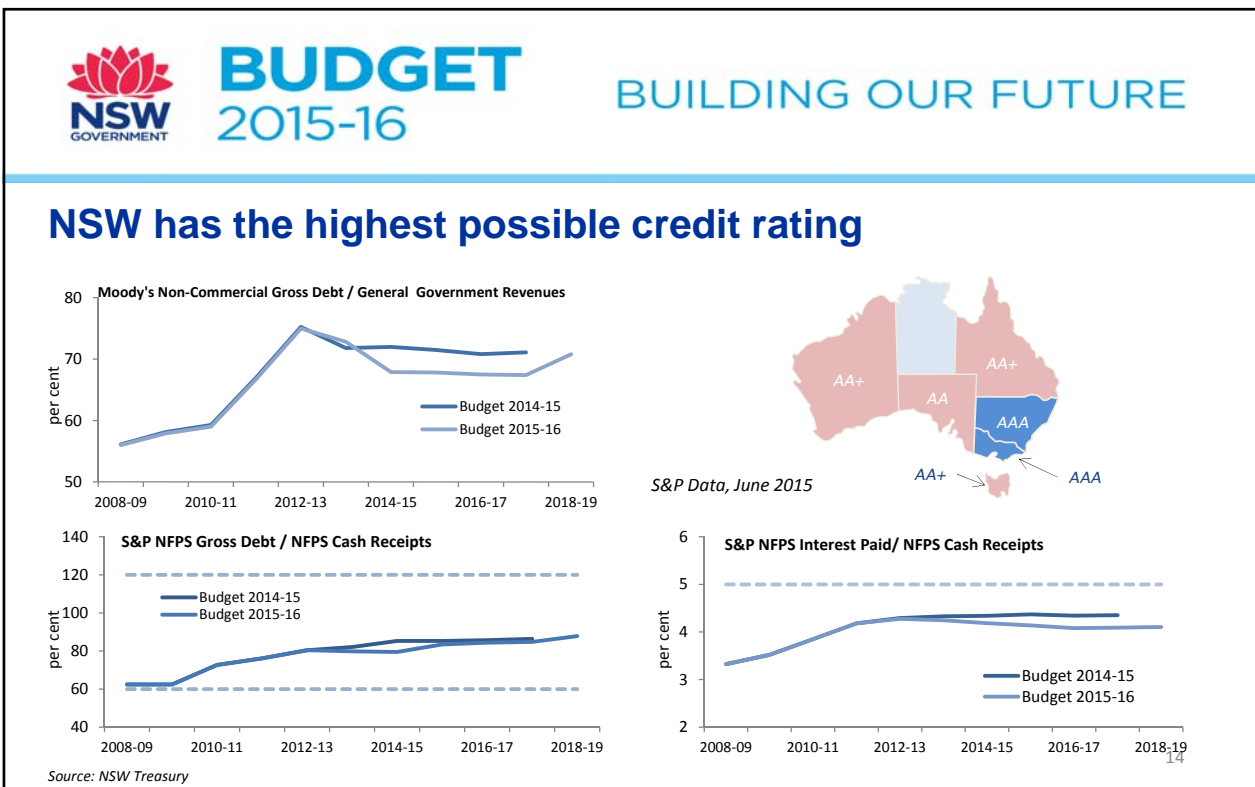
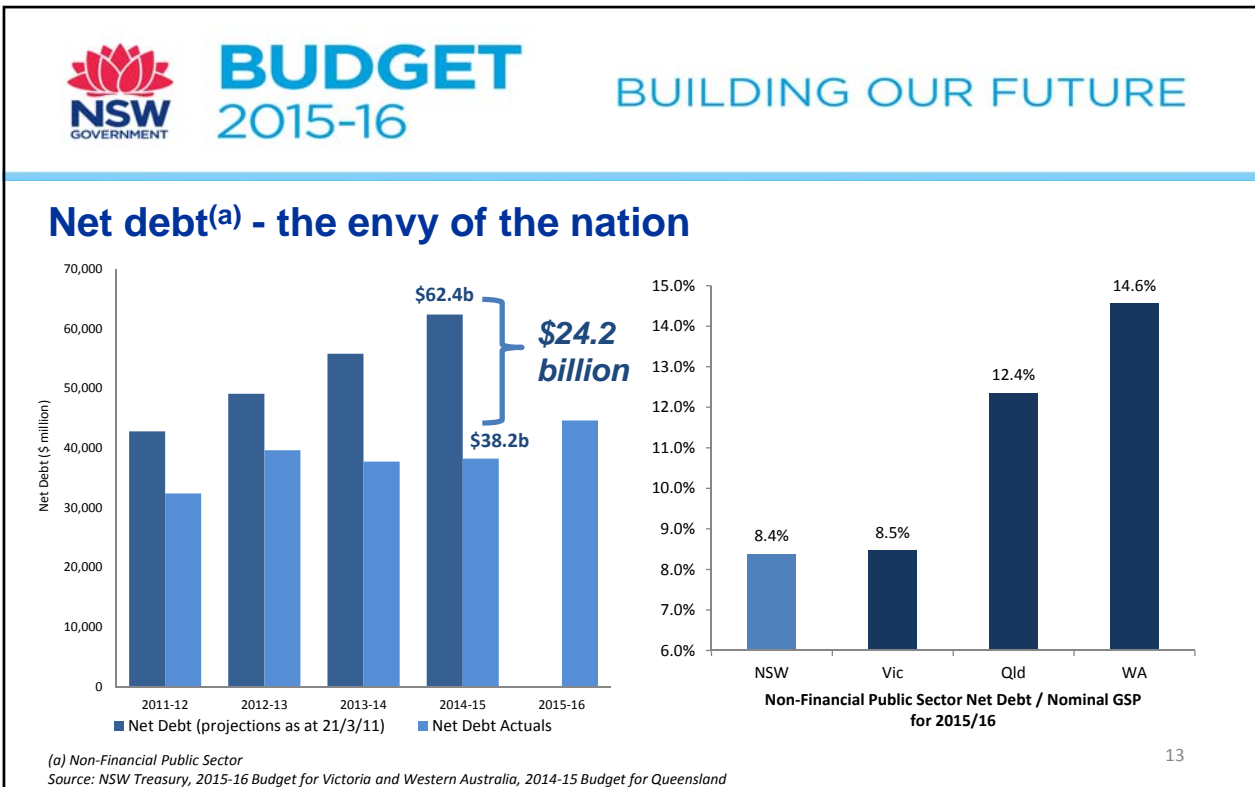
BUILDING OUR FUTURE

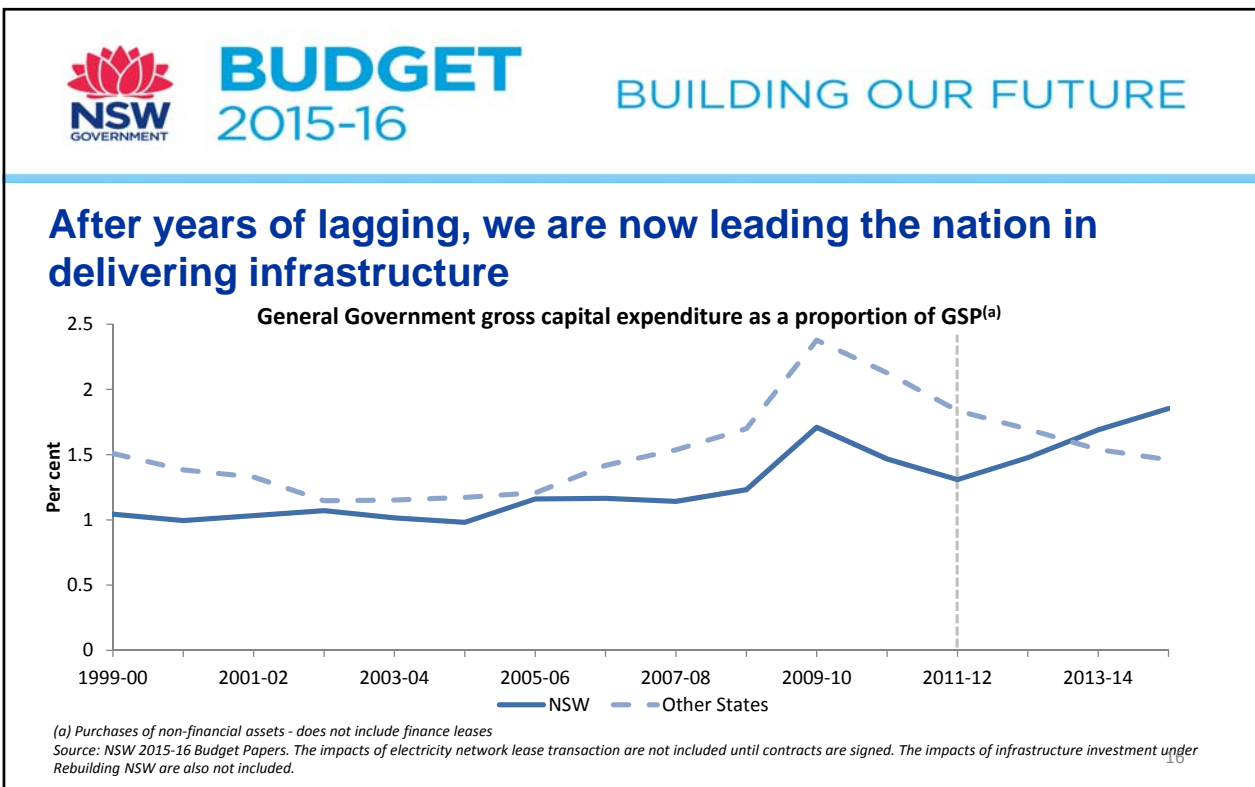
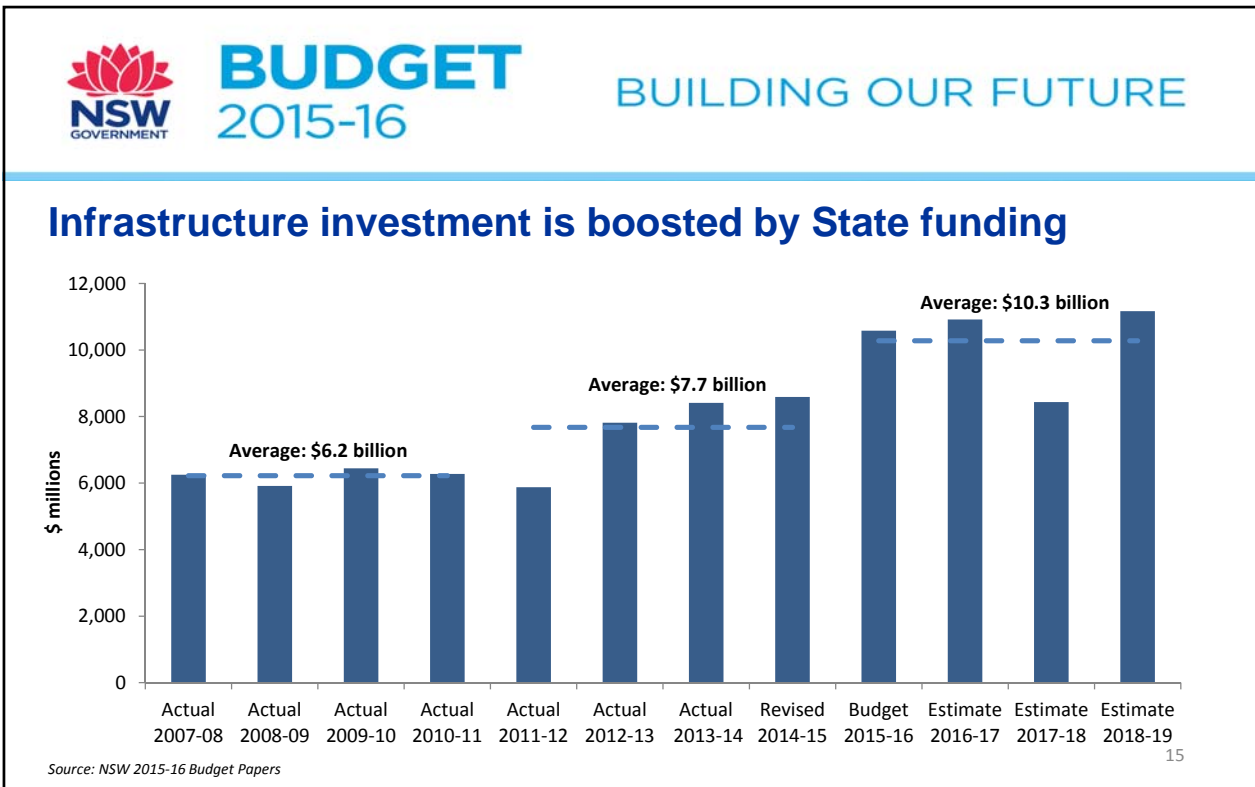
2015-16 expenditure totals \$69.6 billion



Source: NSW 2015-16 Budget

12



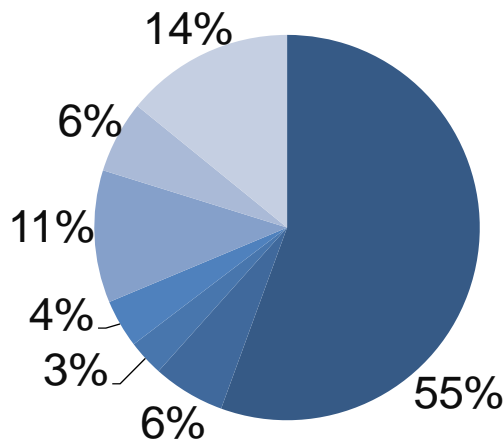




BUDGET 2015-16

BUILDING OUR FUTURE

\$68.6 Billion Four Year Capital Program



- \$38b - Transport
- \$4.5b - Health
- \$2.1b - Education
- \$2.5b - Housing
- \$7.8b - Electricity
- \$4.3b - Water
- \$9.4b - Other



BUDGET 2015-16

BUILDING OUR FUTURE

Key Infrastructure Investment 2015-16

Public Transport - \$9 billion

- **\$977 million** for Sydney Metro NorthWest
- **\$120 million** for CBD and South East Light Rail
- **\$103 million** for Newcastle Light Rail
- **\$84 million** for planning the new Sydney Metro





BUDGET 2015-16

BUILDING OUR FUTURE

Key Infrastructure Investment 2015-16

Roads - \$7.5 billion

- **\$1.7 billion** for WestConnex
- **\$275 million** for NorthConnex
- **\$1.4 billion** Pacific Highway upgrade



19



BUDGET 2015-16

BUILDING OUR FUTURE

Key Infrastructure Investment 2015-16

- **\$1.4 billion** for Health
- **\$456 million** for Education
(27% increase on last year)
- **600 bed new** Grafton prison (PPP)
- **400 bed** expansion of Parklea prison





BUDGET
2015-16

BUILDING OUR FUTURE

Innovative Infrastructure Procurement in NSW

- Northern Beaches Hospital
- Sydney Metro Northwest
- CBD and South East Rail
- NorthConnex
- WestConnex



21



BUDGET
2015-16

BUILDING OUR FUTURE

Rebuilding NSW

\$20 billion to fund six strategic infrastructure initiatives

- Urban public transport
- Urban roads
- Regional transport
- Water security
- Education
- Health
- Culture & sport



- Including \$6b investment in our regional areas

22



BUDGET 2015-16

BUILDING OUR FUTURE

Accelerating Rebuilding NSW

\$591 million to accelerate Rebuilding NSW including:

Public Transport: \$50 million for Sydney Metro City and Southwest and \$19 million for Parramatta Light Rail

Education: \$160 million for new schools at Ballina, Parramatta and in inner Sydney

Roads: \$65 million for Pacific Highway (Central Coast), \$15 million for Smart Motorways, \$38 million for Mitchell Highway

Getting projects shovel-ready

23

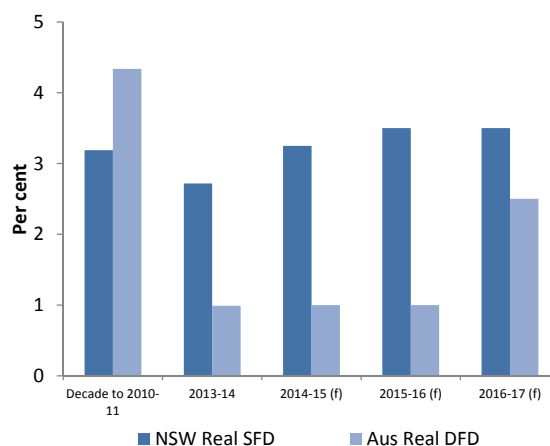


BUDGET 2015-16

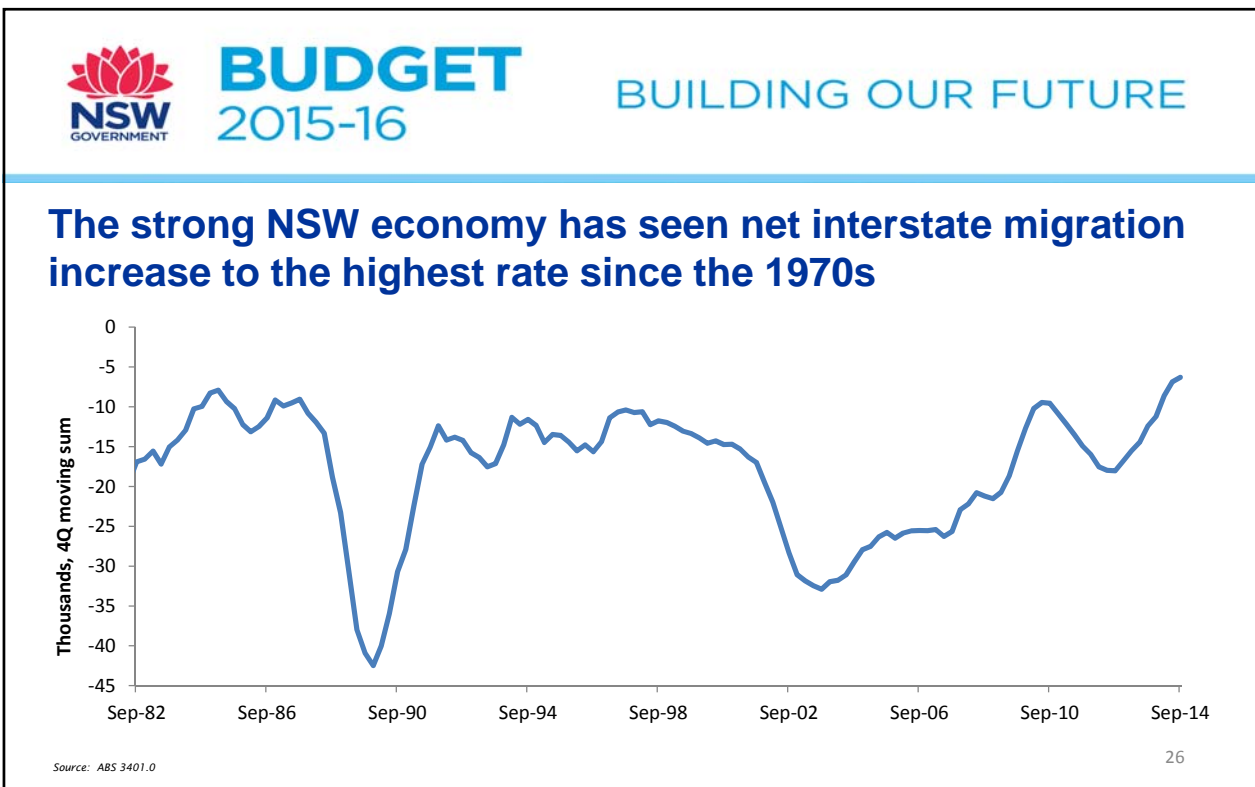
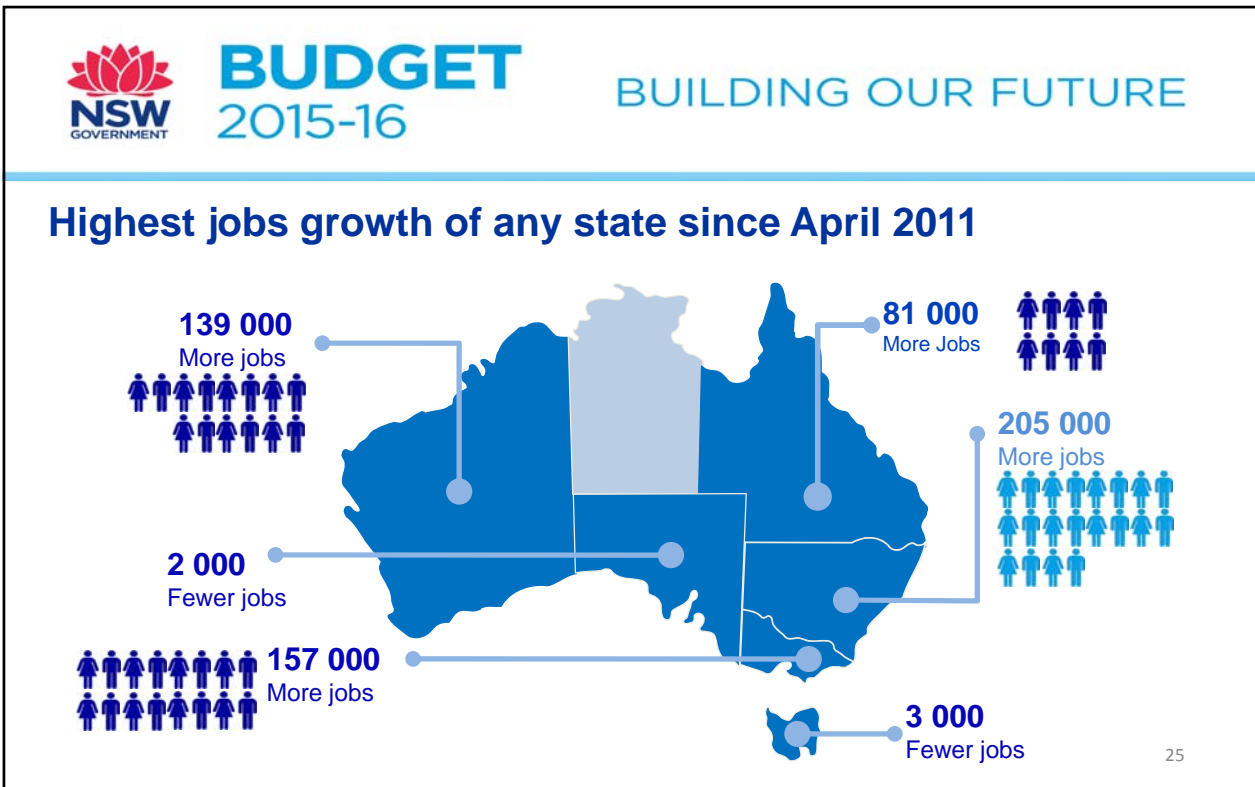
BUILDING OUR FUTURE

Strong economic growth forecasts

New South Wales	2013-14 Outcomes	2014-15 Forecasts	2015-16 Forecasts	2016-17 Forecasts	2017-18 & 2018-19 Projections ^(b)
Real state final demand	2.7	3%	3%	3%	
Real gross state product	2.1	2%	3	3	2%
Employment	0.6	1%	1%	1%	1%
Unemployment rate ^(c)	5.7	6	5%	5%	
Sydney CPI ^(d)	2.5	1%	2%	2%	2%
- through the year to June quarter ^(d)	2.8	1%	2%	2%	
Wage price index	2.5	2%	2%	2%	3%
Nominal Gross State Product ^(e)	3.1	4	4	4%	
Australia					
DFD (national)	1.0	1	1	2%	
GDP (national)	2.5	2%	2%	3%	



Source: ABS 5206.0, 5220.0, 6202.0, 6401.0, 6345.0 and Treasury (a) Per cent change, year average, unless otherwise indicated. (b) Average across 2017-18 and 2018-19. (c) Year average, per cent. (d) 2014-15 includes a % of a percentage point deduction from the abolition of the carbon tax. 2014-15 to 2016-17 include a % of a percentage point contribution from tobacco excise increases. Source: ABS 5220.0, ABS 5206.0 and Treasury





BUDGET 2015-16

BUILDING OUR FUTURE

The economy - now and then

Economic Indicator	Where we were	Where we are now
Jobs Growth	Slowest of any state for last decade under Labor	Most jobs of any state in past four years
Unemployment Rate	Unemployment rate was above the national average for 40 of Labor's last 48 months	Unemployment rate has been at or below the national average for 18 of the last 19 months
Economic Growth	Slowest of any state for last decade under Labor	Fastest of all the states in 2014
Business Confidence	Lowest of any state among small-medium businesses for last five years under Labor	Highest of all the states, positive for 22 consecutive months
Housing Supply	Lowest number of new dwelling starts per capita for the last five years under Labor	Housing approvals at highest levels in over a decade
Retail Trade	Under Labor, retail trade growth was below the national average	In 2014, retail trade growth was 3 percentage points above the national average

27



BUDGET 2015-16

Thank you



BUILDING OUR FUTURE